

British International Investment plc
The UK's development finance institution



IMPACT IN ACTION

ANNUAL REPORT AND ACCOUNTS 2025

IN THIS REPORT

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 2025](#), which provides an overview of our development impact over the year.

Visit bii.co.uk for more information.



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STRATEGIC REPORT

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Chair's statement



Diana Layfield
Chair

“ We have delivered on our core commitment to productive, sustainable and inclusive development.”

The past year has been defined by global shifts that are reshaping the landscape for development finance. As we conclude our current strategy period and look ahead to the next, it is clear the world in which we operate has become more complex and more demanding of long-term investment.

Financing for development is changing. At the same time, the gap between countries – particularly the most climate and conflict vulnerable – is widening. And the urgency of tackling climate change is greater than ever. This context underscores the need for more effective partnerships, greater mobilisation of private capital and investment that delivers sustainable economic growth.

Against this backdrop, British International Investment is strongly aligned with the UK Government's ambitions, and we are a vital part of its work to make the world a more prosperous place for everyone. Our work reflects the UK's approach to partnership – focused on building long-term relationships and shared prosperity.

Delivering our strategy

As we turn our attention to our new 2026-31 strategy, it is an opportune moment to reflect on what we set out to achieve in our 2022-26 strategy, and what we have delivered.

We have delivered on our core commitment to productive, sustainable and inclusive development. Across the strategy period, our investments have supported growth in sectors that create jobs and opportunities, expanded access to essential services and strengthened economies, so that countries can build the conditions to shape their own futures.

We have met the ambitious commitments we set for climate finance and gender lens investing, areas where BII continues to lead among our peers.

This period has also marked our expansion into South-East Asia. In just a few years, we have established a strong presence and committed significant capital to the region, supporting countries undergoing rapid transformation and facing acute climate vulnerability.

Financial sustainability has remained at the foundation of our model. We have continued to generate long-term returns that allow us to reinvest in more businesses across Africa and Asia, scale our impact and provide value to the UK taxpayer.

As we conclude one strategy period and move to the next, the Board has been closely involved in shaping our future direction, ensuring we remain focused, resilient and ready for the years ahead.

Accountability and transparency

As the UK's development finance institution (DFI), we have a responsibility to be accountable to the public and to Parliament. Over the past year, we have continued to engage transparently and constructively with parliamentarians, to demonstrate clearly how we invest and the impact we deliver.

In 2025, we were also proud to be recognised by Publish What You Fund as the world's most transparent bilateral DFI – an important marker of the standards we set and the leadership role we play across the sector.

Chair's statement continued

I would like to express my sincere thanks to our partners across the Foreign, Commonwealth and Development Office (FCDO) and the wider UK Government. Their support and collaboration have been essential during this period of global change, and as we shape our new strategy for the years ahead.

I would also like to acknowledge the contributions of our Board. This year, we said farewell to Dolika Banda and Laurie Spengler, who have served with dedication and provided invaluable guidance. I am also grateful to Carolyn Sims, who intends to step down as Chief Financial Officer this year. I would like to thank her for her steady leadership and significant contribution to BII.

Finally, my thanks go to the staff of BII. Their expertise, professionalism and commitment continue to underpin everything we achieve. The impact captured in this Annual Report and Accounts is a testament to their work.

Diana Layfield
Chair



Chief Executive Officer's statement



Leslie Maasdorp
Chief Executive
Officer

“Investing across Africa and Asia during a period of significant global change has clarified where development finance can play a distinctive role.”

At BII, we see impact as dynamic – shaped by continuous adaptation and evolution. It must keep pace with a rapidly changing world. For more than 75 years, we have done exactly that, delivering positive outcomes for people and the planet. That commitment remains strong today.

2025 was a year of momentum and preparation. As we approached the end of our 2022-26 strategy, our focus was not only on what we achieved in the year itself, but on what we have learnt and how those lessons should shape the choices we make next.

Throughout the year, we continued to deliver at scale. We committed £1.8 billion, with £1.1 billion invested in Africa and £712 million in Asia, while continuing to deliver against our climate finance and gender investing objectives. Our successful delivery of our climate and gender commitments across the strategy period provides a strong foundation for the next phase of our work.

At the time of writing, the global economic environment remains challenging, with persistent inflation, tariff pressures and heightened geopolitical uncertainty creating volatility across the markets in which we operate. These dynamics continue to affect our portfolio, and we are monitoring their impact closely.

At the same time, they also reaffirm our conviction in the long-term, steady investment that development finance provides. Our experience investing across Africa and Asia during a period of significant global change

has clarified where development finance can play a distinctive role. It has sharpened our judgement about where our capital, partnerships and influence can make the greatest difference.

In 2025, this translated into three areas of focus that reflect how our role continues to evolve.

Going further in frontier markets

One area where our impact is most tangible is in frontier markets. These are places where capital is scarce, risks are higher and our role as a development finance institution is most clearly differentiated. In 2025, we continued to go deeper into these markets, backing initiatives such as Acumen's Hardest to Reach fund, which is expanding access to affordable renewable energy in countries where electricity access is as low as 12 per cent. These investments often require patience and flexibility, but they are where our capital can unlock lasting change.

Unlocking capital at greater scale

Another defining focus of the year was mobilising much-needed private capital. The scale of today's development and climate challenges means that BII's own balance sheet will never be enough on its own. In 2025, we worked with global asset managers and institutional investors to bring new funding into emerging markets. At the same time, we placed renewed emphasis on mobilising domestic capital – such as our partnerships with Zambia's National Pension Scheme Authority (NAPSA) and the Public Investment Corporation (PIC) in South Africa – because strong local financial systems are essential for sustainable growth.

Chief Executive Officer's statement continued

Recycling capital is also central to how DFIs scale impact. By exiting investments at the right time, DFIs can demonstrate commercial viability and make space for commercial investors to follow. Our exits from utility-scale renewable projects such as Ayana Renewable Power in India and Kenhardt in South Africa showed how development capital can support projects through early risk and then transition them to sustainable, market-based financing, allowing DFI capital to be redeployed.

Driving market-level impact

In 2025, we also reflected on how we can maximise our impact. While individual investments remain fundamental to our work, we increasingly focused on how those investments can strengthen entire markets – encouraging competition, building sectors and accelerating progress beyond any single transaction. In Nepal, WorldLink's expansion to over one million customers helped stimulate competition, improving both affordability and service quality for consumers. Applying what we have learnt across geographies and sectors is central to this approach. For example, in electric mobility, lessons from our investments in India are now informing our approach in Kenya. Together, these examples show how targeted investments can contribute to changes that extend well beyond individual businesses.

None of this is possible without partnerships. The challenges we face are complex and in a world of constrained resources, collaboration is more essential than ever. Throughout the year, we accelerated our collaboration with other DFIs, local partners and governments, strengthening existing relationships and forming new ones. These partnerships will be a cornerstone of our next strategy.

Finally, as we concluded our current strategy period, we have reflected on what has worked and where we can do better. These lessons have helped to shape a new strategy that is grounded in today's realities and focused on where our capital and expertise can make the greatest difference.

In this Annual Report and Accounts, we show how we put our approach into action – in the markets we serve, through the partnerships we build and in the outcomes we seek to achieve.

Leslie Maasdorp
Chief Executive Officer



Strategy

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 three portfolios of investments: Growth, Catalyst and Kinetic. 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.

Our 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.

In addition, in 2024, we partnered with the European Bank for Reconstruction and Development (EBRD) in the launch of the Ukraine Investment Platform. Under this partnership, we have committed up to £250 million, on a phased basis, to support the country's reconstruction. Investments focus on sectors critical to Ukraine's recovery, including agriculture, green infrastructure, energy and financial services.

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 set out three strategic objectives that responded to the opportunities and challenges we saw in the countries we serve. We 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.



Strategy continued

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. These include 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 that 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 9 TO 12 AND PAGE 76.**

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 How we engage with our stakeholders on **» PAGES 58 AND 59.**

Looking ahead

Our rigorous impact scoring system, which focuses our investment on productive, sustainable and inclusive growth, has helped us exceed our targets, launch flagship investment platforms, and manage our portfolio to deliver both development impact and financial returns.

We have reflected on our 2022–26 strategy, both on what has worked well and where we can go further. Under our 2026–31 strategy, we will continue to focus on the sectors that matter most for development; increase our ambitions on mobilising private capital; and increase our commitment to the Least Developed Countries. Commercial rigour will continue to be at the heart of what we do.



Financial performance



Carolyn Sims
Chief Financial
Officer



In 2025, BII made gross new commitments of £1.8 billion.”

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 82 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 9 TO 12** 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 financial statements on **» PAGES 98 TO 100**.

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 includes 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 2025 against these metrics is explained in the relevant paragraphs below. Performance against non-financial metrics is detailed in our [» Annual Review 2025](#).

Investment pace

BII’s investment pace continues to be ambitious, and 2025 was no exception with new commitments of £1.8 billion. Despite the scale of this ambition, we are always guided by the shifting needs and opportunities of the countries we invest in, as well as our aim to retain the highest standards of investment selection.

Financial performance continued

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 2025, BII made gross new commitments of £1,823.5 million (2024: £1,748.8 million), representing a 4 per cent increase from 2024 levels. During the year, £21.2 million of commitments declared in prior years were cancelled. Net new commitments were £1,802.3 million, representing an 18 per cent increase from 2024 levels (2024: £1,525.0 million). New commitments can be found on our [website](#) and in our [Annual Review 2025](#).

	2025 £m	2024 £m
Gross new commitments	1,823.5	1,748.8
Trade and supply chain finance facility downsizing	–	(196.3)
Cancellations	(21.2)	(27.5)
Net new commitments	1,802.3	1,525.0

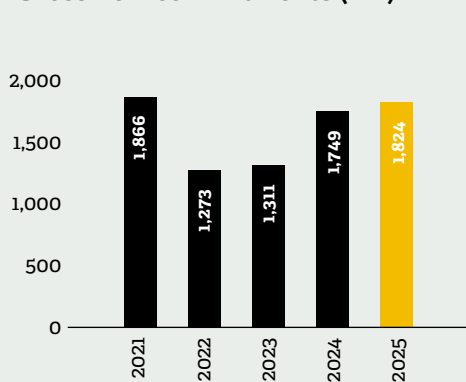
Drawdowns and receipts

Drawdowns for new investments were higher than 2024 levels at £1,348.1 million (2024: £1,154.4 million), reflecting the higher level of new commitments in 2024 and 2025. Of new investments, 49 per cent were in Asia, 48 per cent were in Africa and 3 per cent were pan-regional.

Our portfolio generated cash of £1,628.6 million (2024: £1,407.1 million), higher than 2024 levels due to equity sale proceeds and loan investment interest and principal receipts. 53 per cent of receipts came from the direct debt and trade finance portfolio, 24 per cent from fund distributions and 23 per cent from equity investments.

	2025 £m	2024 £m
Portfolio drawdowns	(1,348.1)	(1,154.4)
Portfolio cash generated	1,628.6	1,407.1
Net portfolio flows	280.5	252.7

Gross new commitments (£m)



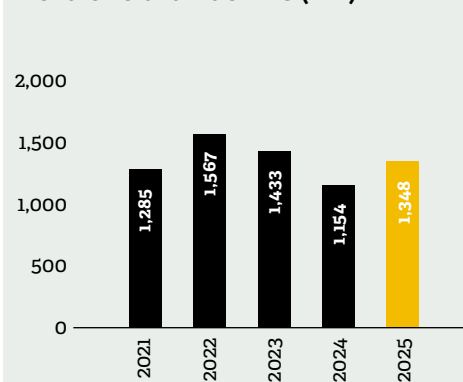
Financial return

Total return after tax

The overall result is a loss after tax of £469.6 million (2024: £213.3 million profit). As a return on opening total net assets on a valuation basis, this represents a loss for our shareholder of 4.8 per cent in 2025 (2024: 2.5 per cent profit).

	2025 £m	2024 £m
Growth Portfolio return	155.4	337.4
Catalyst Portfolio return	(71.5)	(1.5)
Kinetic Portfolio return	(11.0)	(1.0)
Ukraine Portfolio return	(1.9)	–
Foreign exchange losses	(344.2)	(17.6)
Total portfolio return	(273.2)	317.3
Operating costs	(166.0)	(151.6)
Interest income	61.3	59.1
Other net expense	(91.7)	(11.5)
Total return after tax	(469.6)	213.3

Portfolio drawdowns (£m)

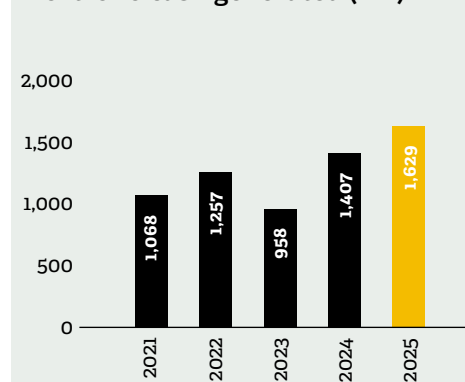


Portfolio return

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 \$108.6 million (2024: \$299.1 million) or 1.2 per cent (2024: 3.3 per cent), reflecting investment income of \$339.8 million offsetting valuation losses of \$231.2 million. In sterling terms, the portfolio generated a loss of £273.2 million (2024: £317.3 million gain). This represents a portfolio loss on the Growth and Catalyst Portfolios of 3.6 per cent (2024: 4.3 per cent gain) on portfolio investment assets. Our results can be significantly impacted by changes in the sterling to US dollar exchange rate. Sterling appreciated during the year, moving from 1.25 at 31 December 2024 to 1.35 at 31 December 2025, causing the differential in sterling and US dollar results. More information on currency risk sensitivity can be found in note 19 on

» PAGE 117.

Portfolio cash generated (£m)

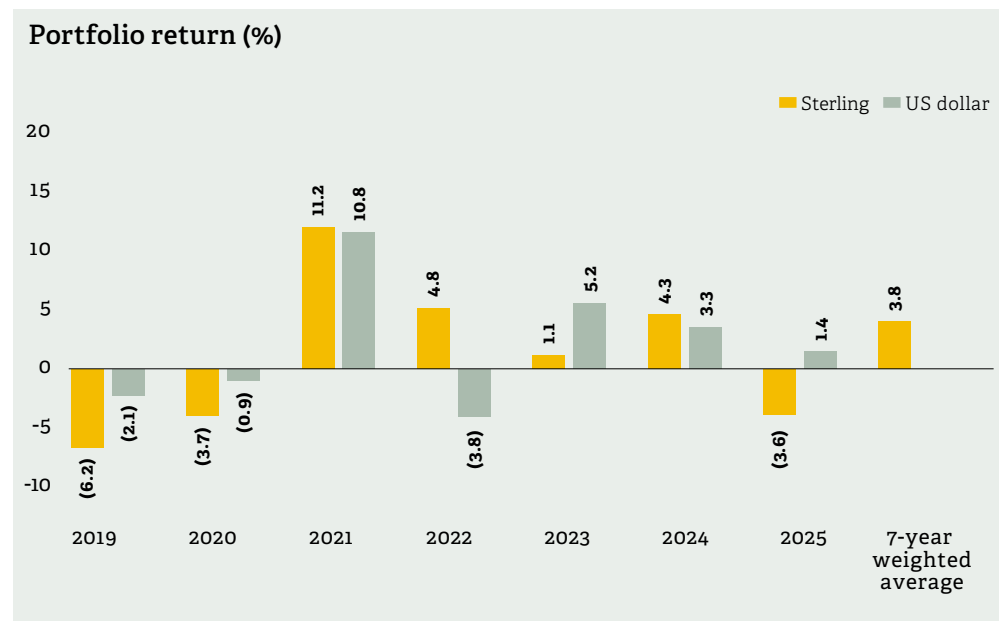


Financial performance continued

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 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 67 TO 78](#).

The seven-year weighted average annual portfolio return is currently 3.8 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 2025, this portfolio generated a loss of £71.5 million before currency exchange and a loss of £145.7 million net of currency exchange losses (2024: £1.5 million loss before currency exchange and a £8.1 million gain net of currency exchange), representing a loss of 14.7 per cent (2024: 1.0 per cent gain) 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 2025 was £922.5 million (2024: £984.8 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 £12.1 million net of currency exchange losses (2024: £0.9 million loss). The value of the Kinetic Portfolio as at 31 December 2025 was £29.4 million (2024: £9.8 million).

We have signed a memorandum of understanding with the European Bank for Reconstruction and Development (EBRD) to create a Ukraine Investment Platform. In 2025, this portfolio returned a loss of £2.0 million net of currency exchange losses. The value of the Ukraine Portfolio as at 31 December 2025 was £13.3 million.

Operating costs and other net expenses

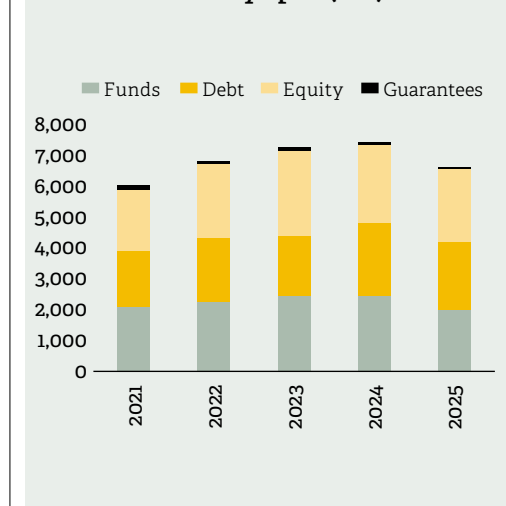
Costs have risen in a controlled manner as we have continued to invest in people and technology to support our strategic objectives and have increased investment commitments in the UK and overseas. Operating costs for 2025 were £166.0 million (2024: £151.6 million) with employee numbers rising to 679 at year-end (2024: 657). We track our operating costs as a percentage of closing portfolio value and unfunded commitments, and aim for them to be below 1.70 per cent. At the end of 2025, operating costs represented 1.78 per cent due to the appreciation of sterling. During 2025 the US dollar to sterling exchange rate moved from 1.25 to 1.35. At an exchange rate of 1.25, the operating expense ratio would have been 1.66 per cent.

Portfolio value and net assets

The overall BII portfolio fell by £650.0 million in 2025 due to foreign currency and fair value losses. At 31 December 2025, we had investments in 247 funds, managed by 161 different fund managers, and 284 direct investments.

Portfolio	2025 £m	2024 £m
Portfolio at start of year	7,291.2	7,319.6
New investments	1,348.1	1,154.4
Realisations	(1,378.7)	(1,151.4)
Transfers	—	(29.1)
Value change	(613.8)	5.1
Allowances for guarantees	(5.6)	(7.4)
Portfolio at end of year	6,641.2	7,291.2

Portfolio history split (£m)

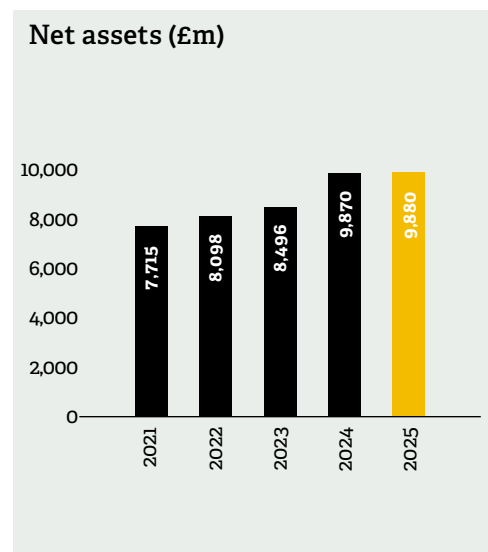


Financial performance continued

Net assets

Total net assets increased in the year from £9,869.5 million to £9,879.9 million, a rise of 0.1 per cent (2024: 16.2 per cent).

	2025 £m	2024 £m
Growth Portfolio	5,636.9	6,323.6
Catalyst Portfolio	922.5	984.8
Kinetic Portfolio	29.4	9.8
Ukraine Portfolio	13.3	–
Hedging contracts	39.1	(27.0)
Total portfolio value	6,641.2	7,291.2
Net cash and short-term deposits	1,758.7	1,480.6
Other net assets	1,480.0	1,097.7
Total net assets	9,879.9	9,869.5



Net cash and short-term deposits held

The cash balance increased from £1,480.6 million at the start of the year to £1,758.7 million at year-end, resulting in a net cash inflow of £278.1 million. Cash represented 17 per cent of net assets on a 12-month rolling basis (2024: 14 per cent), exceeding the liquidity policy target set by the Board of 0–10 per cent of net assets, due to net cash inflows from the portfolio. As a result, 31 December 2025 cash represented 18 per cent of net assets, compared to 15 per cent at the end of 2024.

A wholly owned non-consolidated subsidiary of BII has a standby Revolving Credit Facility of \$600.0 million (£445.3 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 2025, BII drew down £70.0 million of funds that had been lodged as promissory notes by the shareholder (2024: £349.5 million). 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 420 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 £420.0 million. A further £60.0 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, £1,540.0 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 (2024: £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 109 TO 111**.

Dividends

No dividends have been proposed, declared or paid during 2025. See **» PAGE 79** for more details.

Carolyn Sims

Chief Financial Officer

16 April 2026

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 our agreed risk appetite that otherwise could threaten our ability to deliver our strategic objectives.

The Board is responsible for our risk management framework. 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, are 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 a biennial basis, with risk appetite and top-level risk limits reviewed and approved annually; and
- › satisfy itself that appropriate systems are in place to identify and manage risks within the agreed risk appetite and obtain assurance they are working effectively.

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 reviews reports on our risk profile and oversees the design and operation of our risk management framework. Further activities of the Risk Committee are set out in the Risk Committee report on **» PAGE 66**.

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 55** for further details on the Investment Committee.

Executive governance

Our executive governance is designed to support effective decision-making and use the right expertise to oversee and manage risk. 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 considers reports on operational and model risk, and approves corporate policies and procedures.

Markets Committee

The Markets Committee advises on portfolio construction and approves large changes to country risk limits.

Reputational Risk Committee

The Reputational Risk Committee considers transactions and situations with a heightened risk of reputational damage.

See the Governance Report on **» PAGES 48 TO 81** for further information on the Board and Committee structure, including the Committees with specific risk management responsibilities. See **» PAGE 56** for further information on the Board's activities.

Risk culture

The culture and behaviours of our staff are fundamental to ensuring effective risk management. We encourage a culture of openness, willingness to learn and taking pride from resolving issues when they arise. The expected risk-related behaviours 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 the organisation.

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 management continued

Risk appetite

We define risk appetite as 'the risk we are willing to take in pursuit of our 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 striving to 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 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 to which we are exposed. 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' does not 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 and assess whether we are actively addressing them or not.

Risk appetite scale

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

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 our 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 scale

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, while operating in accordance with applicable laws and regulations in the UK and across the jurisdictions in which we operate.

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 these risks is set out on

» PAGES 15 TO 18.

Strategic risks

Impact for BII:

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

Definition

Strategy implementation

The risk of failure to deliver on our mission due to: lack of an agreed strategy with clear performance indicators; deviations from strategy without explicit agreement with the shareholder; or failure to exploit strategic opportunities due to inability to adapt an agreed strategy,

How we manage this

Our strategic objectives are agreed with the shareholder at the outset of the strategy period.

Performance against these goals and targets is regularly monitored, principally through the CEO management report and the annual corporate objectives exercise.

Where any of these targets is off-track, we provide a commentary within these reports and through the CEO's Letter to the Board so that remediation can be put in place.

Stakeholder

The risk of reduced ability to operate and deliver strategic objectives as a result of key opinion formers and political stakeholders criticising our approach.

Our Global Affairs team operates a stakeholder management programme designed to strengthen our institutional relationships with key stakeholders.

We actively manage relationships with key stakeholders to maintain support for our mission and mitigate risks arising from external scrutiny. This includes politicians, government officials, development finance institutions, trade associations, non-governmental organisations, think tanks and academics.

Risk management continued

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
<p>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.</p>	<p>Our impact risks are evaluated during due diligence and monitored throughout the investment lifecycle to ensure delivery against expected development outcomes.</p> <p>We identify and manage risks to impact using our Impact Score, contribution assessments and other impact management tools. Further detail is provided in the Development Impact Committee report on » PAGES 61 AND 62.</p> <p>Our impact framework supports consistent decision-making, identifies when corrective action is needed and enables learning from experience.</p>
<p>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.</p>	<p>Environmental and social risks are assessed and managed throughout the investment process. Our specialists support due diligence, input into Investment Committees, agree action plans with investees and monitor portfolio performance.</p> <p>We provide proactive engagement and capacity building to help investees meet expected standards and strengthen governance.</p> <p>Our Policy on Responsible Investing sets clear requirements for investees, with further detail in the Responsible investing section on » PAGES 19 AND 20.</p>
<p>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.</p>	<p>Business integrity risks are proactively managed throughout the investment lifecycle. Our specialists also support the broader framework in managing financial crime risks in our own business activities.</p> <p>Our Responsible Investing team supports pre-investment due diligence, financial crime assessments, inputs into Investment Committees, agree action plans with investees and monitors portfolio performance.</p> <p>More information on our Policy on Responsible Investing can be found on » PAGES 19 AND 20.</p>
<p>Climate 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.</p>	<p>Our climate risks are considered and monitored across the investment lifecycle, supported by specialist analysis and alignment with climate-related requirements.</p> <p>Climate risk assessment is integrated into our processes to identify transition and physical risks, with monitoring of evolving regulation.</p> <p>Our Policy on Responsible Investing, Fossil Fuel Policy and climate risk framework guide our approach, with further details in the Climate-related Financial Disclosures section on » PAGES 22 TO 47.</p>

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
<p>Credit and counterparty The risk of financial loss due to an obligor's, investee's or counterparty's inability to repay its liabilities.</p>	<p>Our Investment Committees oversee investment proposals to ensure risks and mitigants are appropriately considered.</p> <p>We undertake a financial risk assessment of investments as part of the Portfolio Review Meetings and valuations process, including quarterly identification of Early Warning Signals and annual obligor risk ratings.</p> <p>The single obligor limit framework helps to manage and control concentration risk of our investments.</p>
<p>Country The risk of financial loss due to unfavourable moves in country-specific macro factors. The factors include significant political events, fiscal measures, systemic economic deterioration, exchange rate and interest rate moves, infrastructure failure and natural disasters.</p>	<p>Our Investment Committees review investment proposals with regard to key risk exposures.</p> <p>We undertake event driven country and portfolio risk analysis, which may include placing countries on a watchlist and presenting the results to the Country Risk Forum.</p> <p>The country limit framework controls undue concentration to countries. In addition, Coverage Directors in key markets provide on the ground input on country risk.</p>
<p>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.</p>	<p>Our Investment Committees assess investment proposals to ensure material market risks are identified and mitigated.</p> <p>We hold substantial foreign currency debt positions and cash balances, which are hedged back to sterling to combat market risk, including country political, economic and exchange rate risks.</p> <p>The management of portfolio market risk follows the Treasury and Risk Management policies.</p>
<p>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.</p>	<p>Our Investment Committees consider liquidity implications when reviewing investment proposals.</p> <p>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.</p> <p>In addition, our Liquidity Policy sets out the framework for managing liquidity including governance, limits and oversight.</p>

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
<p>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.</p>	<p>Our Human Resources team regularly monitors and reports on attrition and other indicators of workplace culture, providing ongoing training and development for our people.</p> <p>We also maintain policies governing our hiring practices, alongside a Performance Evaluation and Development Programme, for a consistent and structured approach to managing our people across all our geographies.</p>
<p>Process The risk of loss or impact on ability to achieve our objectives due to inefficient, ineffective or poorly designed processes.</p>	<p>Our operational risk framework incorporates event reporting, regular reviews of key risks and the tracking of actions to identify and address process-related risks.</p> <p>In addition, our change management process supports the effective delivery and oversight of change initiatives, in line with our internal policies and procedures.</p>
<p>Security The risk of deliberate and/or targeted malicious threats or acts that may cause harm, loss or damage to assets, including personnel, property and information.</p>	<p>Our Security team identifies, assesses and mitigates security and cyber risks across our offices, business travel and IT systems. This is supported by independent external testing and regular security awareness training for staff.</p> <p>The team also applies and monitors a range of measures designed to minimise the likelihood and impact of a security event, in accordance with the Information & Cyber Security Policy.</p>
<p>Legal The risk of financial loss or diminished reputation resulting from litigation/claims raised against BII or failure to meet legal requirements.</p>	<p>Our Legal team ensures contractual documents are appropriately drafted, legal obligations are understood by our investment teams and litigation risk is mitigated to the greatest extent possible.</p> <p>The team manages legal requirements across the multiple jurisdictions in which we invest, engaging local legal advisers as required, supported by the Contract Administration Policy which guides the management of contractual obligations.</p>
<p>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.</p>	<p>Our Compliance team sets our compliance policy framework, ensuring all relevant legal and regulatory obligations across the UK and other jurisdictions are met. The team also provides regulatory advice and undertakes regular assurance monitoring.</p> <p>Ongoing training is provided on key regulatory obligations, including fraud, financial crime, data protection, FCA conduct rules and whistleblowing, with content reflecting our overseas licensing and cross-border activities.</p>
<p>Systems The risk of financial loss or significant business interruption from unintended/accidental downtime or corruption to IT systems, applications and network.</p>	<p>Our Technology team regularly reviews and enhances our systems to reflect industry best practice, including built-in redundancy and resilience for core systems.</p> <p>Our operational resilience framework ensures IT systems are covered by the disaster-recovery and critical incident management processes, including regular testing of our ability to restore systems effectively.</p>

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 investees 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](#) 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, cyber security, data privacy, modern slavery and tax transparency.

1,500+

people from across our portfolio attended our responsible investing and development impact workshops in 2025

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 opposite.

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 22 TO 47](#) for our annual Climate-related Financial Disclosures.

How we delivered innovative approaches to responsible investing in 2025

Over the year, we supported our investee partners and the wider market to apply strong responsible investment standards through training, capacity building and thought leadership.

- › We published [guidance on Occupational Health & Safety \(OHS\) culture and performance](#) in partnership with the Private Infrastructure Development Group (PIDG) and hosted a launch webinar attended by over 500 stakeholders.
- › We published [guidance on building business integrity management systems \(BIMS\) for private equity fund managers](#) to support proportionate, risk-based approaches to integrity and financial crime risks. The guidance supports stronger governance, transparency and resilience across portfolios.
- › We published [guidance on building effective grievance mechanisms](#) to help companies receive, investigate and address concerns. This is an important tool for companies to commit to respecting human rights as it offers ways to report and resolve violations, ensures access to remedies and empowers vulnerable individuals to defend their rights.
- › We released [a third guidance note in collaboration with anti-corruption NGO Transparency International UK](#), continuing a flagship initiative launched in 2022 to help impact investors identify and manage corruption risks.
- › We delivered in-person and virtual workshops to over 650 participants across Africa and Asia, covering development impact, gender-lens investing and ESG risks including climate change, health and safety, safeguarding, and bribery and corruption.
- › We trained over 550 representatives from our portfolio on business integrity and corporate governance. This included bespoke sessions as well as group sessions on fraud risk management and anti-bribery and corruption (ABC) risk management.
- › We hosted nine gender-based violence and harassment workshops with Norfund, Proparco and DEG, training over 260 people. We also ran a supply chain workshop in India for over 20 participants from the infrastructure and EV industry; hosted an OHS management roundtable with 26 participants in Kenya; and launched a new ESG training programme for financial services with IFC in Egypt.
- › We launched our [Climate Risk Toolkit for Financial Institutions](#), providing practical guidance to help financial services investees strengthen their management of climate-related risks and opportunities.

Responsible investing continued

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 International Finance Corporation (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 policies or processes, or to build investees' capacity to identify and manage these risks.

We have a specialised first-line function focused on business integrity and financial crime risk management, which looks at the whole investment lifecycle. 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 2025, we 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 lifecycle.

In 2025, our capacity-building initiatives included corporate governance workshops to our fund managers, with a strong focus on sustainability governance and training for our nominee directors.

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 continue to develop our Performance Evaluation and Development Programme (PEDP). We proactively seek views from our employees through our regular Employee Engagement and Pulse Survey, our Employee Forum and our employee networks. We ensure our workforce has a diverse set of skills and backgrounds suited to our mission.

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 67 TO 78.**

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 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 to 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	7-8, 27-33
Principal risks	Risk appetite and principal risks	14-18
	Risk management	13-18, 24-26, 34-38
Key performance indicators	KPIs and financial performance	8, 9-12, 77
	Metrics and targets	39-47
Responsible investing/impact	Environmental matters	19-20, 58-59
	Employee and people matters	19-20, 58-59, 67-78
	Social matters	19-20, 58-59, 61-62
	Human rights and modern slavery matters	20
	Anti-bribery and corruption matters	20

Climate-related Financial Disclosures 2025

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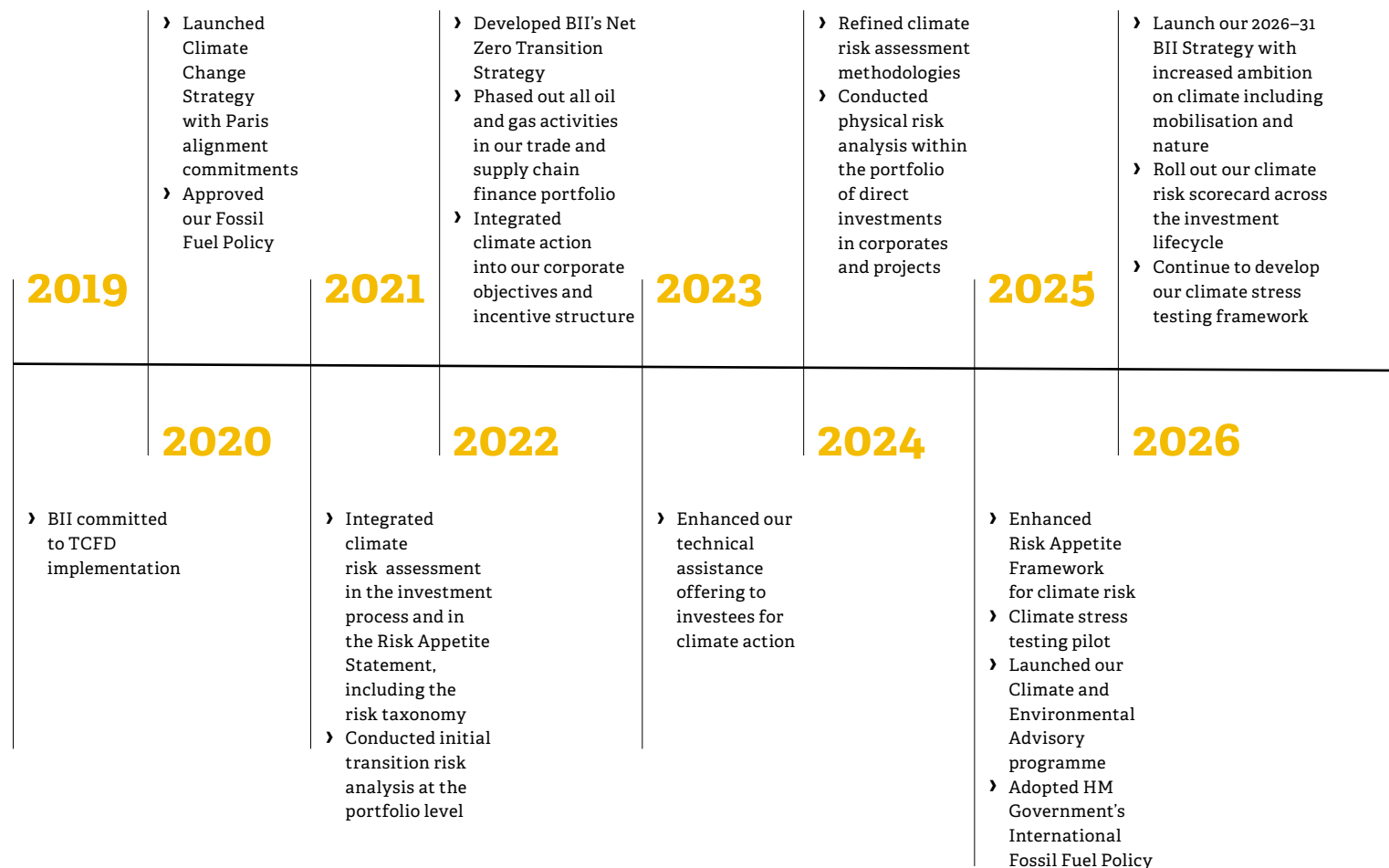
Climate-related Financial Disclosures 2025 continued

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 seventh disclosure pursuant to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the third 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



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 2025.

Board and Board Committees with responsibilities for climate-related risks and opportunities

Governance body	Composition ¹	Purpose and responsibilities related to climate change	Climate agenda frequency	Key 2025 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 Disclosures, overseeing implementation of the Net Zero Transition Strategy, and as required during quarterly meetings.	<ul style="list-style-type: none"> › Reviewed and approved: <ul style="list-style-type: none"> • Climate-related Financial Disclosures. • 2026–31 BII Strategy including climate (mitigation and adaptation) and nature approach. • Progress in the implementation of our Net Zero Transition Strategy. • Corporate objectives for 2025, which include the delivery of our climate finance target. › Received training on climate-related risks and opportunities. › Received updates on the development of our climate risk framework and stress testing approach. › Reviewed and approved adopting the HMG International Fossil Fuel Policy (FFP) and retiring BII's own FFP.
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	<ul style="list-style-type: none"> › Reviewed and discussed: <ul style="list-style-type: none"> • Progress updates on the implementation of our Climate Change Strategy and performance on our corporate impact metrics, which include our sustainability impact objectives. • 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 the Annual Report and Accounts, including the Climate-related Financial Disclosures report and recommending their approval to the Board.	Annually to discuss the Climate-related Financial Disclosures and otherwise as required during quarterly meetings.	<ul style="list-style-type: none"> › Reviewed and approved the Climate-related Financial Disclosures 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.	<ul style="list-style-type: none"> › Received quarterly reports on whether risk categories within our risk taxonomy, including climate change risk, were within or outside of risk appetite. › Reviewed and approved updates to our climate risk framework and stress testing methodology.

¹ The Committee Chair(s) is highlighted in bold.

Climate-related Financial Disclosures 2025 continued

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 development and implementation of our climate risk framework and monitoring of portfolio-level risks are delegated to the Chief Risk Officer. Management of climate-related risks in our portfolio are delegated to the Chief Impact Officer.

The Chief Investment Officer and Chief Impact Officer have 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 Chief Operating Officer has delegated responsibility for quantifying our operational emissions footprint.

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 2025 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	<ul style="list-style-type: none"> › Oversaw the delivery of our corporate objectives, which include climate-related targets. › Reviewed the status of implementation of our Net Zero Transition Strategy. › Received updates on the development of our climate risk framework and stress testing.
Investment Committee	Top-level senior management and independent members	Responsible for considering climate change matters in investment decision-making.	Weekly	<ul style="list-style-type: none"> › Considered climate-related risks and opportunities and nature-related risks of new transactions put forward for investment decision as part of its assessment on development impact, responsible investing and financial performance.
Operations Committee	Chief Financial Officer , top-level senior management	Advises the CEO in ensuring efficient operation and long-term organisational effectiveness.	As needed during monthly meetings	<ul style="list-style-type: none"> › 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 monthly meetings	<ul style="list-style-type: none"> › Reviewed the Climate-related Financial Disclosures report as part of the Annual Report and Accounts. › Oversaw the delivery of climate finance investments through regular review of our pipeline. › Reviewed the developments of our climate stress testing framework.
Climate Action Group	Managing Director and Head of Infrastructure and Climate Business Group, and Managing Director and Head of 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.	Every 6 weeks	<ul style="list-style-type: none"> › 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, Managing Director and Head of Climate, Diversity and Advisory , senior members and representatives of the Risk, Investment, Climate, Responsible Investing, Impact Risk and Policy, Compliance, Legal, Operations, 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 frameworks as well as the preparation of the annual Climate-related Financial Disclosures report.	Bi-monthly	<ul style="list-style-type: none"> › Reviewed and signed-off our Climate-related Financial Disclosures report. › Reviewed the findings of the climate stress testing framework developed to assess the resilience of our portfolio. › Involved in and regularly informed on progress in: <ul style="list-style-type: none"> • Implementing our refined climate risk assessment methodology. • Advancing the integration of climate risk into our Risk Appetite Framework. • Developing our approach to managing nature risk.

¹ The Committee Chair(s) is highlighted in bold.

Climate-related Financial Disclosures 2025 continued

The management of climate-related risks and opportunities in day-to-day operations is integrated into our 'three lines of defence' model. For more details refer to [Risk management](#) in the Strategic Report.

Climate-related Remuneration Framework

Since 2022, our Remuneration Framework for management, executives and employees has integrated our climate change goals through performance metrics linked to our Impact Score 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.¹

¹ For more information about our Remuneration Policy, see the [People Development and Remuneration Committee report](#) and the [Metrics and targets](#) section within this Report.

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
- › Responsible Investing team
- › Climate Change team
- › Impact Risk and Policy team
- › Legal team

- › Identifies, assesses and manages physical and transition risks and opportunities in new transactions and existing portfolio companies.
- › Oversees and implements our Policy on Responsible Investing and Fossil Fuel Policy, which cover climate-related risks and nature-related risks.
- › 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 manage climate-related risk and monitor 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 ensuring compliance.

Third line

- › Internal Audit team

- › Independently assesses the effectiveness of the procedures related to the CFD and TCFD disclosures included in the Annual Report and Accounts, with a particular focus on climate-related metrics.

Strategy

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

Climate action is one of our 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 new as well as existing investments in our portfolio. The visual that follows provides details of how we define risks, their relevant time horizons, as well as illustrative examples of ways in which these risks can have a financial impact on BII and our investees.



Climate-related Financial Disclosures 2025 continued

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	
	Policy and legal (M, L) › Introduction of carbon pricing or penalties in case of non-compliance with decarbonisation or disclosure requirements. › Risk of litigation from disclosures.	Technology (S, M, L) › New low-carbon technologies disrupt the competitiveness of existing business models.	Market (M, L) › Shifts in supply and demand patterns for certain commodities, products and services. › Increased cost and price volatility.	Reputation (S, M) › Changes in customers', investors' or communities' preferences and expectations.	Acute events (S, M) › Increasing severity and frequency of extreme climate-related weather events and associated unexpected material changes in financial performances.	Chronic events (M, L) › Progressive shifts in weather patterns impacting companies' and assets' productivity and operating environment.
Drivers and time horizons						
(S) Short term (M) Medium term (L) Longer term						
Examples of potential climate-related impacts	Potential climate-related financial impacts on our investments					
	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.		
	Potential climate-related financial impacts on BII › Increase in non-performing loans, lower market values of assets					
Examples of potential climate-related opportunities	Key climate-related opportunities across BII's investment verticals that support management of climate-related risks					
	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. › Transition finance for high-emissive business models with credible transition plans.			› 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. › Transition finance for high-emissive business models with credible transition plans via directed lending.			› Financing for climate adaptation and resilience solutions via direct lending, thematic bonds or trade finance. › Climate insurance.			

Note: 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 2026–31 (indicated with 'M'), and longer term, i.e. beyond the next strategy period 2031+ (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.

Climate-related Financial Disclosures 2025 continued

Flood, drought and extreme heat remain the top drivers of physical risks in the markets in which we operate. 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 driver of transition risks and opportunities identified by the senior executives we surveyed. The European Union's Carbon Border Adjustment Mechanism 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 heatwaves, 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.

Climate-related Financial Disclosures 2025 continued

The following table summarises how we are managing climate-related risks and pursuing climate investment opportunities over the short term (i.e. current strategy period, 2022–26), medium term (the next strategy period, 2026–31) and longer term (i.e. beyond the next strategy period, 2031+).

We defined times 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 time frames, 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 2022–26 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.	<ul style="list-style-type: none"> ➤ Climate Change Strategy ➤ 2022–2026 strategy ➤ Investment Policy ➤ Impact Score system ➤ Pathways to Paris Alignment
	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.	<ul style="list-style-type: none"> ➤ Climate Change Strategy ➤ Pathways to Paris Alignment ➤ HMG International Fossil Fuel Policy
TCFD/CFD implementation	Climate risk integration	Mitigate climate-related risks to our dual mandate.	Short to Medium	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.	<ul style="list-style-type: none"> ➤ Climate Change Strategy ➤ Investment Policy ➤ Policy on Responsible Investing

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 our markets. 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. For more information about how we have been aligning to the goals of the Paris Agreement, refer to our [Pathways to Paris Alignment](#) report published during COP30.



Climate-related Financial Disclosures 2025 continued

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 in several ways, notably by:

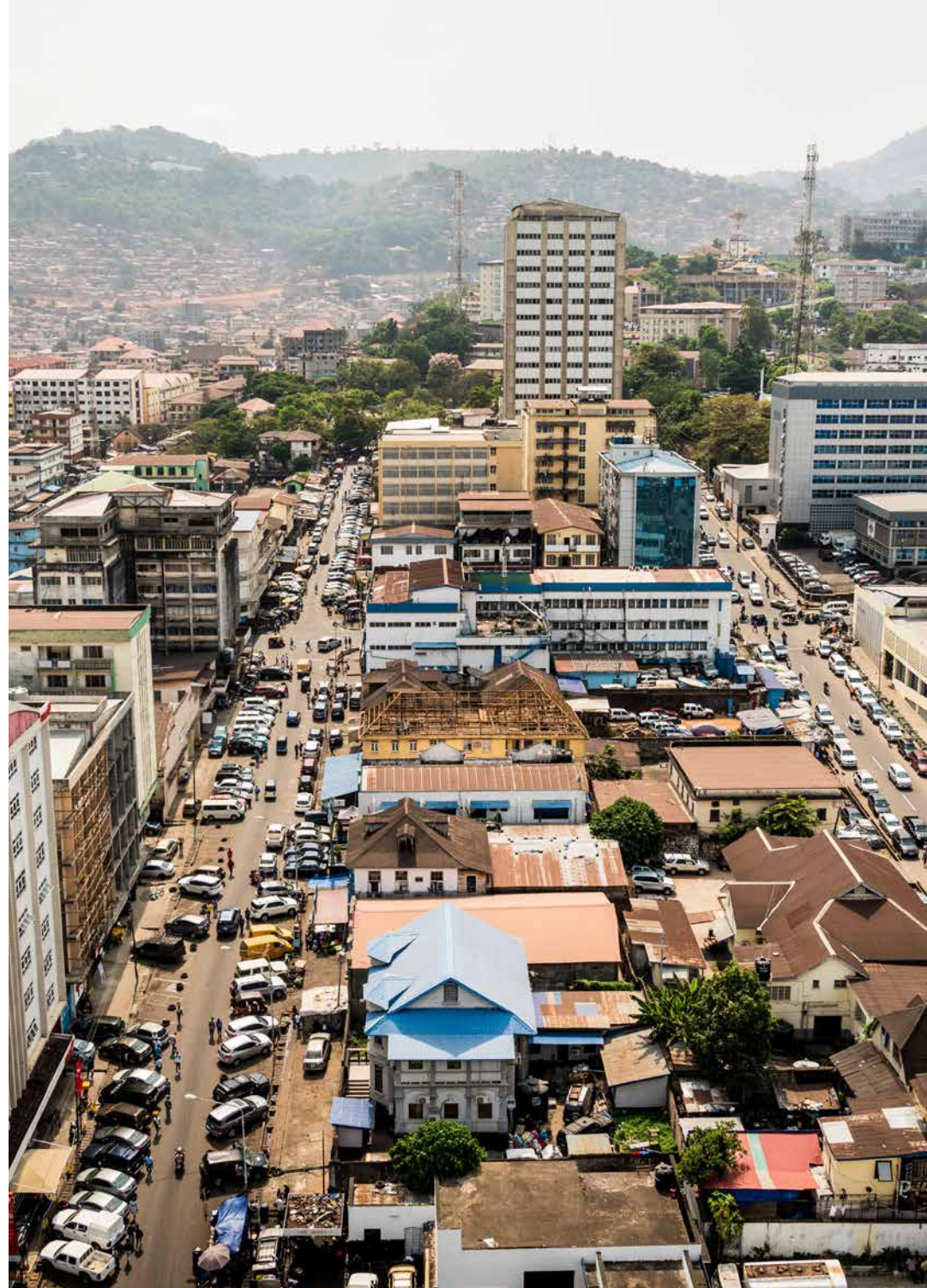
- › Increasing the focus of investment strategies towards greater deployment in climate-related opportunities. This is evidenced by the increasing proportion of climate finance qualifying assets in our portfolio (see Metrics and targets on ► PAGES 36 TO 44).
- › We also seek to have systemic impact by mobilising private capital in underserved areas such as adaptation finance as demonstrated through our leadership within the Adaptation and Resilience Investors Collaborative (ARIC), a global initiative to scale private investment in climate adaptation and resilience across developing countries. We have been working towards the goal of operationalising adaptation and resilience investing, and in 2025, ARIC published the Investor's Resilience Challenge Framework for consultation that guides investors in assessing, measuring and managing the resilience of their investments as well as the impact of their investments into adaptation finance.
- › Implementing our 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.¹ These include 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.
- › Using pools of concessional capital, the £240 million ► [Climate Innovation Facility](#) and the £100 million ► [Mobilisation Facility](#) to test, seed and scale cutting-edge climate solutions, and mobilise private capital for climate action.
- › Establishing and deploying our advisory and technical assistance capabilities, 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 in which we operate, we do not shy away from transactions and investees that are 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 note that none of our investees to date have reported any material impacts to their financial performance as a result of climate-related risks and, consequently, we have not experienced material adverse impacts on our financial performance or delivery of our development impact objectives.

¹ The Net Zero Transition Strategy was endorsed by the Board in 2022. It was developed based on our finance emissions (Scope 3) (average between 2019–2021) and the IEA's Net Zero by 2050 scenario for emerging markets and developing economies. Its implementation is monitored via the Climate Action Group and the Executive Committee, and progress is scrutinised annually by BII's Board.



Climate-related Financial Disclosures 2025 continued

Resilience of our organisation to climate-related risks

In 2025, we undertook our first portfolio-level climate stress test to estimate the magnitude of potential financial losses from both physical and transition risks and to determine the resilience of our portfolio to climate-related risks.

Climate scenarios

We adopted the Network for Greening the Financial System's (NGFS) latest Phase V scenarios for our 2025 stress test. Each scenario describes a potential future emissions pathway and the associated macro financial impacts that may evolve from climate policy, investment in renewable assets and damage from physical risks over short-, medium- and long-term time horizons.

The table opposite outlines the scenarios used in our stress test covering the period 2025–2050.

The stress test used top-down quantitative models to evaluate the financial impact of each scenario on our portfolio based on its residual physical and transition risk profile, and was completed as of 31 December 2025.

We adopted a static balance-sheet approach across all scenarios. Under this method, the size and composition of our portfolio remained unchanged over the testing period, and it was assumed there were no subsequent investments or exits from the portfolio. This approach provides a more conservative view of risk exposure but does not consider potential management actions that may reduce the portfolio's risk profile.

Climate stress testing scenarios¹

NGFS scenarios	Description of risks	Scenario decarbonisation pathway and carbon costs
Net Zero 2050 scenario Orderly scenario which limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero emissions in 2050.	Transition risks: High transition risk across the scenario driven by the immediate introduction of policy and regulation to reduce emissions, and fast market and technological change to align with net zero emissions. Physical risks: Impacts of acute and chronic risks are minimised in this scenario.	
Current Policies scenario Hot house world scenario assumes only currently implemented policies are maintained, leading to 3°C+ of warming.	Transition risks: Transition risks associated with this scenario are lower, with no regulatory or policy action to limit emissions and a slow rate of technological change. Physical risks: Impacts of acute and chronic risks increase in severity throughout the scenario, causing increased damage, loss in productivity and output.	

Results and insights

The results of our long-term stress test indicate losses of portfolio value of 15 per cent in the 'Current Policies' and 16 per cent in the 'Net Zero 2050' scenarios if the cumulative impact on valuations in these scenarios from now to 2050 were reflected in year-end valuations. Whilst the results are significant, they are within the bounds of other overall portfolio loss metrics.

Across both scenarios, losses are driven by physical hazards, emphasising the significant risk climate change represents to our geographies. It also highlights the importance of continuing our work with investees across our portfolio to increase their climate resilience throughout the investment process, as outlined in Risk management on ► **PAGE 34**.

This is the first year we have conducted a climate stress test and, in 2026, we will continue to enhance our approach by addressing gaps in the availability of climate risk data. This will allow for additional bottom-up analysis of location-specific physical hazards. We will also continue our piloting of NGFS's short-term scenarios to assess the near-term impacts of climate-related risks on our portfolio.

¹ Climate stress testing scenario data from the NGFS Scenarios Portal. See ngfs.net/ngfs-scenarios-portal/ for more information.

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 through our investment process for all new investments and post-investment during monitoring activities. Our approach is risk-based and proportionate to investment-specific circumstances.

In 2025, we continued to pilot our climate risk scorecard for all new investments, assessing and rating both physical and transition risks. The methodology assesses both exposure and vulnerability to climate-related risk drivers and the investee's capacity to identify, assess and manage these risks. The diagram overleaf provides an overview of the four assessment types and the factors used to determine the physical and transition risk ratings. The residual physical and transition risk ratings provide an assessment of the potential impact of physical and/or transition risk drivers on an investee's financial and impact performance.

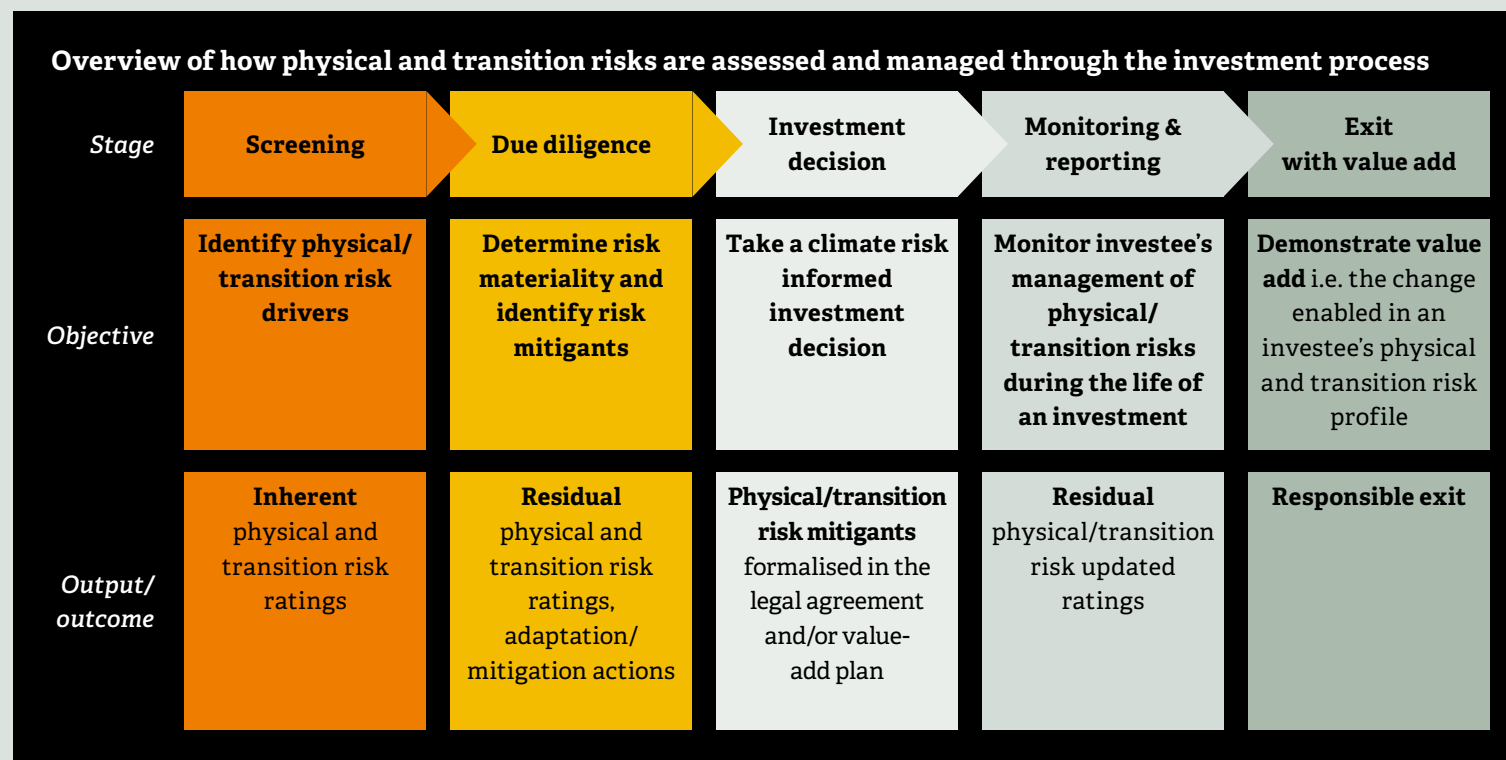
The assessment of climate-related risks is integrated into the investment process, which enables Investment Committees to assess their relative significance alongside other risks throughout the investment processes when making investment decisions.

The findings from due diligence analyses help us identify the need for and the nature of potential climate risk mitigation measures. 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 measures identified inform our engagement with investees over the life of the investment. Our engagement with investees takes the form of training, technical assistance and/or actions formalised in an environmental and social action plan or a value-add plan. It can also include the offering of capital solutions to support the implementation of adaptation and/or mitigation actions.

We monitor investee progress in implementing risk mitigants if required, aligned to the investee's individual action plans. We also periodically monitor and report on the portfolio-level risk profile to identify risk concentrations and opportunities to further engage with investees.



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

	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

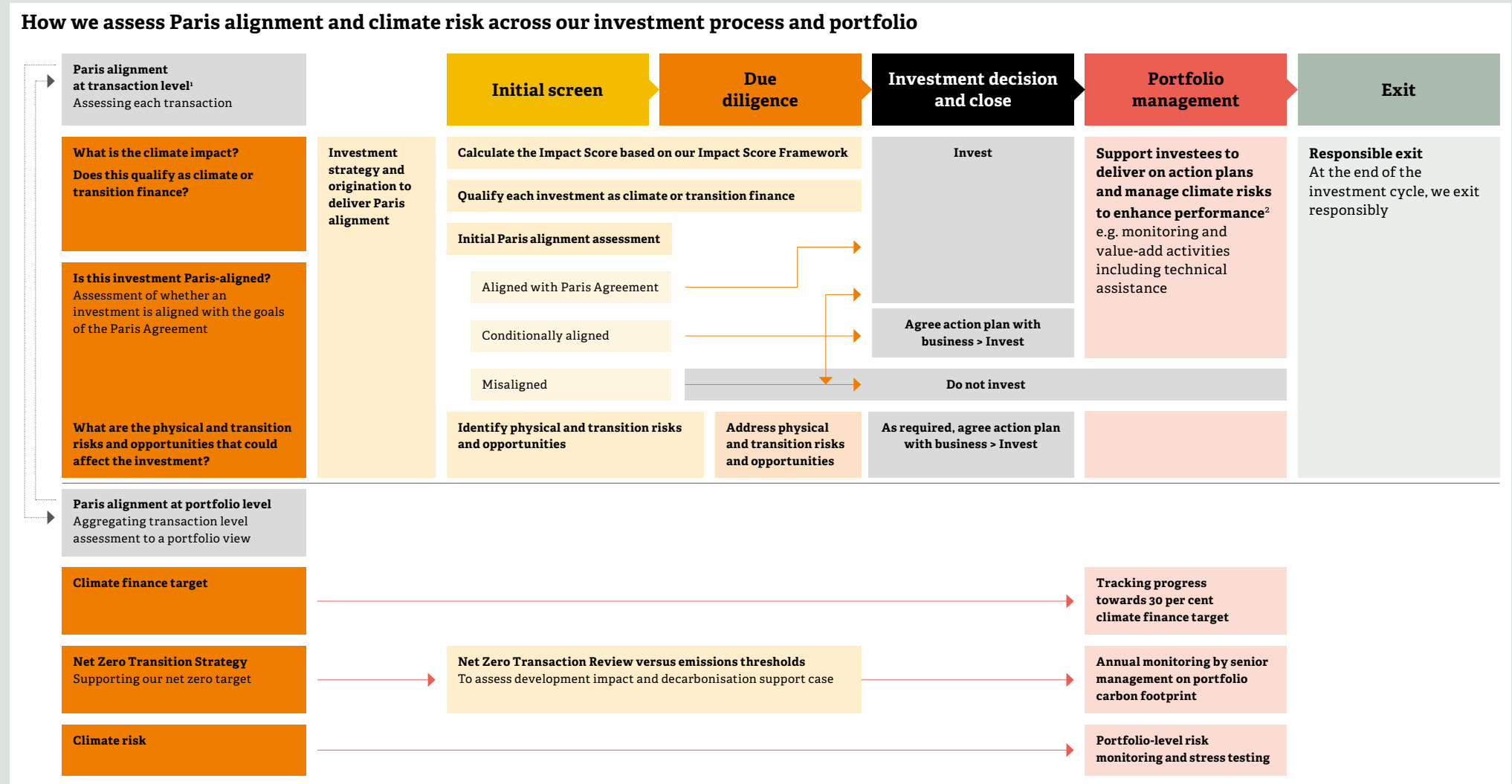
The climate-related hazards covered by our physical risk screening process to date¹

Category	Risk type	Physical hazard
Temperature related	Acute and chronic	› Heat stress › Cold stress
	Acute	› Wildfire
Water related	Chronic	› Drought › Water stress
	Acute	› Coastal flood › River flood › Heavy precipitation
Wind related	Acute	› Tropical cyclones › Tropical storms
Solid mass related	Chronic	› Erosion and cropland erosion › Land subsidence › Agriculture yield loss
	Acute	› Landslide

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). We evaluate hazards over multiple climate scenarios (RCP4.5 and RCP8.5) under the time frame most applicable to the investment analysed.

Climate-related Financial Disclosures 2025 continued

The assessment of physical and transition risks is one of the climate-relevant analyses we conduct on new investments. This assessment is focused on the impact climate risk has on financial return and the ability to deliver development outcomes for BII's investments. We see climate risk as fully integrated in our approach to Paris alignment, which has a core purpose of ensuring all our investments are aligned with the objectives of the Paris Agreement and managing the impact of our portfolio on climate. The visual below provides an overview of the various interrelated assessments we carry out to support these objectives at both transaction and portfolio level.



1 Data from the transaction-level assessment can be used at an aggregate level to inform the portfolio view, and portfolio steering decisions help inform our work at the individual transaction level.

2 During portfolio management, we may also identify further opportunities for follow-on investment and technical assistance.

Climate-related Financial Disclosures 2025 continued

Engagement with investees on climate-related risks and opportunities

Active engagement with investees represents a key avenue for building our understanding of and ability to manage climate-related risks, meet our net zero target and increase the resilience of our portfolio, as well as pursue climate-related opportunities. To this end, in 2025, 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). We also delivered training on net zero target setting, alongside publishing a comprehensive guide on the topic for fund managers.
- › Deliver training to financial institutions in Africa and Asia to build their Scope 3 GHG emissions 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 2025, we launched a [Climate Risk Management Toolkit](#) as a practical guide for financial institutions looking to better understand and manage climate-related risks and opportunities. This builds on our [playbook on physical risk assessment and management for investors](#) and net zero target setting guide launched in 2024, as well as our TCFD Toolkit for fund managers launched in 2023.

- › Offer technical assistance to strengthen investees' capabilities to understand and manage the climate-related risks they are facing and build capabilities to pursue climate opportunities. To date, we have provided technical assistance to 32 investees with interventions ranging from the climate risk analysis of the portfolio of financial institutions, to the identification of decarbonisation and climate adaptation options for agribusiness companies.



¹ For more information, see our [TCFD Toolkit](#) for fund managers.

Integrating climate-related risks into our overall risk management framework

We have integrated climate change risk into our risk management framework. We consider it in our Risk Appetite Framework both as a driver of risk across the framework and as a standalone risk category under Impact risks (see ►► **PAGE 16**). This reflects our organisation-wide approach to managing these risks. This includes the incorporation of climate-related risk assessment throughout the investment lifecycle (see ►► **PAGE 36**).

We have an accommodating risk appetite for climate-related risks which reflects our role and strategy as a development finance institution to support investees in their journey towards Paris alignment.

In 2025, we continued to work to embed climate risk management across our Risk Appetite Framework, developing risk appetite metrics to further enhance the management and monitoring of climate-related risk.



Metrics and targets

In 2025, BII continued to strengthen its approach to measuring and reporting climate-related performance, ensuring transparency and accountability in line with TCFD recommendations. Our metrics and targets are designed to track progress toward our strategic objectives, inform investment decisions and demonstrate our commitment to supporting a net zero and climate-resilient future. These indicators reflect both the ambition embedded in our Climate Change Strategy and the practical realities of investing in emerging markets.

Metrics used to assess climate-related risks and opportunities

Metrics overview

Type of metric	TCFD cross-industry metric category	Description	Associated principal risks
Investment portfolio metrics	Climate-related opportunities	<ul style="list-style-type: none"> › Climate finance commitments as a share of total commitments (see the Targets section) › Financial exposure to climate finance-qualifying assets 	<ul style="list-style-type: none"> › Development impact risk › Strategic risk
	GHG emissions	<ul style="list-style-type: none"> › Financed emissions absolute and intensity (Scope 3 Category 15) › GHG emissions avoided through our investments 	
	Transition risk	<ul style="list-style-type: none"> › Financial exposure to assets vulnerable to transition risks 	<ul style="list-style-type: none"> › Financial risk › Development impact risk
	Physical risk	<ul style="list-style-type: none"> › Financial exposure to assets vulnerable to physical risks 	<ul style="list-style-type: none"> › Strategic risk
	Remuneration	<ul style="list-style-type: none"> › Proportion of executive, management and employee remuneration linked to climate considerations 	<ul style="list-style-type: none"> › Development impact risk › Strategic risk
Metrics related to BII's operations	GHG emissions	<ul style="list-style-type: none"> › GHG emissions of our operations (Scope 1, 2 and part of 3) 	<ul style="list-style-type: none"> › Operational risk
	Physical risk	<ul style="list-style-type: none"> › Physical climate risks to our offices 	

Climate-related Financial Disclosures 2025 continued

Investment portfolio metrics Portfolio-level exposure to climate finance-qualifying assets

Climate finance-qualifying assets accounted for \$2.65 billion¹ or 29.4 per cent of our overall portfolio as at year-end 2025. This represents a 2.9 per cent year-on-year increase in share of portfolio by value and a 12.5 per cent increase since the beginning of the 2022–26 strategy period. The increase was mainly driven by new renewable energy assets entering our portfolio, investments into decarbonisation measures in manufacturing companies, and growth in climate finance lending and investing activities through financial institutions and funds.

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 fossil fuel assets

Our total exposure to fossil fuel power-generating assets, mostly gas-fired power plants in power-constrained economies relying on such assets for baseload capacity, 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 the maturity of several 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.

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 are categorised as Scope 3 (category 15) by the Greenhouse Gas Protocol for reporting purposes.

Due to the reporting cycles of our investees, the financed emissions data is based on our portfolio composition as of the end of 2024.

Our absolute financed emissions and financed emissions intensity² have been on a downward trend since we started tracking emissions data in 2019. In 2024, our absolute financed emissions decreased by 6 per cent from the average 2019–2021 baseline used to develop our [Net Zero Transition Strategy](#) and financed emissions intensity decreased by 43 per cent. While the absolute financed emissions trajectory varies by business groups, emissions intensity decreased consistently across all business groups in the past five years. On a

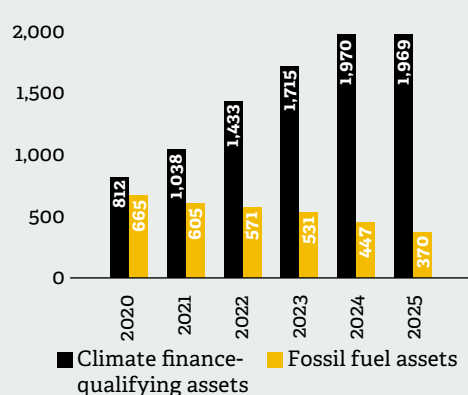
year-on-year basis, our absolute financed emissions and emissions intensity remained at the same level between 2023 and 2024.

The key drivers of change identified are:

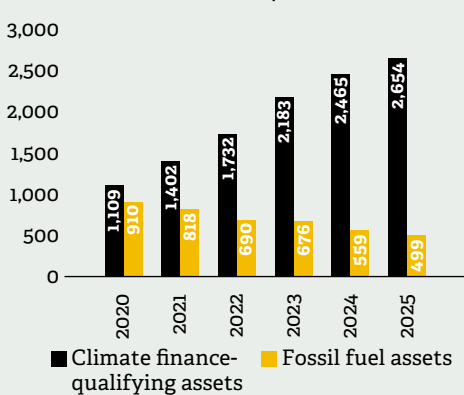
- › New investments in 2024 of a high emissive nature but also with high development impact, e.g. in the food and agriculture sector. We have been proactively engaging and supporting our investees to become Paris-aligned through our investment and technical assistance.
- › At the same time, we had substantial deployment towards low carbon and clean technologies. It is important to note that in the past three years, new investments have been significantly less emissive than existing assets as we increased climate finance investments, overall reducing our emissions intensity.
- › Slower pace of activity in 2024 for some of the higher-emitting assets in the portfolio contributed to a reduction in emissions year-on-year.
- › Changes in the attribution factor, that is the portion of our investees' emissions BII is responsible for, which has reduced overall due to debt being repaid.
- › Methodological improvements in the Joint Impact Model have significantly driven down reported emissions particularly from the financial services business group from 2023 onwards.³ To note, in 2024, changes in data quality provided by our investees led to an increase in emissions.

Portfolio-level exposure to climate finance and fossil fuel qualifying assets at year-end 2020–2025

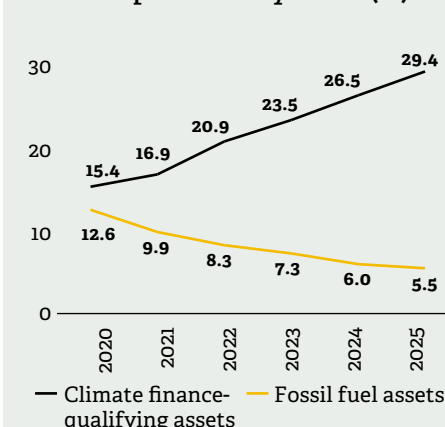
Climate finance-qualifying and fossil fuel assets in £ million



Climate finance-qualifying and fossil fuel assets in \$ million



Share of portfolio by value (%)



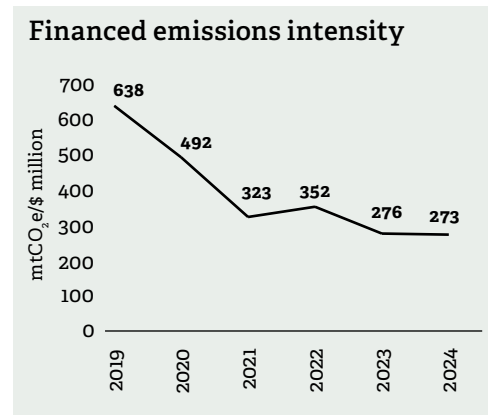
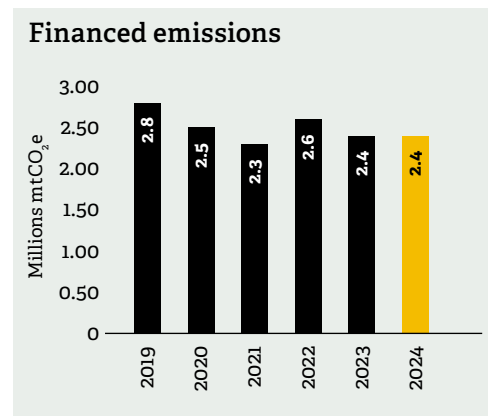
1 The year-on-year trend in climate-qualifying assets is in line with movements in the overall portfolio value and foreign exchange rate swings. Regardless, we have seen an increase in the share of climate-qualifying assets as a proportion of the total portfolio value.

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

3 For more details, see BII's 2024 Climate-related Financial Disclosures.

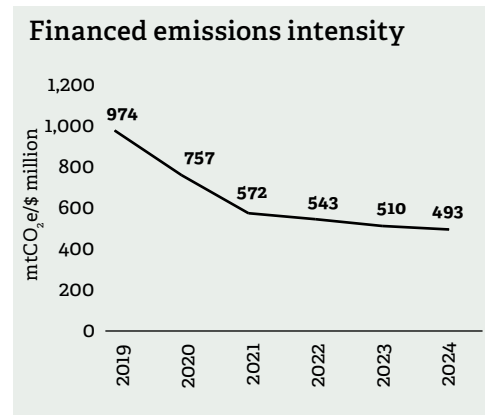
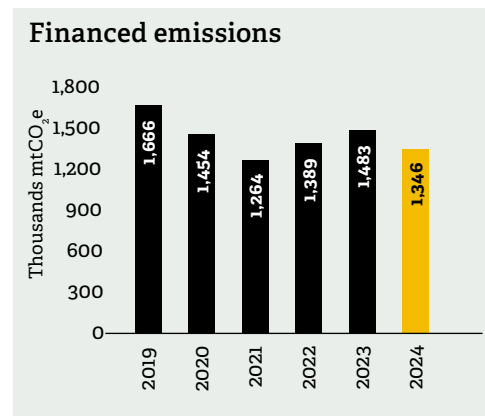
Climate-related Financial Disclosures 2025 continued

Total financed emissions at year-end 2019–2024

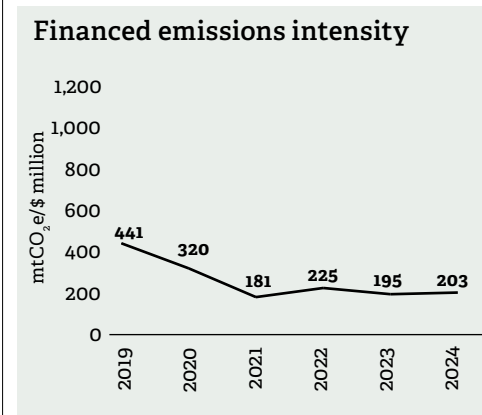
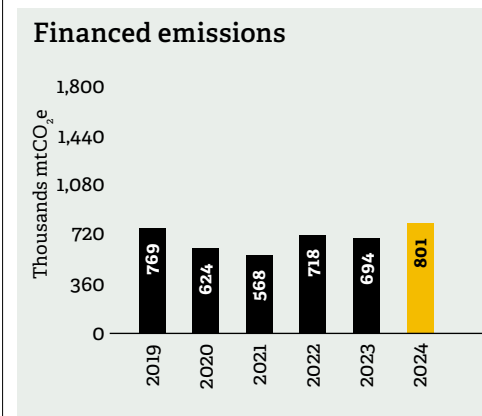


Financed emissions by business group at year-end 2019–2024

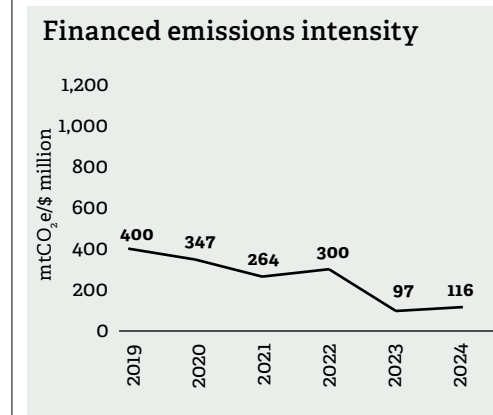
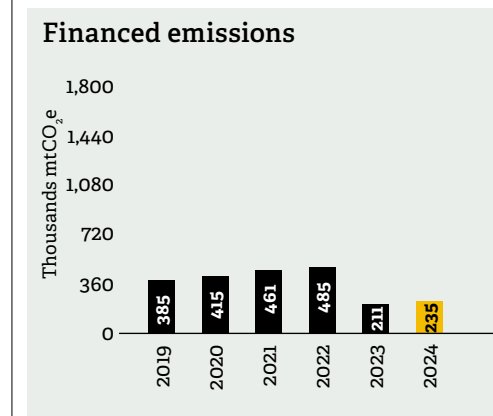
Infrastructure and climate



Industries, technology and services



Financial services



Climate-related Financial Disclosures 2025 continued

Changes in financed emissions between year-end 2022 and 2024

	2022	2023	2024	% change over 2023	% change over 2019–21 baseline
Financed emissions (in million mtCO ₂ e)	2.6	2.4	2.4	0%	-6%
Financed emissions intensity (in mtCO ₂ e/\$ million)	352	276	273	-1%	-43%
Drivers of change:	Year-on-year change ('000 mtCO₂e)				
Financed emissions	-6				
Exits of existing assets	-30				
New investments	+168				
Changes in attribution factors driven by debt reaching maturity and leaving our portfolio	-102				
Changes in activity and emissions intensity from existing assets	-124				
Methodological changes in modelling emissions	+82				

Attributed financed emissions by the PCAF data quality score, 2019–2023

PCAF data quality score	PCAF option	Description	Share of attributed emissions by PCAF score					
			2019	2020	2021	2022	2023	2024
1	1a	Reported verified emissions	0	0.2	1.8	2.7	2.2	13.6
2	1b	Reported unverified emissions	41.8	42.8	39.3	52.6	56.0	39.5
2	2a	Calculated emissions based on energy consumption data	1.3	1.8	2.5	0.3	1.4	0.3
3	2b	Calculated emissions based on primary physical activity data	0	0.3	0.4	0.4	0.6	0
4	3a	Modelled emissions based on company revenue	43.8	38.7	36.5	25.4	31.5	37.6
5	3b	Modelled emissions based on company assets per sector	0	0	0	0	0	0
5	3c	Modelled emissions based on company asset turnover ratio	13.1	16.2	19.6	18.7	8.4	9.0

- The PCAF 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.
- 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.
- The analyses are based on the net asset value (NAV) of BII's investment portfolio. They exclude cash and other net assets/liabilities.
- See the Risk management section for further details on our engagement approach.

Methodology

We follow the Partnership for Carbon Accounting Financials (PCAF)' Accounting and Reporting Standard (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 of between 1 (best) and 5 (worst). Our financed emissions estimates are based on the highest-quality data available for each asset class. The PCAF data quality score of our portfolio is 2.99 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 have seen an increasing number of our investees getting their emissions verified, and with the highest-quality data, leading to an improvement in our overall data quality score.

- › All emissions for funds and financial institutions are modelled using the Joint Impact Model,² which relies on the revenue, geography and sector/industry the underlying companies in funds' portfolios operate in, 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, the Joint Impact Model had an update to 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 56 per cent (by number) of our funds' portfolio companies.
- › Overall, our financed emissions footprint covers 87 per cent of our portfolio by investment value.³

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.⁴

Climate-related Financial Disclosures 2025 continued

GHG emissions avoided through our investments

Based on all direct renewable energy investments in our 2024 portfolio, we avoided 2.7 million tonnes of CO₂e emissions on an attributed basis, a 75 per cent year-on-year increase. This was driven by a growing renewable asset base in our portfolio and increases in the 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 that, in 2019, investment value and avoided emissions intensity were calculated using market value. From 2020 onwards, book value has been used for consistency with the PCAF Standard.

Financial exposure to assets vulnerable to physical and transition risks

In 2025, we piloted our climate risk rating process across all new investments, assessing both physical and transition risks as part of the investment process following the methodology outlined in the Risk management section. We also continued to assess the risk profile of our existing portfolio following a methodology consistent with our climate risk rating process to determine the risk profile across our full portfolio. We assessed the concentration of high-risk investments across our portfolio.

- › **Transition risk:** 6 per cent of our portfolio by value is rated as high risk. This is driven by our Utilities portfolio through our exposure to fossil fuel assets. The majority by value are gas-fired power plants in Africa. These represent critical infrastructure for power-constrained economies by providing a significant share of their overall baseload generation.
- › **Physical risk:** 4 per cent of our portfolio by value is rated as high risks. The risk is less concentrated than transition risk, reflecting the location-specific nature of physical risks. The greatest exposures are to our energy generation, industrials and agriculture assets, which have the highest inherent exposure to physical risk drivers.

In 2026, we will continue to work to rate our portfolio and implement climate risk data management. This will enable us to gain further understanding of physical and transition risks at the portfolio level and potential opportunities for engaging our investees to manage these risks.

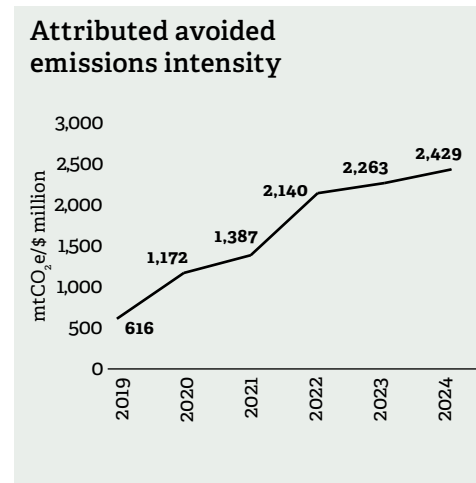
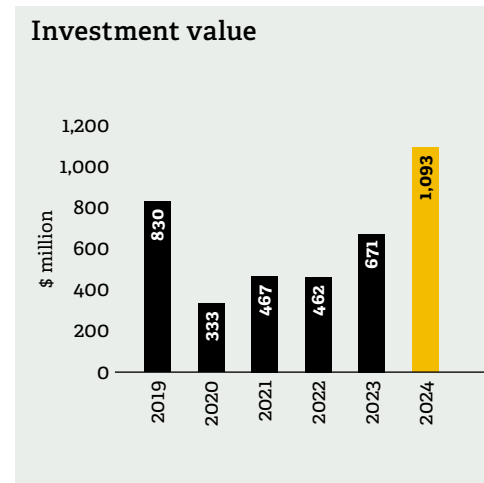
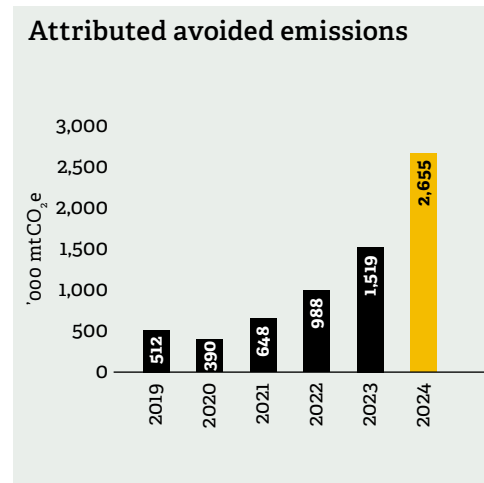
Remuneration linked to climate considerations

The corporate performance-related compensation programme for Executive Committee members, Managing Directors, Directors, Managers and certain 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, inclusion 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, see the [Governance Report](#).

Estimated avoided GHG emissions of our direct investments, 2019–2024



Climate-related Financial Disclosures 2025 continued

Internal operations metrics

GHG emissions of our operations

The following tables show the energy usage and the 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 reporting boundary is based on operational control and aligns with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). In accordance with the 2018 Regulations, reported energy use and associated greenhouse gas emissions relate only to activities within the UK operational control boundary. These figures are therefore consistent with financial reporting of UK subsidiaries and exclude the non-UK subsidiaries that do not fall within the scope of the 2018 Regulations. Emissions have been calculated using the 2024 UK Government GHG Conversion Factors for Company Reporting published by the Department for Energy Security and Net Zero to convert energy use in our operations to emissions of CO₂e. Carbon emissions factors for purchased electricity are calculated according to the 'location-based grid average' method. This reflects the average CO₂e emissions of the grid where the energy consumption occurs. Data sources include billing, invoices and internal systems.

We procure 100 per cent renewable electricity for our London site and send zero waste to landfill. Electricity consumption data at the London site was provided for all of 2025. The site now has air source heat pumps installed and has been gas free since October 2025.

The increase in Scope 1 emissions for our global sites is a result of the 226 per cent increase in gas oil emissions, attributable to the use of the backup generator at our Lagos site.

For international sites, country-specific emissions factors were used to account for electricity emissions. Electricity consumption for the Cairo site is still unavailable, so it was benchmarked based on floor area.

Energy and GHG Scope 1 and Scope 2 emissions

	01 January 2024 to 31 December 2024		01 January 2025 to 31 December 2025	
	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 ₂ e (Scope 1)	77	29	33	66
Emissions from purchase of electricity, heat, steam and cooling purchased for own use tCO ₂ e (Scope 2, location based)	186	159	155	168
Total gross Scope 1 and Scope 2 emissions tCO₂e	263	189	188	234
Total gross Scope 1 and Scope 2 emissions tCO₂e (all)	452		422	
Intensity ratio tCO ₂ e (Scope 1 & Scope 2) per employee	0.69		0.61	
Energy consumption used to calculate above emissions (kWh)	1,321,924	345,770	1,055,125	469,551
Gas (kWh)	423,538	N/A	181,145	N/A
Electricity (kWh)	898,386	231,321	873,980	210,843
Transport fuels (kWh)	N/A	N/A	N/A	N/A
Bulk fuels (Diesel) (kWh) ¹	N/A	114,449	N/A	258,709
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.

Climate-related Financial Disclosures 2025 continued

Total operational footprint

Our total operational footprint shows a significant decrease of 36 per cent to 5,427 tCO₂e in 2025, despite a slight increase in our full-time employee numbers and after opening a new office in Karachi. This is primarily driven by a 38 per cent reduction in travel-related emissions.

This reduction is partly attributable to significant improvements in our data collection process through the Travel Management Company (TMC). Land-based business travel emissions are now calculated using spend data and SIC code emissions factors. Air transport emissions are calculated from supplier data and distances. However, the primary driver of the decrease in emissions has been a reduction in the total number of flights undertaken by the Company.

Data accuracy improvements

We have revised our emissions footprint reported in 2024 to reflect improvements in energy consumption data obtained during the 2025 SECR review. Emissions attributed to our London office were lower than previously reported. This is due to the installation of an air source heat pump, which resulted in lower consumption.

An additional discrepancy was identified in our reported electricity consumption for the Johannesburg office. This was traced to an underestimation of 2024 usage resulting from complexities in the landlord's billing structure. The data has been corrected, and we have implemented additional controls to ensure we have direct access to billing data to ensure future accuracy.

Serviced office exclusions

This exclusion is based on the operational control boundary, which aligns with financial reporting for the UK subsidiaries, including

serviced offices, which would not provide an accurate representation of our operational footprint as they do not incur direct energy use or emissions costs.

Climate risk to BII's offices

We have updated the climate risk assessment of our own offices to assess their exposure to both physical and transition risks, applying the same approach we use to assess our investments. We assessed the risk to our main London office and our 11 other sites across Africa and Asia.¹

- › Ten of our 12 sites are exposed to high risk of heavy precipitation, and one is at increased landslide risk. To mitigate these hazards, we select offices that meet building codes and ensure ongoing maintenance is completed. We also continuously monitor hazards at all locations, and inform and assist staff if risks increase or incidents occur.
- › Seven of the 12 locations are exposed to elevated risk of water stress. This is not deemed to be a material risk driver of our operations given the offices in these locations do not have water-intensive activities. We assess water usage as part of our sustainability assessment when selecting offices to ensure sites implement water efficiency measures.
- › No locations screened were found to have an elevated transition risk exposure. We continue to work across our offices to reduce our emissions wherever possible, including purchasing 100 per cent renewable electricity for our London office and sending zero waste to landfill.

¹ Sites included in assessment: London, Bengaluru (Bangalore), Mumbai, Karachi, Johannesburg, Karachi, Nairobi, Cairo, Lagos, Accra, Kathmandu, Dhaka, Singapore.

Our operational GHG emissions footprint in tonnes of CO₂ equivalent (tCO₂e) by category and year

Category	2024	2025
Scope 1	107	100
Scope 2 – Location based	345	322
Scope 2 – Market based	159	168
Scope 3 – Category 6: Business travel	8,080	5,004
Total gross carbon emissions	8,532	5,426
Emissions avoided by purchasing renewable electricity	(186)	(155)
Total net carbon emissions	8,346	5,271
Emissions per employee	13.0	7.9



Targets used for managing climate-related risks and opportunities

Targets overview

Target	Description	Timeline	Progress	Related risk/opportunity	Reference metrics (KPI)
Paris alignment	Alignment of our investments with the Paris Agreement	From 2021	Ongoing	Transition risk: <ul style="list-style-type: none"> › Policy and legal risk › Reputational risk › Technology risk › Market risk Physical risk: <ul style="list-style-type: none"> › Acute events › Chronic events 	n/a; we do not make investments that are misaligned with the Paris Agreement as per our Climate Change Strategy. All investments we make are either Paris aligned or conditionally aligned
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	Transition risk: <ul style="list-style-type: none"> › Policy and legal risk › Reputational risk › Technology risk › Market risk 	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	Opportunity: <ul style="list-style-type: none"> › Low carbon energy › Low carbon transportation › Climate smart agriculture, etc. 	Climate finance commitments as a share of total commitments (see 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 notes³ 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 are 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. In 2025, we published the Pathways to Paris Alignment report to reflect on our journey since 2021 – our approaches, processes and developed tools.

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 2025, we further steered origination efforts towards low-carbon solutions and refined our approach to transition finance, resulting in the first transition finance transaction for BII in the financial services group. Using our technical assistance facility, we continued to help businesses strengthen their climate strategies and move towards a 1.5°C-aligned pathway and unlock further value.

We monitor our portfolio emissions performance every year against the target we set in our [Net Zero Transition Strategy](#). Since we started tracking against the strategy in 2022, we have seen a decline in our emissions. However, the downward trend of our portfolio emissions may not continue in the near future due to a range of exogenous factors: notably, the rate of decarbonisation of the economies that we invest in, and the 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 in a transformational way.

- 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 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 IDFC.
- 3 We developed sector-specific guidance for [Natural Gas Power Plants](#), [Food and Agriculture](#), and guidance for Manufacturing (steel, cement, chemicals, paper and forests products) is in development.



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.

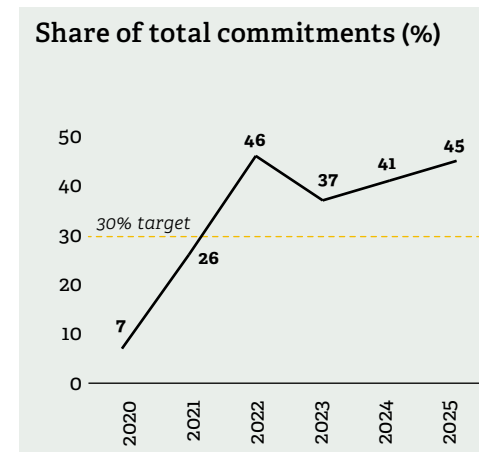
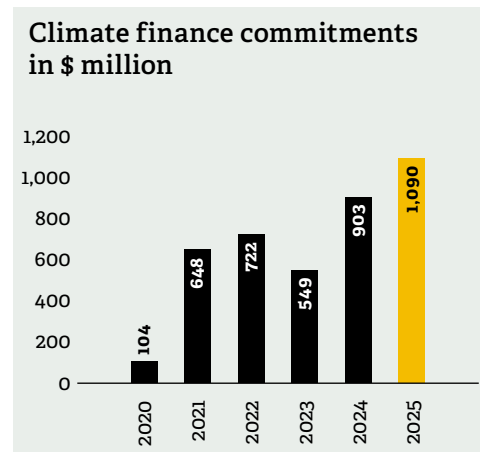
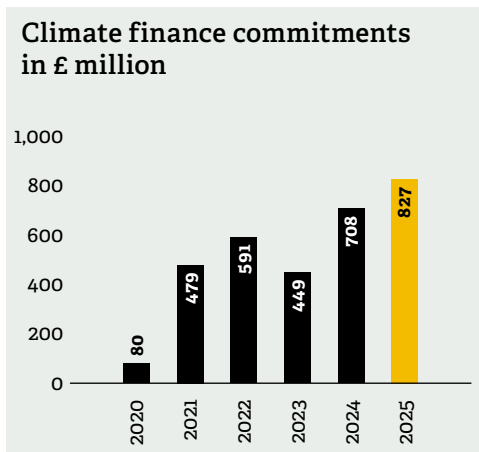
Target: Climate finance commitments

In 2025, our climate finance commitments totalled \$1.1 billion or 45 per cent of total new commitments. On average, over our current strategy period of 2022–26, we are tracking at 43 per cent climate finance, which exceeds our 30 per cent climate finance target. This includes \$94.7 million committed under the [Climate Innovation Facility](#), and Mobilisation Facility.¹

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

Leslie Maasdorp
Chief Executive Officer
16 April 2026

Total 2020–2025 climate finance commitments in £ and \$ millions and as a share of total annual commitments



¹ The Climate Innovation Facility 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. The Mobilisation Facility is an initiative aimed at boosting the flow of private capital into emerging economies considered too risky by global investors. For a full list of our 2025 climate finance commitments, see our Annual Review 2025.

GOVERNANCE REPORT

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Chair's introduction



A significant amount of time and effort was invested by the Board and across the organisation in developing BII's new strategy for 2026–31.”

2025 was another busy year for BII. A significant amount of time and effort was invested by the Board and across the organisation in developing BII's new strategy for 2026–31, to be launched in April 2026. I am confident that BII has the right governance structure, values and expertise in place to successfully implement this new 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 2025.

We said a sad farewell to both Dolika Banda and Laurie Spengler in 2025. Dolika resigned from her role as Non-Executive Director in August 2025 to pursue political interests. Laurie stepped down from the Board at the end of the year after nine years' service.

Both Laurie and Dolika brought invaluable insight, integrity and leadership to BII. Their deep understanding of emerging markets and their unwavering commitment to inclusive development have helped shape our strategy and strengthen our partnerships globally.

Carolyn Sims, our Chief Financial Officer, has signalled her intention to step down from the Board at the end of April 2026. Carolyn joined BII in 2020 and her voice, drive and diligence will be missed greatly. Carolyn has had a long and distinguished career, and we wish her all the best in her retirement.

Following these changes, the process is underway to recruit new Directors to the Board, which includes a new CFO, and we will provide an update on the process undertaken in the 2026 Annual Report and Accounts.

In terms of gender and ethnicity, 33 per cent of our Board members are female and 66 per cent are male. In addition, 22 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. Further details can be found in the Committee's report on **» PAGES 67 TO 78**.

Our Investment Committee, a pivotal part of our execution capability and our governance structure, was very active during 2025, with 208 decisions made. At the date of this Report, our Investment Committee included 18 external members, with 33 per cent based in our markets.

On **» PAGES 58 AND 59** we explain how, as a Board, we work with our employees, partners, suppliers, other development finance institutions, non-governmental organisations and the UK Government, including our shareholder. I want to thank all our stakeholders for their continued support.

Diana Layfield

Chair

16 April 2026

Board of Directors



Chair



Audit and Compliance Committee



Development Impact Committee



Nominations Committee



People Development and Remuneration Committee



Risk Committee



Employee Forum



Diana Layfield

Chair



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. Diana was appointed as a director of Monzo Bank Limited on 1 February 2026.

In addition to her international business career, Diana has also worked as a medical relief pilot in war zones in Africa.



Leslie Maasdorp

Chief Executive Officer

Appointed Chief Executive Officer 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 has 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.

Carolyn has signalled her intention to step down from the Board at the end of April 2026.



Chair



Audit and Compliance Committee



Development Impact Committee



Nominations Committee



People Development and Remuneration Committee



Risk Committee



Employee Forum



Andrew Alli

Non-Executive Director



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. 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 is a Non-Executive Director of MTN Nigeria and of FBN Bank (UK) Limited.

Andrew was appointed as the Senior Independent Director on 17 February 2026.



Daniel Hanna

Non-Executive Director



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.



Kathryn Matthews

Non-Executive Director



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 Chair of the Vietnamese Opportunities Fund. She is also Chairman of Barclays Investment Solutions Ltd. and is a Trustee of the Stowe School Foundation.

Board of Directors continued



Chair



Audit and Compliance Committee



Development Impact Committee



Nominations Committee



People Development and Remuneration Committee



Risk Committee



Employee Forum



Krishnakumar Natarajan

Non-Executive Director



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 45-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 now runs Mela Ventures an early-stage DeepTech focused venture fund.

Krishnakumar is an active partner of Social Venture Partners – an organisation involved in impactful philanthropy – and he co-runs the Mela Foundation. 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



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 Capital Advisory Board 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.



Chris Woodruff

Non-Executive Director



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).

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.

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 58 AND 59**).

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

Board size and composition

The Board has nine members: the Chair, two Executive Directors and six 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 50 TO 52**.

Board diversity

The Board recognises the value that diversity brings to the Board and to all levels of the Group's operations. It is committed to maintaining a Board with a broad range of backgrounds and experience, ensuring a diversity of perspectives and constructive challenge to support effective decision-making. The Board has a 33:66 split between female and male Directors, and 22 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.

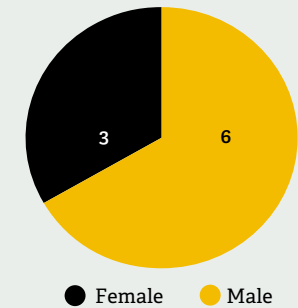
Training, support and advice

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 throughout the year.

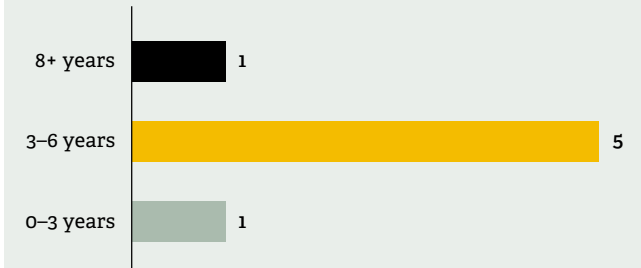
Indemnities

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

Roles of the Chair and Chief Executive Officer

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

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.

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 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 delegates responsibility in respect of the management of BII to the Chief Executive Officer 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 environmental and social 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 eight are female and ten are male. As at [16] April 2026, these are Sriram Balasubramanyam, Anne-Marie Chidzero, Ngalaah Chuphi, Ashley Dunster, Rod Evison, Mark Gidney, Anne Glover, Heramb Hajarnavis, Anne-Marie Harris, James Heath, Nikunj Jinsi, Catharine Kimaryo, Maria Kozloski, Richard Munn, Jasandra Nyker, Mirjam Staub-Bisang, 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 their 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 risks, mitigations and planned future actions.

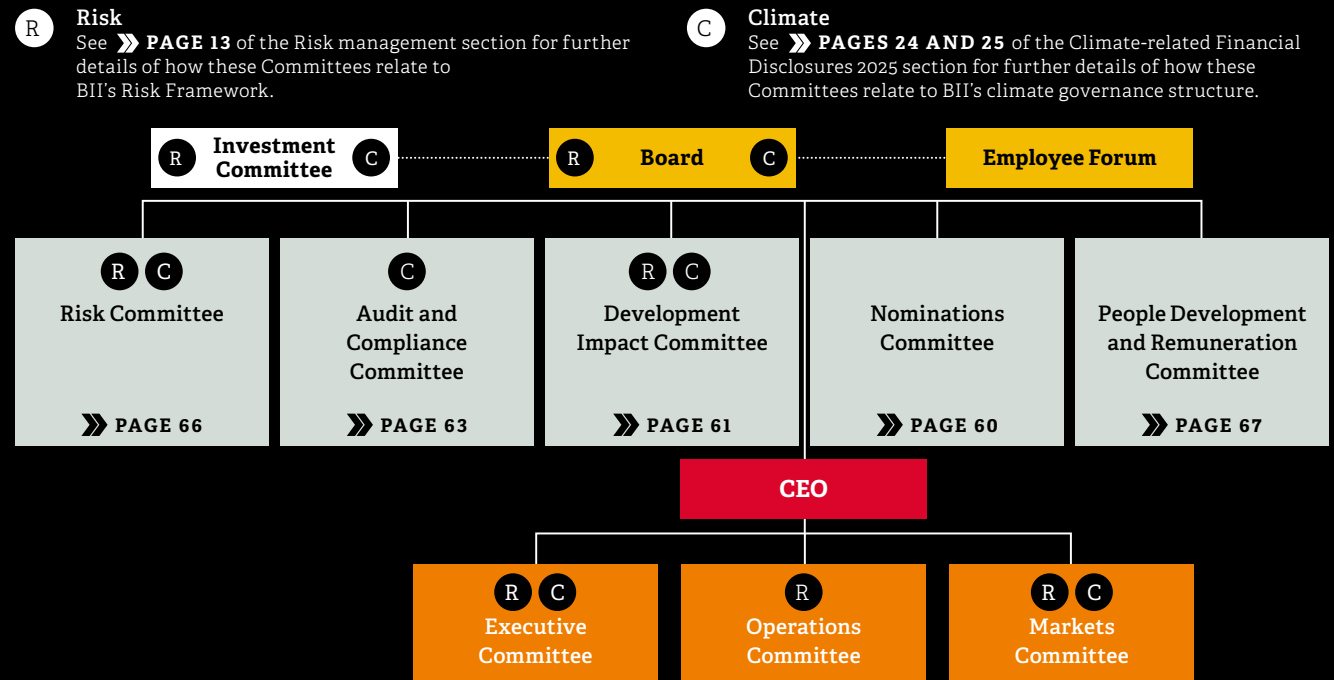
Markets Committee

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



Key Board activities in 2025

During 2025, the Board monitored and reviewed the following:

Area of focus	Activity
New strategy	Considered the development and approval of the 2026–31 strategy period.
Progress against objectives	Considered progress against the 2025 objectives in relation to the 2022–26 strategy.
Investment performance	Monitored investment performance, including the approval of and enhancements to the Investment Committee process.
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.
Impact Score	Considered the Impact Score performance against the business plan and corporate objectives. The Impact Score is a tool for managing strategic impact on a portfolio basis during our 2022–26 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 62 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 60 TO 78 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 57**). 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 Officer 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 2025 continued

Attendance at Board and Committee meetings in 2025

The Board was scheduled to meet six times during 2025. Two additional ad hoc meetings were held as well as a large number of informal calls to discuss the new strategy. In addition, there is regular communication between management and the Board.

	Board	Audit and Compliance	Development Impact	People Development and Remuneration	Risk	Nominations
Number of meetings during the year	8	4	9	7	4	4
Diana Layfield ¹	8	3	2	6	2	4
Leslie Maasdorp (Chief Executive Officer)	8	4	7	5	4	3
Carolyn Sims (Chief Financial Officer)	8	4	–	5	4	3
Andrew Alli ²	6	4	–	5	4	4
Dolika Banda ³	3	–	2	5	–	1
Daniel Hanna ⁴	8	–	9	–	3	4
Kathryn Matthews ^{2,5}	8	4	–	1	4	4
Krishnakumar Natarajan	7	–	6	5	–	3
Simon Rowlands ⁶	7	–	7	2	2	3
Laurie Spengler ^{2,7}	8	4	9	1	–	4
Chris Woodruff	8	–	9	2	4	4

- 1 Diana Layfield attended meetings of the Audit and Compliance Committee, Risk Committee, the Development Impact Committee and other Committees of which she is a member.
- 2 Andrew Alli attends meetings of the Risk Committee by invitation. Kathryn Matthews and Laurie Spengler also attended a meeting of the People, Development and Remuneration Committee in 2025.
- 3 Dolika Banda resigned as a Non-Executive Director on 18 August 2025.
- 4 Daniel Hanna was appointed as a member of the Risk Committee with effect from 22 April 2025.
- 5 Kathryn Matthews was appointed to the Development Impact Committee on 17 February 2026.
- 6 Simon Rowlands stepped down as a member of the Risk Committee and was appointed to the People, Development and Remuneration Committee with effect from 22 April 2025.
- 7 Laurie Spengler resigned as a Non-Executive Director on 31 December 2025.



How we engage with our stakeholders

The Companies Act 2006 (the Act) and the 2024 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 67 TO 78** 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 20**, 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. See **» PAGE 70** for a further summary of the Employee Forum's activities during the year.



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. At the start of 2026, the Board visited Nigeria and Ghana, 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 Sustainable Development Goals. 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 **» PAGE 62**), 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), emphasises our continued commitment when purchasing goods, services or work, to select those which have the least negative impact on the environment, and addresses 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 Officer, 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 the 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 provided in our report on Responsible Investing on **» PAGES 19 AND 20**. In addition, **» PAGES 22 TO 47** 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 56**. 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 2025

Diana Layfield (Committee Chair)

Andrew Alli

Daniel Hanna

Kathryn Matthews

Krishnakumar Natarajan

Simon Rowlands

Laurie Spengler¹

Chris Woodruff

¹ Laurie Spengler resigned as a Director and member of the Committee on 31 December 2025.

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 the 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 the year, the Committee considered succession planning for the Board and further extended the directorships for Andrew Alli for one year, for Simon Rowlands for three years, and for Laurie Spengler from July until the end of 2025.

A review of the membership of Board Committees was carried out. Daniel Hanna replaced Simon Rowlands as a member of the Risk Committee and Simon Rowlands was appointed as chair of the People Development and Remuneration Committee in April 2025, to succeed Dolika Banda. Since the year-end it was also agreed that Kathryn Matthews be appointed as a member of the Development Impact Committee.

The Committee is also considering the appointment of new Directors to the Board (including the CFO) and an update will be provided in the 2026 year end Annual Report and Accounts. The consultants, Heidrick and Struggles, engaged in the recruitment process do not have any connection with BII other than providing recruitment services.

“During the year, the Committee considered succession planning for the Board.”

Performance and evaluation

The Committee considered proposals in respect of carrying out an external valuation of the BII Board and Committees, following which an external evaluation of the BII Board and Committees commenced at the end of 2025. The evaluation was led by and facilitated by Board Intelligence, and an update will be provided in the 2026 Annual Report and Accounts.

See **» PAGE 71** 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 2025. 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 2025

Chris Woodruff (Committee Chair)

Daniel Hanna

Krishnakumar Natarajan

Simon Rowlands

Laurie Spengler¹

- 1 Laurie Spengler resigned as a Director and member of the Committee on 31 December 2025.
- 2 Kathryn Matthews was appointed to the Committee on 17 February 2026.

Number of Committee meetings: 9

Letter from the Chair of the Development Impact Committee

I am pleased to present my report on the 2025 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 the Board. To steer strategic choices in this area, the Board relies on the Committee's care, diligence and expertise to provide necessary elements of reflection and advice. One recent example is our discussions around BII's approach to catalysing markets. Like all development finance institutions, BII must balance multiple investment objectives, investment risk 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 2025 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 that allows the Committee to remain up to date on the activities of the Impact Group, including the Impact Group's performance against corporate targets and progress on other goals and objectives. The report also covers the current focus areas and priority activities for Impact Group teams, and how the 2022–26 strategy is shaping its activities.

Oversight of the Impact Score continued to be a key area of focus and scrutiny for the Committee in 2025, EY Paris provided independent third-party assurance in respect of the

“The past year was particularly active as the Committee also committed significant time during the year as part of looking ahead to the BII's new strategy.”

Impact Score. During 2025, 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. Its assurance findings confirmed that the Impact Score was calculated in accordance with the agreed guidelines. The EY findings were scrutinised and discussed in detail by the Committee.

As part of its oversight mandate, the Committee carried out a number of other activities in 2025 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, Committee meetings frequently include a background and learning session, to give Committee members the opportunity to learn about and discuss 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.

Development Impact Committee report continued

The past year was particularly active as the Committee also committed significant time during the year as part of looking ahead to the BII's new strategy. The Committee held dedicated sessions to review the proposals for the Impact Score (Production, Sustainable and Inclusive 2.0) that will guide the new strategy, as well as revisions to the Policy on Responsible Investing and the Fossil Fuel Policy that will be incorporated in the new strategy.

As always, there are many other worthy initiatives and successes that could be highlighted here. Our [Annual Review](#), published alongside this Report, 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 2025.

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 2022–26 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.

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.

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?		<ol style="list-style-type: none"> 1. Degree of need 2. Intensity 3. Economic enablers 4. Catalysing markets 		<ol style="list-style-type: none"> 1. Climate mitigation 2. Climate adaptation and resilience 		<ol style="list-style-type: none"> 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

Audit and Compliance Committee report



Andrew Alli

Chair

Committee membership as at 31 December 2025

Andrew Alli (Committee Chair)

Kathryn Matthews

Laurie Spengler¹

¹ Laurie Spengler resigned as a Director and member of the Committee on 31 December 2025.

Number of Committee meetings: 4

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 (the Group being British International Investment plc and its subsidiaries) whistleblowing procedures and outcomes;
- › oversee the Company's regulated activities and compliance function; and
- › monitor changes to the UK Corporate Governance Code and accounting regulations and any potential impact these may have on the year-end process and sign-off of the Annual Report and Accounts.

The biographical information on each Committee member is set out on **» PAGES 50 TO 52**. 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 2025 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 2025 Annual Report and Accounts, which included supporting information from our Finance team that the going concern basis of accounting was appropriate (see note 1 on **» PAGE 95** 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 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.

Audit and Compliance Committee report continued

Fair, balanced and understandable

The Committee undertook a comprehensive process to support the Board in reaching its conclusion that the 2025 Annual Report and Accounts are 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 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 formal approval.
Cross-functional support	Cross-functional support was provided in drafting the 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 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 2025 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 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 2025 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 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
<p>Valuation of equity and debt investments</p> <p>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.</p>	<p>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.</p>

Audit and Compliance Committee report continued

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 LLP (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 107** of the financial statements. In addition, a review of the effectiveness of Deloitte as auditor was carried out and concluded in 2025. 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 2025. This was the audit partner's second year in office.

Modern Slavery Act Statement

During 2025, 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 20** for more information.

Internal controls

The Committee forms an integral part of our three lines of defence model and its framework of internal controls. The Committee has been monitoring the requirements of Provision 29 of the UK Corporate Governance Code 2024. During the year, it was agreed that a new standing item be included on the agenda to consider the ongoing review of BII's internal controls as part of a Risk and Control Self-Assessment process. This is being led by the second line and is currently underway throughout the organisation. Further information on internal controls and the role the Committee performs in this area is given in the Risk management section on **» PAGES 13 TO 18**.

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. As set out above, the Committee covered a significant amount of work in 2025, 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 2025

Kathryn Matthews (Committee Chair)

Daniel Hanna (appointed on 22 April 2025)

Chris Woodruff

Simon Rowlands stepped down as a member of the Committee on 22 April 2025.

Andrew Alli continues to attend the Committee as an observer.

Number of Committee meetings: 4

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 13 TO 18.**

During the year, BII continued to strengthen its risk reporting and controls framework, and continued to improve reporting. The Committee was kept up to date on the principal risks facing the Company. It is however acknowledged that risk oversight is an evolving process due to ongoing macroeconomic, geopolitical and climate-related uncertainties. 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. The activities of the Reputational Risk Committee are presented for noting and discussion as appropriate. The Committee also discusses any new or emerging risks that might affect BII and reviews the appropriateness of actions being or planned to be taken in mitigation.

“The Committee also reviewed the potential impact on risk arising from BII’s new strategy, with a view to understanding and mitigating any impact where appropriate on risk from proposed changes to the strategy.”

At each meeting, the Committee also considers and discusses specific areas of interest or concern that are not covered in the regular contents of the quarterly report, such as the potential impact of US tariffs on BII’s portfolio.

A special report was provided to the Committee which covered the development of BII’s climate risk stress testing in order to assess the resilience of the portfolio to climate-related risks and to enable BII to continue to comply with mandatory regulatory reporting requirements.

The Committee considered and discussed the annual report on BII’s approach to managing cyber risk, including the work undertaken at BII to address the evolving and challenging cyber-threat landscape.

Members 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. The Committee also reviewed the potential impact on risk arising from BII’s new strategy, with a view to understanding and mitigating any impact on risk where appropriate from proposed changes to the strategy, to ensure that BII’s risk appetite continues to be appropriate. Work is also ongoing by management in respect of the mitigating potential risk arising from BII’s new strategy, which will be further considered during 2026 by the Committee.

The Committee conducted the annual self-assessment of the Risk team’s activities during 2025 and the work programme for 2026, 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 2025 to ensure that a robust framework remains in place to support BII’s strategy.

Kathryn Matthews
Chair

People Development and Remuneration Committee report



Simon Rowlands
Chair

Committee membership as at 31 December 2025

Andrew Alli

Diana Layfield

Krishnakumar Natarajan

Simon Rowlands (Committee Chair)

Simon Rowlands was appointed to the Committee on 10 April 2025, and subsequently to the position of Chair on 9 September 2025, following the resignation of the former Chair, Dolika Banda on 18 August 2025.

Number of Committee meetings: 7

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 2025.

2025 was a year of transition for the PremCo, with our former Chair, Dolika Banda, standing down in August. Dolika had served on the BII Board since September 2018 and was the Chair of the PremCo from 3 February 2022. On behalf of BII, I would like to thank Dolika for her dedication and service to BII and, in particular, for her contributions to the people agenda through her work as PremCo Chair. She demonstrated an unwavering commitment to BII's values and was a strong advocate for diversity. I was delighted to accept the PremCo Chair role in September and am committed to continuing to build on the progress made to date.

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 BII's 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 that will allow BII to achieve its mission to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation;
- › a clear understanding of the needs of the shareholder and other key stakeholders of BII; and
- › the goal of building a team that encapsulates and is inspired by BII's values:

- Impact-led, commercially rigorous.
- Tenacious in the face of challenges.
- Collaborative and caring.

There are a number of standing topics for consideration by PremCo at each regular meeting, which includes a quarterly update from the Chief People Officer capturing people management data including the diversity profile of the workforce globally. Agendas are set in accordance with the forward agenda (which is reviewed on an annual basis) in consultation with the Chair, Chief People Officer and the Company Secretary, with further matters to be considered by the PremCo added as needed. Under its terms of reference, items considered by PremCo cover the following 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.

A key people focus for BII throughout 2025 was the continued development of a high-performance culture. With the Performance Evaluation and Development Programme (PEDP) in place, BII focused on making ongoing enhancements – such as the introduction of anytime feedback in 2025 supporting both line managers and employees to provide effective ongoing feedback in real time. BII introduced a mid-year performance check-in and indicative ratings to ensure early performance alignment, avoid end-of-year surprises and provide an opportunity for stretch goals where appropriate. BII also introduced improvements to the rating descriptions and categories, facilitating more effective management of performance, including performance improvement conversations. BII continued to provide guidance and training for line managers and employees, and actively sought cross-organisational feedback on PEDP to inform necessary enhancements and improvements for future cycles.

Aligned to BII's drive to embed a high-performance culture and its focus on enhancing the performance reward link, BII confirmed that, from 2026, the timing of the annual inflationary salary review will move to take effect from 1 April instead of 1 January. This is to align with the timing of end-of-year performance ratings and allow a link between reward outcomes and individual performance. A review of BII's Remuneration Framework, aligned to the new five-year strategy also commenced in 2025. This review will continue to be a key

priority for PremCo during 2026. It is intended that, if changes are made to performance-related incentives, these would be effective from 2027.

Following on from the success of the launch of the new employer brand and Employee Value Proposition in 2024, BII shared its 'Career Value Proposition' in 2025 based on the four 'Es' of Experience, Exposure, Education and Environment. The Career Value Proposition was developed to provide both employees and managers alike with the tools to support career development conversations and actions as well as provide context for BII to deliver a number of newly created talent development initiatives, such as the Ambassador Secondment Programme.

In 2025, BII launched its Safe Spaces Programme to support employee psychological safety and demonstrate action in response to feedback. This included an update to BII's 'Dignity at Work' policy as well as workshops, team culture health reviews, continuous peer feedback, confidential manager feedback relating to the creation of a psychologically safe environment and mandatory training on the prevention of sexual harassment for all employees. We were pleased to see an 11 per cent increase in BII's 'Speak Up' Pulse Survey score in 2025.

In 2025, BII expanded its Graduate Programme with its first Africa-based graduate campaign recruiting directly from Nigeria and Kenya for the Lagos and Nairobi offices respectively. This was an important development for BII's Future Talent offering and demonstrated further intent in supporting BII resourcing needs across Africa, building a pipeline of local talent. Both the UK and Africa graduates attended a four-week orientation and training programme based in the London office.

BII's annual Culture Dashboard, informed by our Pulse Survey results alongside a range of other key data sources including people management metrics, remains amber, trending towards green. Areas of focus include continued support for improving our 'Speak Up' culture, as well as building organisational resilience through further developing people management capabilities and BII's wellbeing strategy.

Diversity, equity, inclusion and belonging (DEIB) across all offices is key to BII's organisational cultural health. At the end of 2025, BII exceeded its interim milestones for female leadership globally but did not achieve its milestone for black leadership. BII achieved 40.6 per cent female leadership against an interim milestone of 40.5 per cent and 12.3 per cent black leadership against an interim milestone of 14 per cent. In 2025, BII continued to embed its four workstreams of DEIB activity to drive both gender and ethnicity representation. These are: (i) inclusive hiring and progression: practices and resources; (ii) employee engagement; (iii) developing leaders and colleagues; and (iv) effective DEIB governance. As part of this, BII launched a cross-company mentoring programme 'Mission Include' in partnership with [Moving Ahead](#) in November 2025. The externally run programme paired 12 mentors and 12 mentees with partners from other organisations through a rigorous selection process. This further builds on the reverse mentoring programme also introduced in 2025, with positive feedback from both mentors and mentees.

While BII's long-term trend relating to the UK gender pay gap is one of improvement, 2025 saw a marginal increase from a mean gender pay gap in 2025. BII's UK workforce is 54 per cent female, but it remains the case that, across BII, females are over-represented either at lower levels or in roles that attract lower market rates of pay, e.g. business support services. Likewise, BII saw a small increase in its mean ethnicity pay gap in 2025. BII did, however, see a meaningful decline in the mean ethnicity bonus gap. Addressing the underlying causes of pay and bonus gaps remains a key focus for BII and aligns with its broader DEIB agenda and priorities. This includes working with our employee network groups to seek feedback and insights, as well as continuing the focus on inclusive hiring practices, talent pipelining and development support.

2025 was a busy year for PremCo and overall significant progress was made across all aspects of the people agenda. I thank the other members of PremCo for their engagement and for overseeing our people matters with such enthusiasm and commitment. Looking forward to 2026, the focus will be on: (i) aligning with the new five-year strategy and continuing to build a high-performance culture; (ii) developing a stronger performance reward link, including completing the review of

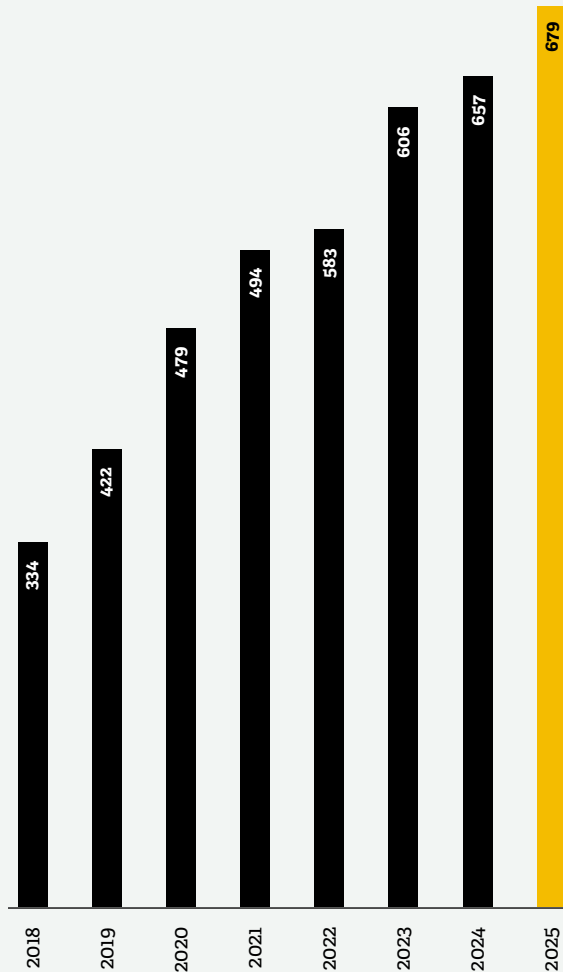
the Remuneration Framework; and (iii) enhancing firmwide performance management skills and people leadership capabilities. Additionally, BII will continue to build on delivering the BII Career Value Proposition, including supporting career conversations, providing meaningful development opportunities and ensuring robust succession planning. Fostering a stronger 'Speak Up' culture remains a priority, as does enhancing organisational resilience and embedding agreed DEIB priorities across the HR lifecycle. PremCo looks forward to working with the BII management team to ensure that BII is an environment in which our people can thrive while delivering the work that matters most.

Simon Rowlands
Chair

BII workforce distribution and engagement

By the end of 2025, employee headcount had reached 679 across our global locations.

BII year-end headcount



BII global locations



Key

At 31 December 2025

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

BII workforce distribution and engagement continued

Workforce engagement

Ensuring our workforce is engaged and supported is a key focus area for PremCo as BII strives to build and maintain a thriving, diverse and inclusive organisation where everyone feels they belong, that it is safe to speak up and that their voice matters.

Building on the 2024 biennial full Employee Engagement Survey, in 2025, BII ran a firmwide Pulse Survey to continue to engage employees and to seek to better understand how they feel about BII, their work and careers, what BII does well and any areas BII can enhance or improve. The response rate was 77 per cent, up 19 points from the previous Pulse Survey in 2023. Eighty-one per cent of respondents would recommend BII as a good place to work and 79 per cent would recommend their line manager. There were notable increases in favourable responses in the following areas: "People here really live the values" and "I feel safe to speak up and challenge the way things are done". There continues to be a strong sense of mission, purpose and pride in working for BII.

Our Employee Forum is an initiative aimed at the continuous improvement of our working culture and strengthening engagement between the Board and BII staff. In 2025, it met four times and covered a range of topics from artificial intelligence, collaboration across the Investment and Impact teams to performance management, career development and perspectives from our markets. We also have seven employee networks and open lines of communication to facilitate employee feedback at all levels and across all geographies.

Phase one of our onboarding review, initiated in response to employee feedback, concluded in 2025. Drawing on collaboration across our corporate function, we have established a consistent, in-person Day One Induction for all UK new joiners, delivered by key support teams. This strengthened approach ensures colleagues begin at BII with a clear understanding of our support and our commitment to setting them up for success. Phase two is underway, focusing on enhancing our in-market onboarding experience.

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 and a resilient organisation, as well as improving engagement, enabling all of us to be more productive and excel in our roles. We have refreshed employee wellbeing guides to support our people managers and employees across all offices in line with our collaborative and caring value.

We continue to operate a hybrid working approach and will keep these arrangements under review to ensure we follow best practice for the type and size of our organisation. Continuing to work collaboratively and fortifying the social fabric of the organisation are top priorities, as is ensuring we maintain flexibility in how we manage our family life and work commitments.

Career and professional development

Our learning and development strategy seeks 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. In addition to the launch of our Career Value Proposition initiative, we continued to build on our core 'All BII curriculum', established back in 2023. This year saw 110+ training sessions across a variety of technical and behavioural topics, in addition to the continued sponsorship of professional qualifications and external training. Following a successful pilot phase, LinkedIn Learning was launched in June 2025 to provide a globally accessible digital learning platform to all employees. The platform provides access to 24,000 expert-led courses focusing on business, technology and interpersonal skills, including AI role play and a range of certificate-based learning. This has resulted in a broad level of engagement across the firm, with over 400 activated licences in place and an enthusiastic take-up, particularly within the markets and regional offices. Regular engagement opportunities including the 'Learning Bites' campaign have started to embed digital learning habits, with more to follow in 2026.

As part of a cross-functional initiative and in support of driving an appropriate risk culture, we also made significant improvements to our mandatory training offering and processes, resulting in our highest-ever completion rates of 96.7 per cent.

Core people management skills continued to be a key focus and aligned with the Performance Evaluation and Development Programme, with many employees and people managers taking the opportunity to attend a range of in-person workshops, virtual 'Power Hour' sessions and 1-on-1 clinics both at the year-end and mid-year points. Key topics covered included 'giving and receiving feedback' and 'building psychologically safe teams'. This training was further supported by recommended LinkedIn Learning courses at the mid-year and end-of-year performance reviews.

This year saw significant progress in supporting ExCo succession planning and talent development, including targeted training and toolkits for all ExCo members on how to have impactful career development conversations with top talent and potential future leaders. A strategic coaching programme aimed at a small number of potential successors has been designed for launch in 2026.

Duty of care

We recognise a duty of care towards our employees. This is grounded in one of our values of being collaborative 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.

BII workforce distribution and engagement continued

As part of our commitment to safeguarding, 2025 also saw the roll-out of the Safe Spaces Programme, a broad programme of activities including mandatory training workshops for all leaders and people managers. By the end of the year, the HR team had also developed a new prevention of sexual harassment mandatory training module that will provide a more consistent and scalable learning experience to all our employees, which launched in January 2026.

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 2025 shows mean and median gender pay gaps of 20.3 per cent and 18 per cent, respectively, in favour of men.

At 31 December 2025, women make up 37.52 per cent of our Board and 53.6 per cent of our global workforce, and occupy 40.5 per cent of the roles at Director level and above across all locations.

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 heritage employees and for employees from other ethnic minority groups. Our mean pay gap is narrowest for Asian employees at 11.5 per cent, compared to 11.8 per cent for Black heritage employees and 12.8 per cent for employees from other ethnic minority groups. Overall, our ethnicity pay gap is smaller than our gender pay gap because 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 are measured in our employee Pulse Surveys, in exit interviews and in 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. 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 Officer

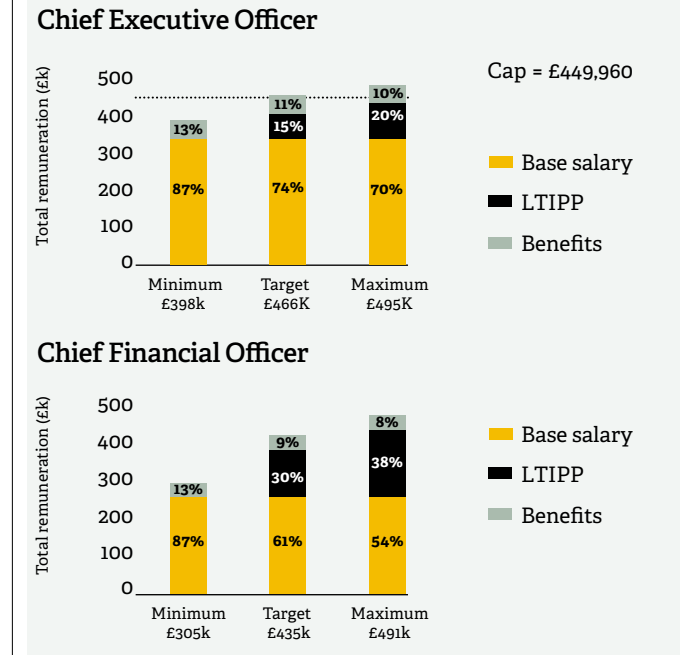
Components	Operation and implementation
Support for objectives of BII	<p>To be successful, BII needs to attract both world-class senior investment professionals to lead it and a comparable calibre of professionals to provide operational and transactional support.</p> <p>It is recognised that BII cannot 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 Officer. A Chief Executive Officer remuneration cap reinforces the remuneration philosophy as being mission-driven. This cap restricts the maximum amount payable to the Chief Executive Officer 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, including pension. The Chief Executive Officer 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.</p>
Total reward	<p>The Chief Executive Officer's base salary is reviewed annually by reference to inflation data and is increased in line with base salaries of employees as governed under the base salary policy below.</p> <p>The maximum pay-out to the Chief Executive Officer 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 Officer's remuneration will be part of the benchmarking exercise to be undertaken every three years.</p> <p>The Chief Executive Officer is eligible to participate in the benefits in kind, captured on » PAGE 77 of the 2021 Annual Report and Accounts, with the exception that while private medical insurance will be available for overseas travel, the Chief Executive Officer will not have access to UK private medical insurance paid for by BII.</p>

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 Officer has a service agreement, which 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, 2026



The charts above provide an indication of the level of remuneration that would be received by Executive Directors in 2026, assuming they remain in office for a full year, under the current Remuneration Policy in three different scenarios. The Chief Executive Officer chart shows the prevailing cap for the full year, which limits salary and LTIPP in respect of 2026. Carolyn Sims, the Chief Financial Officer, has tendered her resignation and intends to step down from the Board at the end of April 2026.

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 on-target performance LTIPP award of 70 per cent as stated in the Remuneration Framework.
Maximum	This includes the fixed elements and the maximum LTIPP award.

Remuneration Policy continued

Service agreements

The Chief Executive Officer's employment is terminable on either side by 12 months' notice.

The current Chief Financial Officer, who was appointed in September 2020, has a statement of written particulars of employment, which is terminable on either side by 6 months' notice.

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.

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 Chief Executive Officer was appointed on 21 May 2025 as a Non-Executive Director to the Board of the European Development Finance Institution. The Chief Financial Officer is a Non-Executive Director on the Board of Temple Bar Investment Trust plc.

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
Carolyn Sims ¹	23 September 2020	6
Non-Executive Directors		
Andrew Alli	24 September 2018	3
Dolika Banda (until 18 August 2025)	24 September 2018	3
Daniel Hanna	1 May 2024	3
Diana Layfield ²	1 December 2021	3
Kathryn Matthews	1 January 2021	3
Krishnakumar Natarajan	15 July 2020	3
Simon Rowlands	22 July 2022	3
Laurie Spengler (until 31 December 2025)	28 July 2016	3
Chris Woodruff	1 August 2021	3

¹ Leslie Maasdorp and Carolyn Sims have employment contracts dated 29 October 2024 and 15 June 2020 respectively.

² Appointed Chair of the Board from 1 January 2022.

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	2025 fee £	2024 fee £
Diana Layfield	70,000	70,000
Andrew Alli	28,000	28,000
Dolika Banda (until 18 August 2025)	18,667	28,000
Daniel Hanna	22,000	14,667
Kathryn Matthews	28,000	28,000
Krishnakumar Natarajan	22,000	22,000
Simon Rowlands ¹	28,000	22,000
Laurie Spengler (until 31 December 2025)	22,000	26,000
Chris Woodruff	28,000	28,000

¹ Simon Rowlands was Chair of both the Employee Forum from 1 January 2025 and the People Development and Remuneration Committee from 9 September 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.

2025 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 £
Leslie Maasdorp³					
2025	324,487	–	37,523	48,673	410,683
Carolyn Sims					
2025	259,380	3,420	149,974	33,921	446,694
2024	251,830	2,284	126,410	33,194	413,718

¹ In the case of Carolyn Sims, only the pension 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 2025 numbers exclude the period from 1 January to 14 January as CEO Designate, during which Leslie Maasdorp received salary payments of £12,943 and employer pension contributions of £1,942, and earned £1,497 under the 2025 LTIPP. Leslie Maasdorp's level of remuneration did not change on formal appointment as the CEO. During 2024, as CEO Designate from joining BII on 29 October 2024 until the year-end, Leslie Maasdorp received salary payments of £58,380 and employer pension contributions of £8,757.

Payments to past Directors

As disclosed in the 2024 Annual Report and Accounts, Nick O'Donohoe, the previous Chief Executive Officer, earned £88,870 in respect of the 2024 LTIPP, which was paid in 2025.

Annual report on remuneration continued

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, including as CEO Designate) 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
2025	Pay ratio – total compensation (Option A)	5:1	3:1	2:1
	Representative employee total compensation	£90,099	£140,574	£217,806
	Representative employee salary	£81,060	£113,160	£152,030

	Statistic	25th percentile	Median	75th percentile
2024	Pay ratio – total compensation (Option A)	5:1	3:1	2:1
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 2025 for UK employees employed throughout 2025, consists of base salary, allowances, benefits and payments relating to the 2025 LTIPP.

The 2025 median pay ratio above is consistent with the pay and progression policies for our UK employees as a whole.

Performance of the LTIPP in 2025

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 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 Officer 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 Officer 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 maximum awards for Directors in 2025 were therefore calculated as:

Statistic	Leslie Maasdorp ¹	Carolyn Sims ²
Employment start date	29 October 2024	15 June 2020
Percentage of base salary as at 31 December 2024 accrued under LTIPP to date and previous LTIPP		0.00%
Increase in maximum award in 2025	14.00%	12.17%
Maximum award	14.00%	70.00%

- As noted in the 2025 report, the Chief Executive Officer, Leslie Maasdorp, only joined the plan effective 1 January 2025 in accordance with the plan rules. The table reflects the entire year, as CEO Designate and CEO.
- The Chief Financial Officer's maximum award reached the cap of 70 per cent during 2025.

Calculation of the 2025 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%	72.5%	29.0%
Financial	Maintain portfolio financial health	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 sterling).	40.0%	100.0%	40.0%
Corporate	Maintain the commitment pace	Deliver \$2.1 billion – \$2.6 billion of new commitments, while staying on track to have (i) 10% – 15% of total portfolio net asset value in Catalyst investments and (ii) committing £500 million to SE Asia, both by 2026.	20.0%	68%	13.6%
	Meet our climate, gender and inclusion 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 and budget	Keep operating costs within the agreed operating expenditure policy (1.7%) and within the 2025 Board-approved budget.			
	Continue to improve 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 and Development process to embed the value of cross-firm working; and continue to trend green on the Culture Dashboard.			
	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.			
				Total weighted average achievement	82.6%

Annual report on remuneration continued

Calculation of the 2025 LTIPP outcomes

As such, Executive Director awards were calculated as:

Statistic	Leslie Maasdorp ¹	Carolyn Sims
Base salary at 31 December 2025	£337,430	£259,380
Maximum amount	14.0%	70.00%
Performance achievement percentage	82.6%	82.6%
LTIPP award	£39,020	£149,974
Reduction for Chief Executive Officer capped remuneration	–	–
Net LTIPP award	£39,020	£149,974

¹ Includes period as CEO Designate from 1 January to 14 January 2025.

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 has 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:

Statistic	Number of employees Base salary		Number of employees Total compensation	
	2025	2024	2025	2024
£450,001–£500,000	–	–	7	1
£400,001–£450,000	–	–	9	11
£350,001–£400,000	–	–	20	18
£300,001–£350,000	1	–	39	25
£250,001–£300,000	15	12	41	51
£200,001–£250,000	39	29	59	54
£150,001–£200,000	94	86	86	76
£100,001–£150,000	156	155	114	116
£50,001–£100,000	205	187	171	150
£0–£50,000	68	67	32	34
Total	578	536	578	536

Implementation of pay in 2026

Base salary

Following a review in the year, PremCo agreed an increase of 3.25 per cent in the base salaries of the new CEO from £337,430 to £348,400 and the Chief Financial Officer from £259,380 to £267,810. This 3.25 per cent increase was in line with the wider UK workforce. The CEO cap similarly increased by 3.25 per cent to £453,530. All the above increases were effective from 1 April 2026.

LTIPP

The performance metrics for 2026, shown in the following table, are selected from the 2026 corporate objectives set by the Board.

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

Committee adviser

During 2025, the Committee's external adviser PwC attended each meeting as required to provide independent advice and updates to the Committee on relevant corporate governance and market-related developments. During 2025, PwC also provided services to the rest of the Group on tax compliance.

Following a competitive tender process, Korn Ferry was appointed as adviser to the Committee from 2026.

Both PwC and Korn Ferry are signatories 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.

Simon Rowlands
Chair

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'.	40%
Financial performance	Ensure long-term 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 sterling).	40%
New commitments	On track to deliver, cumulatively, BII's 2026-31 core capital allocation targets, including: (i) 25% to frontier markets; (ii) 35% to climate finance; and (iii) 30% to 2X.	5%
Portfolio management and value creation	Developing and enhancing BII's equity value creation and portfolio management capability.	5%
Mobilisation	On track to deliver, cumulatively, US\$4 billion in active mobilisation by 2031.	5%
Organisational health	Maintain organisational health and financial sustainability by: (i) keeping operating cost within agreed OpEx policy (1.7% ratio) and Board-approved budget; (ii) demonstrating increased efficiencies through improvements to business process; and (iii) making progress towards 2026 targets on women and Black people in leadership and trending green on the Culture Dashboard.	5%

Directors' report

The Directors present their report for the financial year ended 31 December 2025.

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 2024 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 48 TO 81** 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 47** 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 Officer's statement	5-6
Events since the end of the financial year	Note 25 to the financial statements	119
Engagement with employees	How we engage with our stakeholders	58-59
	People, Development and Remuneration Committee report	67-78
Engagement with suppliers, customers and others	Governance Report	58-59
Greenhouse gas emissions, energy consumption and energy efficiency action	Climate-related Financial Disclosures 2025	22-47
Financial risks	Risk management	17
Employee Incentive Plans (LTIPP)	People, Development and Remuneration Committee report (Remuneration Policy)	77
Financial instruments	Notes to the accounts	111-115

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 (2024: nil).

Directors

The names of the current Directors of the Company, along with their biographical details, are set out on **PAGES 50 TO 52** 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

The 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 53** 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.

Directors' report continued

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 6,499,195,895 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 480,000,000 ordinary shares were issued to the Foreign Secretary. As at 31 December 2025, the Foreign Secretary held 6,979,195,895 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 the FCDO and BII. In addition, formal quarterly meetings are held with FCDO officials and the Chair, Chief Executive Officer, 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 95** of the financial statements for more information).

Annual General Meeting

The 2025 AGM was held on 20 May 2025. An AGM will be held in 2026 in accordance with the Companies Act 2006. See **» PAGE 54** 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 2025 AGM and Deloitte will be seeking reappointment at the 2026 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 20**.

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
16 April 2026

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 63) 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 (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 2025 and of the group's 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 £198m 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.

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

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 included the matter that 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 2025, the group held investments totalling £4,607.5 (2024: £5,108.5m) 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 £928.7m (2024: £860.9m). 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.

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

How the scope of our audit responded to the key audit matter We performed the following procedures:

- › tested the relevant controls around the valuation of investments; 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 and IFRS 9 Financial Instruments.

For a sample of unquoted direct equity investments, we performed the following procedures to address the risk of fraud associated with significant management judgements:

- › compared previous forecasts to latest audited financial statements to assess the extent to which reliance can be placed on management accounts and that previous judgements have been appropriately made;
- › engaged our valuation specialists to perform an assessment of the appropriateness of the discount rate, the growth rate and terminal value of investments where applicable
- › observed the Valuation Steering Committee (VSC) meetings to assess any challenges raised and build our expectation around VSC adjustments made;
- › evaluated the appropriateness of the valuation methodology selected;
- › 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;
- › employed audit analytic tools on the valuation models to assess complex investment valuation models for model integrity;
- › obtained an understanding of the structure and key terms of the investment agreement to assess whether all features were included in the valuation and that the assumptions do not contradict any features that may be present
- › 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.

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

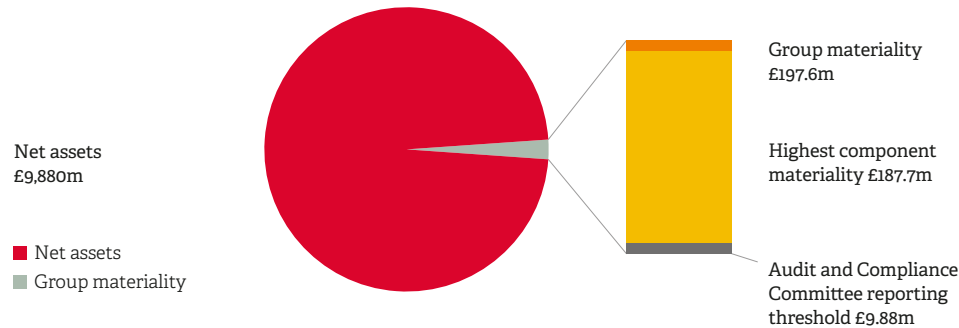
6.1. Materiality

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	£197.6m (2024: £197m)	£187.7m (2024: £187m)
Basis for determining materiality	2% (2024: 2%) of net assets	2% (2024: 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.	

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



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% (2024: 70%) of group materiality	70% (2024: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: <ol style="list-style-type: none"> 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 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 (2024: £9.9m), 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.

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

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 directors' responsibilities statement, 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.

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

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 group's documentation of their 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.

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

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

16 April 2026

Consolidated statement of financial position

As at 31 December

Assets	Notes	2025 £m	Restated 2024 £m
Non-current assets			
Property, plant and equipment	13	12.0	16.3
Intangible asset	14	1.3	1.4
Equity investments at FVTPL	3	4,783.0	5,344.4
Loan investments at FVTPL	4	1,625.0	1,447.3
Guarantees	5	33.5	92.6
Notes receivable	24	1,540.0	1,130.0
Other receivables		0.4	0.4
Deferred tax asset	12	0.4	0.3
		7,995.5	8,032.7
Current assets			
Trade and other receivables	15	781.8	752.9
Current tax assets	12	0.3	-
Forward foreign exchange contracts (FFECs)	8	35.8	9.0
Cash and cash equivalents	6	1,481.9	1,331.6
	3	2,299.8	2,093.5
Total assets		10,295.3	10,126.2
Equity and liabilities			
Attributable to the equity holders of the Company			
Issued capital	7	6,979.2	6,499.2
Foreign currency translation reserves		0.8	0.7
Retained earnings		2,899.9	3,369.6
Total equity		9,879.9	9,869.5
Non-current liabilities			
Expected credit loss provision on unfunded loan commitments	4	0.8	2.0
Long-term lease liability	22	7.9	13.9
Deferred government grant income	20	337.8	145.5
		346.5	161.4
Current liabilities			
Trade and other payables	16	51.0	48.2
Forward foreign exchange contracts (FFECs)	8	9.7	43.5
Expected credit loss provision on unfunded loan commitments	4	3.3	0.3
Short-term lease liability	22	4.9	3.3
		68.9	95.3
Total liabilities		415.4	256.7
Total equity and liabilities		10,295.3	10,126.2

Notes 1 to 27 form part of the financial statements. The accounts were approved by the members of the Board on 16 April 2026 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	2025 Total £m	2024 Total £m
Investment income	9	210.9	231.8
Fair value (losses)/gains on equity investments	3	(144.4)	31.9
Fair value gains on loan investments	4	2.6	46.1
Fair value gains and expected credit losses on guarantees	5	0.5	0.7
Expected credit loss on unfunded loan commitments	4	(1.8)	(1.7)
Foreign exchange (losses)/gains on equity investments	3, 11	(373.3)	12.6
Foreign exchange (losses)/gains on loan investments	4, 11	(130.6)	25.9
Foreign exchange (losses)/gains on guarantees	5, 11	(3.8)	1.2
Government grant income	20	4.8	1.4
Other income	9	4.8	9.0
Foreign exchange gains/(losses) arising on FFECs	11	143.8	(46.6)
Administrative and other expenses	10	(171.3)	(156.7)
(Loss)/profit from operations before tax and finance costs		(457.8)	155.6
Finance costs		(1.0)	(1.0)
Finance income		61.7	59.3
Foreign exchange (losses)/gains (cash and cash equivalents)	11	(58.2)	4.9
(Loss)/profit from operations before tax		(455.3)	218.8
Income tax expense	12	(14.5)	(6.6)
(Loss)/profit for the year		(469.8)	212.2
<i>Items that will not be reclassified to profit and loss (net of tax):</i>			
Recognised actuarial gain on pensions	17	0.1	0.5
<i>Items that will be reclassified to profit and loss (net of tax):</i>			
Foreign currency translation reserves		0.1	0.6
Other comprehensive income		0.2	1.1
Total comprehensive (loss)/profit for the year		(469.6)	213.3

Notes 1 to 27 form part of the financial statements.

Consolidated statement of cash flows

For the 12 months to 31 December

	Notes	2025 £m	2024 £m
Cash flows from operating activities			
(Loss)/profit from operations before tax		(455.6)	218.8
Adjustments for:			
Depreciation of property, plant and equipment	13	4.8	5.3
Amortisation of intangible asset	14	0.5	0.5
Finance income		(61.7)	(59.3)
Dividend income		(16.9)	(36.9)
Finance costs		1.0	1.0
Change in fair value of equity investments	3	144.4	(31.9)
Change in fair value of loan investments	4	(2.6)	(46.1)
Change in fair value and expected credit losses on guarantees	5	(0.5)	(0.7)
Defined benefit pension costs	10	1.0	0.9
Expected credit loss on unfunded loan commitments	4	1.8	1.7
Deferred government grant income	20	192.3	52.5
Effect of exchange rate fluctuations on non FFEC transactions		568.2	(36.3)
Cash flows from operations before changes in working capital		376.7	69.5
Decrease in trade and other receivables		(222.1)	(32.3)
(Decrease)/increase in derivative financial instruments		(60.6)	106.1
Increase in trade and other payables		1.7	5.3
Cash flows from operations		95.7	148.6
Finance costs		(1.0)	(1.0)
Defined benefit pension contributions paid		(0.7)	(0.4)
Taxes paid		(13.0)	(5.1)
Cash flows from operating activities		81.0	142.1

	Notes	2025 £m	2024 £m
Cash flows from investing activities			
Proceeds from sale of equity investments	3	679.9	470.2
Acquisition of equity investments	3	(637.6)	(583.1)
Acquisition of property, plant and equipment	13	(0.9)	(11.0)
Acquisition of intangibles	14	(0.3)	(0.6)
Investment transfers		–	0.7
Interest received		61.7	59.3
Dividend received		16.9	36.9
Loan advances	4	(692.6)	(579.1)
Loan repayments	4	525.8	637.6
Guarantee advances	5	(31.7)	(38.0)
Guarantee repayments	5	87.5	26.8
Cash flows from investing activities		8.7	19.7
Cash flows from financing activities			
Proceeds from promissory notes from shareholder		70.0	349.5
Proceeds from promissory notes for government grants		53.3	–
Lease payments	22	(4.5)	(3.5)
Cash flows from financing activities		118.8	346.0
Net increase in cash and cash equivalents		208.5	507.8
Effect of foreign exchange rate changes		(58.2)	4.9
Cash and cash equivalents at 1 January		1,331.6	818.9
Cash and cash equivalents at 31 December	6	1,481.9	1,331.6

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 2024	5,339.2	2.5	(0.1)	3,154.5	8,496.1
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	0.7	3,366.6	9,869.5
Changes in equity for 2025					
Loss for the year	–	–	–	(469.8)	(469.8)
Other comprehensive income for the year	–	0.1	0.1	–	0.2
Total comprehensive income/(loss) for the year	–	0.1	0.1	(469.8)	(469.6)
Issue of ordinary shares	7	480.0	–	–	480.0
At 31 December 2025	6,979.2	3.1	0.8	2,896.8	9,879.9

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 2024	5,339.2	2.5	–	3,154.4	8,496.1
Profit for the year	–	–	–	212.8	212.8
Other comprehensive income for the year	–	0.5	–	–	0.5
Total comprehensive loss 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
Changes in equity for 2025					
Loss for the year	–	–	–	(469.7)	(469.7)
Other comprehensive income for the year	–	0.1	–	–	0.1
Total comprehensive income/(loss) for the year	–	0.1	–	(469.7)	(469.6)
Issue of ordinary shares	7	480.0	–	–	480.0
At 31 December 2025	6,979.2	3.1	–	2,897.5	9,879.9

Notes 1 to 27 form part of the financial statements.

Company statement of financial position

As at 31 December

Assets	Notes	2025 £m	Restated 2024 £m
Non-current assets			
Property, plant and equipment	13	9.4	13.1
Intangible asset	14	1.2	1.4
Equity investments at FVTPL	3	4,797.6	5,359.4
Loan investments at FVTPL	4	1,625.0	1,447.3
Guarantees	5	33.5	92.6
Note receivable	24	1,540.0	1,130.0
		8,006.7	8,043.8
Current assets			
Trade and other receivables	15	777.4	743.1
Forward foreign exchange contracts (FFECs)	8	35.8	9.0
Cash and cash equivalents	6	1,461.5	1,316.4
		2,274.7	2,068.5
Total assets		10,281.4	10,112.3
Equity and liabilities			
Issued capital	7	6,979.2	6,499.2
Retained earnings		2,900.7	3,370.3
Total equity		9,879.9	9,869.5
Non-current liabilities			
Expected credit loss provision on unfunded loan commitments	4	0.8	2.0
Long-term lease liability	22	6.4	10.8
Deferred government grant income	20	337.8	145.5
		345.0	158.3
Current liabilities			
Trade and other payables	16	39.8	37.8
Forward foreign exchange contracts (FFECs)	8	9.7	43.5
Expected credit loss provision on unfunded loan commitments	4	3.3	0.3
Short-term lease liability	22	3.7	2.9
		56.5	84.5
Total liabilities		401.5	242.8
Total equity and liabilities		10,281.4	10,112.3

Notes 1 to 27 form part of the financial statements. The accounts were approved by the members of the Board on 16 April 2026 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	2025 Total £m	2024 Total £m
Investment income	9	210.9	231.8
Fair value (losses)/gains on equity investments	3	(142.8)	34.1
Fair value gains on loan investments	4	2.6	46.1
Fair value gains and expected credit losses on guarantees	5	0.5	0.7
Expected credit loss on unfunded loan commitments	4	(1.8)	(1.7)
Foreign exchange (losses)/gains on equity investments	3, 11	(374.2)	12.6
Foreign exchange (losses)/gain on loan investments	4, 11	(130.6)	25.9
Foreign exchange (losses)/gain on guarantees	5, 11	(3.8)	1.2
Government grant income	20	4.8	1.4
Other income	9	4.8	8.7
Foreign exchange gains/(losses) arising on FFECs	11	143.8	(46.6)
Administrative and other expenses	10	(172.4)	(159.7)
(Loss)/profit from operations before tax and finance costs		(458.1)	154.5
Finance costs		(0.8)	(1.0)
Finance income		61.3	59.1
Foreign exchange (losses)/gains (cash and cash equivalents)	11	(57.8)	6.2
(Loss)/profit from operations before tax		(455.4)	218.8
Income tax expense	12	(14.3)	(6.0)
(Loss)/profit for the year		(469.7)	212.8
<i>Items that will not be reclassified to profit and loss:</i>			
Other comprehensive income (net of tax)			
Recognised actuarial gain on pensions	17	0.1	0.5
Total comprehensive (loss)/profit for the year		(469.6)	213.3

Notes 1 to 27 form part of the financial statements.

Company statement of cash flows

For the 12 months to 31 December

	Notes	2025 £m	2024 £m
Cash flows from operating activities			
(Loss)/profit from operations before tax		(455.7)	218.8
Adjustments for:			
Depreciation of property, plant and equipment	13	3.7	4.0
Amortisation of intangible asset	14	0.5	0.5
Finance income		(61.3)	(59.1)
Dividend income	9	(16.9)	(36.9)
Finance costs		0.8	1.0
Change in value of equity investments	3	142.8	(34.1)
Change in value of loan investments	4	(2.6)	(46.1)
Fair value and expected credit losses on guarantees	5	(0.5)	(0.7)
Defined benefit pension costs	10	1.0	0.9
Expected credit loss on unfunded loan commitments	4	1.8	1.7
Deferred government grant income	20	192.3	52.5
Effect of exchange rate fluctuations on non-FFEC transactions		566.6	(36.4)
Cash flows from operations before changes in working capital		372.5	66.1
Decrease in trade and other receivables		(225.1)	(34.8)
(Decrease)/increase in derivative financial instruments		(60.6)	106.1
Increase in trade and other payables		2.0	5.1
Cash flows from operations		88.8	142.5
Finance cost		(0.8)	(0.7)
Defined benefit pension contributions paid		(0.7)	(0.4)
Taxes paid		(14.3)	(6.0)
Cash flows from operating activities		73.0	135.4

	Notes	2025 £m	2024 £m
Cash flows from investing activities			
Proceeds from sale of equity investments	3	680.9	470.1
Acquisition of equity investments	3	(637.6)	(583.1)
Acquisition of plant and equipment	13	–	(10.5)
Acquisition of intangibles		(0.4)	(0.6)
Investment transfers		–	0.7
Interest received		61.3	59.1
Dividend received		16.9	36.9
Loan advances	4	(692.6)	(579.1)
Loan repayments	4	525.8	637.6
Guarantee advances	5	(31.7)	(38.0)
Guarantee repayments	5	87.5	26.8
Cash flows from investing activities		10.1	19.9
Cash flows from financing activities			
Proceeds from promissory notes from shareholder	24	70.0	349.5
Proceeds from promissory notes for government grants		53.3	–
Lease payments	22	(3.5)	(2.6)
Cash flows from financing activities		119.8	346.9
Net increase in cash and cash equivalents		202.9	502.2
Effect of foreign exchange rate changes		(57.8)	6.2
Cash and cash equivalents at 1 January		1,316.4	808.0
Cash and cash equivalents at 31 December	6	1,461.5	1,316.4

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 2025 were authorised for issue in accordance with a resolution of the Directors on 16 April 2026. 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 ► **PAGES 7 TO 8** of the Strategic Report and ► **PAGE 79** 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.

The 2024 note receivable has been restated from current assets to non-current assets in the statement of financial position based on cashflow forecasts available at the time of authorising the financial statements for the year ending 31 December 2024. See note 24 for further details.

Going concern

BII's business activities are set out in the Strategic Report and Directors' Report on ► **PAGES 7 TO 8 AND 79**, 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 £6,979.2 million and retained earnings of £2,899.9 million. At 31 December 2025, net assets were £9,879.9 million, including cash and short-term deposits of £1,758.7 million (including non-consolidated subsidiaries), and promissory notes receivable of £1,540.0 million. In 2022, BII and the 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, £1,962.8 million has been lodged against this, with £420.0 million lodged in 2025. BII and the FCDO agreed a separate shareholder agreement dated 17 July 2024 for investment in Ukraine. To date, £120.0 million has been lodged against this, with £60.0 million lodged in 2025.

Funding of £300.0 million for BII investment strategies plus £129.0 million for investment in Ukraine for the period from 1 April 2026 to 31 March 2029 was announced in a statement by the Foreign Secretary on 19 March 2026.

Additionally, BII has access to a £445.3 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 £2,607.6 million and investment pace in 2026 is expected to be in the region of £1.3 to £1.6 billion (\$1.7 to \$2.1 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; and 2) a collateral coverage ratio above 100 per cent 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 and debt 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.

Notes to the accounts continued

1. Corporate information and accounts preparation continued

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.

There is continued heightened uncertainty around valuations given the macroeconomic challenges experienced by many of BII's core countries, such as acceleration of inflation, raising interest rates, depreciation of currencies and the continued market volatility caused by the US tariffs announced in 2025. 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, the FCDO. Its funds are provided by the 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 demonstrated.

BII manages, measures and reports its investment portfolio of over 500 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.

Notes to the accounts continued

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 2025. 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.

Notes to the accounts continued

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 to assess its performance.

BII operates in one segment. The Group's Chief Executive Officer, 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 Officer 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.

	2025 £m	2024 £m
Portfolio return	(273.3)	317.3
Assets – Portfolio value	6,641.2	7,291.2

Reconciliation to the financial performance report

Within the management reports, the results of which are shown in the financial performance report on ►► PAGES 9 TO 12, 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

Notes	Reconciling items			
	Primary statements	Reclassify portfolio items	Other items and reclassifications	Management reports
	2025 £m	2025 £m	2025 £m	2025 £m
Portfolio return*	(438.1)	164.8	–	(273.3)
Administrative expenses/ operating costs	(171.3)	–	5.3	(166.0)
Other net income/ (expense)	93.6	(164.8)	63.4	(7.8)
Finance costs	(1.0)	–	1.0	–
Finance income/interest income	61.7	–	(61.7)	–
Tax	(14.5)	–	(8.0)	(22.5)
Total comprehensive income/ total return after tax	(469.6)	–	–	(469.6)

Notes	Reconciling items			
	Primary statements	Reclassify portfolio items	Other items and reclassifications	Management reports
	2024 £m	2024 £m	2024 £m	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

* 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.

Notes to the accounts continued

2. Operating segments analysis continued

Statement of financial position

Notes	Reconciling items			
	Primary statements	Reclassify portfolio items	Other items and reclassifications	Management reports
	2025 £m	2025 £m	2025 £m	2025 £m
Portfolio value*	6,862.9	39.1	(260.8)	6,641.2
Net cash and short-term deposits	1,481.9	–	276.8	1,758.7
Other net assets/(liabilities)	1,535.1	(39.1)	(16.0)	1,480.0
Total net assets attributable to equity holders of the Company	9,879.9	–	–	9,879.9

Notes	Reconciling items			
	Primary statements	Reclassify portfolio items	Other items and reclassifications	Management reports
	2024 £m	2024 £m	2024 £m	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

* 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

	Reconciling items			
	Primary statements	Reclassify portfolio items	Other items and reclassifications	Management reports
	2025 £m	2025 £m	2025 £m	2025 £m
Portfolio drawdowns	(1,361.9)	–	13.8	(1,348.1)
Portfolio receipts	1,293.2	244.9	90.5	1,628.6
Net investment flows	(68.7)	244.9	104.3	280.5
Other cash flows	219.0	(244.9)	(157.6)	(183.5)
Net increase in cash and cash equivalents	150.3	–	(53.3)	97.0

	Reconciling items			
	Primary statements	Reclassify portfolio items	Other items and reclassifications	Management reports
	2024 £m	2024 £m	2024 £m	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

Notes to the accounts continued

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	South Asia	Rest of	Multi-	Total	
	2025	2025	World	region [†]		
	£m	£m	2025	2025	£m	
Portfolio return	3,4,5&9*	(227.6)	(193.5)	(23.6)	6.6	(438.1)

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

* 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	Level 3	Total	Level 1	Level 3	Total
	2025	2025	2025	2024	2024	2024
	£m	£m	£m	£m	£m	£m
Equity	175.5	4,607.5	4,783.0	235.9	5,108.5	5,344.4
Loans	34.2	2,010.4	2,044.6	36.3	1,968.1	2,004.4
Guarantees	–	35.3	35.3	–	96.8	96.8
At 31 December, at fair value	209.7	6,653.2	6,862.9	272.2	7,173.4	7,445.6

Company	Level 1	Level 3	Shares held	Total	Level 1	Level 3	Shares held	Total
	2025	2025	in Group	2025	2024	2024	in Group	2024
	£m	£m	companies*	£m	£m	£m	companies*	£m
Equity	175.5	4,607.5	14.6	4,797.6	235.9	5,108.5	15.0	5,359.4
Loans	34.2	2,010.4	–	2,044.6	36.3	1,968.1	–	2,004.4
Guarantees	–	35.3	–	35.3	–	96.8	–	96.8
At 31 December, at fair value	209.7	6,653.2	14.6	6,877.5	272.2	7,173.4	15.0	7,460.6

* Amounts represent consolidated subsidiaries only.

3. Equity investments

Group	Listed	Unlisted	Total	Listed	Unlisted	Total
	shares	shares	shares	shares	shares	shares
	2025	2025	2025	2024	2024	2024
	£m	£m	£m	£m	£m	£m
At 1 January, at fair value	235.9	5,108.5	5,344.4	228.2	5,101.9	5,330.1
Additions	–	637.6	637.6	–	583.1	583.1
Disposals	(110.1)	(569.8)	(679.9)	–	(470.2)	(470.2)
Transfers	0.2	(1.6)	(1.4)	–	(143.1)	(143.1)
Fair value gains/(losses)	55.8	(200.2)	(144.4)	9.0	22.9	31.9
Foreign exchange (losses)/gains	(6.3)	(367.0)	(373.3)	(1.3)	13.9	12.6
At 31 December, at fair value	175.5	4,607.5	4,783.0	235.9	5,108.5	5,344.4

Company	Listed	Unlisted	Shares held	Total	Listed	Unlisted	Shares held	Total
	shares	shares	in Group	2025	shares	shares	in Group	2024
	2025	2025	companies*	£m	2024	2024	companies*	£m
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January, at fair value	235.9	5,108.5	14.9	5,359.4	228.2	5,101.9	12.8	5,343.0
Additions	–	637.6	–	637.6	–	583.1	–	583.1
Disposals	(110.1)	(569.8)	(1.0)	(680.9)	–	(470.1)	–	(470.1)
Transfers	0.2	(1.6)	–	(1.4)	–	(143.2)	–	(143.2)
Fair value gains/(losses)	55.8	(200.2)	1.6	(142.8)	9.0	22.9	2.2	34.1
Foreign exchange (losses)/gains	(6.3)	(367.0)	(0.9)	(374.3)	(1.3)	13.9	–	12.6
At 31 December, at fair value	175.5	4,607.5	14.6	4,797.6	235.9	5,108.5	15.0	5,359.4

* Amounts represent consolidated subsidiaries only.

Notes to the accounts continued

3. Equity investments continued

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

Group	Listed shares	Unlisted shares	Total	Listed shares	Unlisted shares	Total
	2025 £m	2025	2025 £m	2024 £m	2024	2024 £m
Realised fair value gains/(losses)	(5.4)	9.2	3.8	–	125.2	125.2
Unrealised fair value gains/(losses)	61.2	(209.4)	(148.2)	9.0	(102.3)	(93.3)
Net fair value gains/(losses) on equity instruments	55.8	(200.2)	(144.4)	9.0	22.9	31.9

Company	Listed shares	Unlisted shares	Shares held in Group companies*	Total	Listed shares	Unlisted shares	Shares held in Group companies*	Total
	2025 £m	2025 £m	2025 £m	2025 £m	2024 £m	2024 £m	2024 £m	2024 £m
Realised fair value gains/(losses)	(5.4)	9.2	–	3.8	–	125.2	–	125.2
Unrealised fair value gains/(losses)	61.2	(209.4)	1.6	(146.6)	9.0	(102.3)	2.2	(91.1)
Fair value gains/(losses) on equity instruments	55.8	(200.2)	1.6	(142.8)	9.0	22.9	2.2	34.1

* 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 (2024: £nil). 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 £4,607.5 million (2024: £5,108.5 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 £2,645.3 million (2024: £1,850.8 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 5.5 per cent of total portfolio. This is also true for our debt investments (refer to note 4). Refer to ►► **PAGE 43** for the CFD investment portfolio metrics.

Notes to the accounts continued

3. Equity investments continued

Discounted cash flows (DCF)

£928.7 million being 19.4 per cent (2024: £860.9 million, 16.1 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

£637.3 million being 13.1 per cent (2024: £697.2 million, 13.0 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)

£2,920.0 million being 61.0 per cent (2024: £3,352.6 million, 62.7 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 are 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 2025 £m	Valuation technique	Unobservable inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation £m				
Global equity securities	637.3	Comparable trading multiples	EBITDA multiple	8.3x	15.0%	+75.7				
										+17.2
										-17.2
										+4.1
										-4.1
						+23.0				
						-22.6				
Global equity securities	928.7	DCF	Discount rate	13.8%	2.6%	+195.9				
										-145.4
Intermediated equity and non-consolidated subsidiaries	2,920.0	NAV				+292.0				
										-292.0
Global equity securities	297.0	Other*				-				
										607.9
TOTAL	4,783.0					(559.1)				

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

The sensitivities are based on the 5-year average volatility of the relevant index below:

- › Equity multiples 5- year average volatility of MSCI Emerging Markets ex-China
- › Equity discount rate 5-year average volatility of 10-year US Treasury constant maturity rate applied to 5-year average RFR +mature ERP

Notes to the accounts continued

3. Equity investments continued

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
						+27.3
						-27.3
						+2.5
Global equity securities	860.9	DCF	Discount rate	13.8%	4.1%	+367.0
						-219.5
						-219.5
Intermediated equity and non-consolidated subsidiaries	3,352.6	NAV		10.0%	10.0%	+335.3
						-335.3
Global equity securities	433.7	Other				-
TOTAL	5,344.4					832.5 -685.0

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 £1,637.9 million and undrawn commitments of £1,096.4 million (2024: fair value of £1,860.5 million and undrawn commitments of £1,116.4 million). The Group earned investment income of £0.8 million (2024: £4.3 million) and generated fair value losses of £175.4 million (2024: gains of £7.4 million) from these entities during the year.

4. Loan investments

	Group and Company					
	Level 1 2025 £m	Level 3 2025 £m	Total 2025 £m	Level 1 2024 £m	Level 3 2024 £m	Total 2024 £m
At 1 January	36.3	1,968.1	2,004.4	18.5	1,829.8	1,848.3
Loan advances	18.1	674.4	692.6	15.7	563.4	579.1
Loan repayments	(18.5)	(507.3)	(525.8)	-	(637.6)	(637.6)
Fair value gains	0.9	1.7	2.6	1.6	44.5	46.1
Transfer	-	1.4	1.4	-	142.7	142.7
Foreign exchange gains/(losses)	(2.6)	(128.0)	(130.6)	0.5	25.3	25.9
At 31 December	34.2	2,010.4	2,044.6	36.3	1,968.1	2,004.4
Less: Loan investments due within one year (note 15)	-	(419.6)	(419.6)	-	(557.1)	(557.1)
At 31 December	34.2	1,590.8	1,625.0	36.3	1,411.0	1,447.3

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.

Refer to ►► PAGE 43 for the CFD investment portfolio metrics.

Notes to the accounts continued

4. Loan investments continued

Discounted cash flows

£1,912.3 million being 93.3 per cent (2024: £1,873.4 million, 93.5 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 restructuring date), the discount rate for a given loan investment is calibrated based on observable risk-free rates 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 2025 £m	Valuation technique	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation £m
Loan investments at fair value through profit and loss	1,912.3	Discounted cash flows	8.3%	+1.7% -1.7%	-69.0 +51.5
	137.5	Other			-
Total	2,044.6				-69.0 +51.5

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% -2.6%	-92.6 +73.7
	131.0	Other			-
Total	2,004.4				-92.6 +73.7

Unfunded loan commitments

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

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

	Group and Company	
	2025 £m	2024 £m
Current liabilities	3.3	0.3
Non-current liabilities	0.8	2.0
Total	4.1	2.3

5. Guarantees

	Group and Company					
	Funded 2025 £m	Unfunded 2025 £m	Total 2025 £m	Funded 2024 £m	Unfunded 2024 £m	Total 2024 £m
At 1 January	97.5	(0.7)	96.8	86.3	(0.2)	86.1
Guarantee advances	31.7	-	31.7	38.0	-	38.0
Guarantee repayments	(87.5)	-	(87.5)	(26.8)	-	(26.8)
Movement in deferred income	(1.5)	(1.0)	(2.5)	(1.4)	(1.0)	(2.4)
Fair value and expected credit gains/(losses)	1.2	(0.7)	0.5	0.2	0.5	0.7
Foreign exchange gains/(losses)	(3.9)	0.1	(3.8)	1.2	-	1.2
At 31 December	37.6	(2.3)	35.3	97.5	(0.7)	96.8
Less: deferred income due within one year (note 15)	(1.1)	(0.7)	(1.8)	(2.6)	(1.6)	(4.2)
At 31 December	36.5	(3.0)	33.5	94.9	(2.3)	92.6

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 are disclosed in note 26.

The Group and the Company had contingent liabilities in respect of unfunded risk participation agreements with a value of £60.7 million (2024: £127.8 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.

Notes to the accounts continued

6. Cash and cash equivalents

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Cash at bank and in hand	54.1	32.8	41.9	24.4
Short-term deposits receivable	1,427.8	1,298.8	1,419.7	1,292.0
Total cash and cash equivalents	1,481.9	1,331.6	1,461.5	1,316.4

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 £1,481.9 million (2024: £1,331.6 million). All cash and cash equivalents are Level 1.

7. Issued capital

	2025 Number	2025 £m	2024 Number	2024 £m
At 1 January, ordinary shares of £1 each	6,499,195,894	6,499.2	5,339,195,894	5,339.2
Issued, ordinary shares of £1 each	480,000,000	480.0	1,160,000,000	1,160.0
At 31 December, ordinary shares of £1 each	6,979,195,894	6,979.2	6,499,195,894	6,499.2

Ordinary shares

During the year ended 31 December 2025, the Company issued 480,000,000 ordinary shares (2024: 1,160,000,000 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 (2024: 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 entity 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	
	2025 £m	2024 £m
Gross FFECs in profit	35.8	9.0
Gross FFECs in loss	(9.7)	(43.5)
Net total	26.2	(34.5)

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

	Group and Company	
	2025 £m	2024 £m
Current assets	35.8	9.0
Current liabilities	(9.7)	(43.5)
Total	26.2	(34.5)

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 2025, the Group held 84 FFECs (2024: 85 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 overleaf are presented under the weighted average spot rate method.

Notes to the accounts continued

8. Forward foreign exchange contracts continued

The Group's sterling denominated contracts comprise:

Foreign currency	Foreign currency in millions 2025	Weighted average spot price 2025	2025 £m	Foreign currency in millions 2024	Weighted average spot price 2024	2024 £m
US dollar	2,895.9	1.3317	2,174.7	2,553.0	1.2772	1,999.0
Euro	195.8	1.1440	171.1	172.3	1.2039	143.1
South African rand	8,424.2	22.7873	369.7	5,469.4	22.8529	239.3
Indian rupee	48,846.3	118.7907	411.2	37,403.1	107.7115	347.3

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

Foreign currency	Foreign currency in millions 2025	Weighted average spot price 2025	2025 US\$m	Foreign currency in millions 2024	Weighted average spot price 2024	2024 US\$m
Indian rupee	–	–	–	589.6	84.2284	7.0

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 9 TO 12**.

9. Income

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Investment income				
Interest income	171.1	183.6	171.1	183.6
Loan and guarantee fee income	22.9	11.3	22.9	11.3
Dividend income	16.9	36.9	16.9	36.9
Total investment income	210.9	231.8	210.9	231.8
Other income				
Management fee income	–	9.2	–	9.0
Other operating (loss)/income	4.8	(0.2)	4.8	(0.3)
Total other income	4.8	9.0	4.8	8.7

10. Administrative and other expenses

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Wages and salaries	(72.7)	(67.4)	(64.7)	(60.4)
Social security costs	(11.6)	(9.9)	(11.5)	(9.9)
Pension costs – defined benefit	(1.0)	(0.9)	(1.0)	(0.9)
Pension costs – defined contribution	(7.7)	(7.1)	(7.1)	(6.6)
Long-term Investment Performance Plan (LTIPP) accrual	(18.7)	(17.0)	(15.4)	(13.8)
Total employee benefits expense	(111.8)	(102.3)	(99.7)	(91.6)
Professional services	(5.3)	(4.0)	(4.6)	(3.5)
Auditor remuneration (see below)	(1.0)	(1.0)	(0.8)	(0.8)
Operating leases expense	–	–	–	(0.4)
Other administrative expenses	(47.9)	(43.6)	(63.1)	(58.9)
Total administrative expenses	(166.0)	(150.9)	(168.2)	(155.2)
Depreciation of plant and equipment	(4.8)	(5.3)	(3.7)	(4.0)
Amortisation of intangible asset	(0.5)	(0.5)	(0.5)	(0.5)
Total depreciation and amortisation	(5.3)	(5.8)	(4.2)	(4.5)
Total administrative and other expenses	(171.3)	(156.7)	(172.4)	(159.7)

The average monthly number of Group employees during the year was 671 (2024: 632). The average monthly number of Company employees during the year was 558 (2024: 537).

The aggregate of Directors' remuneration in 2025 was £1.1 million (2024: £1.1 million). Refer to ► PAGES 74 TO 77 for the annual report on remuneration, which gives more details on remuneration and the LTIPP.

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Audit of the Group financial statements	(0.8)	(0.8)	(0.8)	(0.8)
Audit of the consolidated subsidiaries	(0.2)	(0.2)	–	–
Total auditor remuneration	(1.0)	(1.0)	(0.8)	(0.8)

11. Net foreign exchange differences

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Exchange (losses)/gains arising on equity investments	(373.3)	12.6	(374.2)	12.6
Exchange (losses)/gains arising on loan investments	(130.6)	25.9	(130.6)	25.9
Exchange (losses)/gains arising on guarantees	(3.8)	1.2	(3.8)	1.2
Exchange gains/(losses) arising on FFECs	143.9	(46.6)	143.9	(46.6)
Exchange (losses)/gains arising on cash and cash equivalents	(58.2)	4.9	(57.8)	6.2
Total foreign exchange differences	(422.1)	(2.0)	(422.7)	(0.8)

12. Income tax

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Current tax				
Withholding tax expense	14.3	6.0	14.3	6.0
Current UK tax charge	–	–	–	–
Current overseas tax charge	0.2	0.6	–	–
Total current tax	14.5	6.6	14.3	6.0
Total income tax expense	14.5	6.6	14.3	6.0
Reconciliation of deferred tax asset				
As of 1 January	0.3	0.2	–	–
Tax expenses during the year	0.1	0.1	–	–
As at 31 December	0.4	0.3	–	–

Notes to the accounts continued

12. Income tax continued

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

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
UK corporation tax rate	25.0	25.0	25.0	25.0
Effect of overseas taxation	10.7	(1.7)	10.7	(1.7)
Effect of UK tax exemption	(38.9)	(20.3)	(38.9)	(20.5)
Effective tax rate for the year	(3.2)	3.0	(3.1)	(2.7)

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. 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.

13. Plant and equipment

	Group					
	Furniture and equipment 2025 £m	Right of use asset 2025 £m	Total 2025 £m	Furniture and equipment 2024 £m	Right of use asset 2024 £m	Total 2024 £m
At 1 January	1.5	14.8	16.3	1.0	9.6	10.6
Additions	0.1	0.8	0.9	0.8	10.2	11.0
Depreciation charge for the year	(0.5)	(4.3)	(4.8)	(0.4)	(4.9)	(5.3)
Exchange differences	–	(0.4)	(0.4)	0.1	(0.1)	–
At 31 December	1.1	10.9	12.0	1.5	14.8	16.3

	Company					
	Furniture and equipment 2025 £m	Right of use asset 2025 £m	Total 2025 £m	Furniture and equipment 2024 £m	Right of use asset 2024 £m	Total 2024 £m
At 1 January	1.0	12.1	13.1	0.4	6.2	6.6
Additions	–	–	–	0.8	9.7	10.5
Depreciation charge for the year	(0.3)	(3.4)	(3.7)	(0.2)	(3.8)	(4.0)
At 31 December	0.7	8.7	9.4	1.0	12.1	13.1

14. Intangible asset

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
At 1 January	1.4	1.3	1.4	1.3
Additions	0.3	0.6	0.3	0.6
Amortisation charge for the year	(0.5)	(0.5)	(0.5)	(0.5)
At 31 December	1.2	1.4	1.2	1.4

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

Notes to the accounts continued

15. Trade and other receivables

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Loan investments due within one year (note 4)	419.6	557.1	419.6	557.1
Guarantees due within one year	1.8	4.2	1.8	4.2
Amounts owed by non-consolidated investment entities	2.0	4.2	2	4.2
Amounts owed by non-investment subsidiaries	–	–	5.8	2.7
Prepayments	5.8	4.0	5.8	3.9
Government grant receivable (see note 24)	268.5	121.2	268.5	121.2
VAT recoverable	2.3	2.3	1.8	1.9
Other receivables	81.8	59.9	72.1	47.9
Total trade and other receivables	781.8	752.9	777.4	743.1

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

16. Trade and other payables

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Trade payables*	3.8	–	3.7	–
Amounts owed to non-consolidated investment entities	1.6	1.1	1.6	1.1
Amounts owed to non-investment subsidiaries	–	–	1.2	2.4
Tax payable	1.2	3.2	–	–
LTIPP accrual**	21.4	19.3	18.2	16.2
Other accruals and deferred income	23.0	24.6	15.1	18.1
Total trade and other payables	51.0	48.2	39.8	37.8

* 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 2025 for Group and Company is £1.6 million (2024: £1.1 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 who 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 2024 actuarial valuation showed that, including the buy-in policy, the Technical Provisions were £322.4 million and the Scheme assets were £324.6 million, giving a funding surplus of £2.2 million. Given the surplus, the Trustee and the Company agreed that a rate of contributions of £0.7 million per year would be payable to the Scheme during the Scheme years ending 31 March 2025, 2026 and 2027. 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 2024).

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.

Notes to the accounts continued

17. Pension commitments continued

	2025 %	2024 %
Main assumptions:		
Discount rate	5.4	5.4
RPI inflation assumption	3.0	3.4
CPI inflation assumption	2.7	3.0
Deferred pension revaluation		
Excess over GMP (RPI capped at 5% p.a.)	2.9	3.7
GMP	4.6	5.3
Pension increases in payment		
Fixed 5% pensions	5.0	5.0
RPI capped at 5% p.a. pensions	3.0	3.2
'Scheme Benefit Limit' (greater of 3% p.a. and RPI)	3.7	4.0
Post 88 GMPs (CPI capped at 3% p.a.)	2.3	2.5
Life expectancy of a pensioner reaching age 65		
	2025	2024
for a male, currently aged 65	23.7	23.6
for a female, currently aged 65	26.1	26.0
for a male, reaching age 65 in 10 years' time	24.6	24.5
for a female, reaching age 65 in 10 years' time	27.1	27.0

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-25 Quoted	Allocation percentage 31 Dec-25 Unquoted	Allocation percentage 31 Dec-25 Total
Buy-in contract with Rothesay Life			
In 2025	0.0%	97%	97%
Cash/net current assets/other			
In 2025	3.0%	0.0%	3.0%
Fair value of scheme assets at 31 December 2025	£7.5m	£243.2m	£250.7m
Fair value of scheme assets at 31 December 2024	£7.4m	£250.2m	£257.6m

	2025 £m	2024 £m
Assets and liabilities of the Scheme at 31 December		
Buy-in contract with Rothesay Life	243.2	250.2
Net current assets	7.5	7.4
Fair value of assets	250.7	257.6
Defined benefit obligation	(244.5)	(251.5)
Surplus	6.2	6.1
Restriction due to asset ceiling	(6.2)	(6.1)
Net pension liability	–	–

	Defined benefit obligation £m	Fair value of assets £m	Asset ceiling £m	(Liability)/ asset £m
Reconciliation of the (liability)/asset:				
At 31 December 2024	(251.5)	257.6	(6.1)	–
Administration costs incurred during the year	–	(0.8)	–	(0.8)
Interest cost	(13.1)	13.4	(0.3)	–
Cost recognised in administrative expenses	(13.1)	12.6	(0.3)	(0.8)
Actuarial gain due to liability experience	1.3	–	–	1.3
Actuarial gain due to liability assumptions	1.2	–	–	1.2
Actuarial loss on assets	–	(2.6)	–	(2.6)
Change in effect of asset ceiling	–	–	0.2	0.2
Remeasurement effects recognised in the Group's Statement of Comprehensive Income	2.5	(2.6)	0.2	0.1
Employer contributions to the CDC Pensions Scheme	–	0.7	–	0.7
Benefits paid (including administration costs)	17.6	(17.6)	–	–
Cash flows	17.6	(16.9)	–	0.7
At 31 December 2025	(244.5)	250.7	(6.2)	0.0

Notes to the accounts continued

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 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 loss due to liability assumptions	30.9	–	–	30.9
Actuarial gain 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)	–

Maturity profile of defined benefit obligations at 31 December	2025 £m	2024 £m
Expected benefit payments due within 1 year	16.3	16.1
Expected benefit payments due within 1-2 years	16.6	16.5
Expected benefit payments due within 2-3 years	16.8	16.8
Expected benefit payments due within 3-4 years	16.9	17.0
Expected benefit payments due within 4-5 years	17.0	17.1
Expected benefit payments due within 5-10 years	84.7	86.3
Expected benefit payments due after 10 years	339.5	358.8

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 pension 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 Government has issued draft legislation that will enable trustees to obtain retrospective validation. 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 full maturity Years
Financial assets: cash							
2025	–	10.3	43.7	54.1	–	–	*
2024	–	14.1	18.7	32.8	–	–	*
Financial assets: short-term deposits receivable within 90 days							
2025	1,357.7	–	–	1,357.7	3.76%	1.0	–
2024	1,298.8	–	–	1,298.8	4.69%	1.0	–
Financial assets: short-term deposits receivable after 90 days							
2025	70.1	–	–	70.1	4.16%	1.0	–
2024	–	–	–	0.0	–	–	–
Financial assets: loan investments							
2025	675.6	1,357.1	11.8	2,044.6	9.4%	5.9	–
2024	605.4	1,390.7	8.3	2,004.4	9.20%	5.7	–

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

Notes to the accounts continued

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							
2025	–	10.3	31.6	41.9	–	–	*
2024	–	14.1	10.3	24.4	–	–	*
Financial assets: short-term deposits receivable within 90 days							
2025	1,355.4			1,355.4	3.77%	1.0	–
2024	1,292.0	–	–	1,292.0	4.67%	1.0	–
Financial assets: short-term deposits receivable after 90 days							
2025	64.3	–	–	64.3	4.14%	1.0	–
2024	–	–	–	–	–	–	–
Financial assets: loan investments							
2025	675.6	1,357.1	11.8	2,044.6	9.4%	5.9	–
2024	605.4	1,390.7	8.3	2,004.4	9.20%	5.7	–

* 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 2025 £m	Other 2025 £m	Total 2025 £m	US dollars 2024 £m	Other 2024 £m	Total 2024 £m
Pound sterling	684.8	17.0	701.8	642.4	17.2	659.6
Total	684.8	17.0	701.8	642.4	17.2	659.6

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

Currency	Listed equity at valuation 2025 £m	Unlisted equity at valuation 2025 £m	Total 2025 £m	Listed equity at valuation 2024 £m	Unlisted equity at valuation 2024 £m	Total 2024 £m
US dollar	–	3,426.4	3,426.4	8.8	3,914.6	3,923.4
Indian rupee	0.1	591.3	591.4	34.1	674.9	709.0
Euro	–	251.1	251.1	–	258.0	258.0
Pound sterling	10.8	252.8	263.6	–	180.5	180.5
Moroccan dirham	101.7	–	101.7	156.3	–	156.3
South African rand	–	60.0	60.0	–	50.2	50.2
Pakistani rupee	62.8	–	62.8	36.7	–	36.7
Nepalese rupee	–	20.3	20.3	–	25.0	25.0
Other	–	5.7	5.7	–	5.3	5.3
Total	175.5	4,607.5	4,783.0	235.9	5,108.5	5,344.4

The following table shows the currency of the Group loan investments:

Currency	Level 1 2025 £m	Level 3 2025 £m	Total 2025 £m	Level 1 2024 £m	Level 3 2024 £m	Total 2024 £m
US dollar	34.2	1,449.5	1,483.7	36.3	1,483.2	1,519.5
Indian rupee	–	293.2	293.2	–	242.0	242.0
Euro	–	130.6	130.6	–	122.1	122.1
South African rand	–	88.7	88.7	–	90.6	90.6
Kenyan shilling	–	13.5	13.5	–	17.6	17.6
Tanzanian shilling	–	23.0	23.0	–	12.6	12.6
Other	–	11.8	11.8	–	–	–
Total	34.2	2,010.4	2,044.6	36.3	1,968.1	2,004.4

Group guarantee investments of £33.5 million (2024: £96.8million) are all denominated in US dollars.

Notes to the accounts continued

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	Other	Total	US dollars	Other	Total
	2025 £m	2025 £m	2025 £m	2024 £m	2024 £m	2024 £m
Pound sterling	671.0	13.8	684.8	635.1	9.3	644.4
Total	671.0	13.8	684.8	635.1	9.3	644.4

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

Currency	Listed equity at valuation	Unlisted equity at valuation	Total	Listed equity at valuation	Unlisted equity at valuation	Total
	2025 £m	2025 £m	2025 £m	2024 £m	2024 £m	2024 £m
US dollar	–	3,429.4	3,429.4	8.8	3,917.8	3,926.6
Indian rupee	0.1	599.0	599.1	34.1	681.5	715.6
Euro	–	251.1	251.1	–	258.0	258.0
Pound sterling	10.8	256.6	267.4	–	185.7	185.7
Moroccan dirham	101.7	–	101.7	156.3	–	156.3
South African rand	–	60.0	60.0	–	50.2	50.2
Pakistani rupee	62.8	–	62.8	36.7	–	36.7
Nepalese rupee	–	20.3	20.3	–	25.0	25.0
Other	–	5.7	5.7	–	5.3	5.3
Total	175.5	4,622.1	4,797.6	235.9	5,123.5	5,359.4

The following table shows the currency of the Company's loan investments:

Currency	Level 1	Level 3	Total	Level 1	Level 3	Total
	2025 £m	2025 £m	2025 £m	2024 £m	2024 £m	2024 £m
US dollar	34.2	1,449.5	1,483.7	36.3	1,483.2	1,519.5
Indian rupee	–	293.2	293.2	–	242.0	242.0
Euro	–	130.6	130.6	–	122.1	122.1
South African rand	–	88.7	88.7	–	90.6	90.6
Kenyan shilling	–	13.5	13.5	–	17.6	17.6
Tanzanian shilling	–	23.0	23.0	–	12.6	12.6
Other	–	11.8	11.8	–	–	–
Total	34.2	2,010.4	2,044.6	36.3	1,968.1	2,004.4

Company guarantee investments of £33.5 million (2024: £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:

2025 Financial assets: Maturity profile	Short-term deposits	Other receivables	Loan investments	Guarantees	FFECs
	£m	£m	£m	£m	£m
Due within one year, but not on demand	1,427.8	81.8	419.6	33.5	35.8
Due within one to two years	–	–	248.7	–	–
Due within two to three years	–	–	376.7	–	–
Due within three to four years	–	–	278.9	–	–
Due within four to five years	–	–	242.6	–	–
Due after five years	–	–	478.0	–	–
Total	1,427.8	81.8	2,044.6	33.5	35.8

Notes to the accounts continued

18. Financial instruments continued

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

2025 Financial liabilities: Maturity profile	Lease liabilities £m	Trade and other payables £m	FFECs £m
Due within one year, but not on demand	4.9	51.0	9.7
Due within one to two years	4.0	–	–
Due within two to three years	2.8	–	–
Due within three to four years	0.8	–	–
Due within four to five years	0.1	–	–
Due after five years	–	–	–
Total	12.6	51.0	9.7

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

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:

2025 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	1,419.7	72.1	419.6	33.5	35.8
Due within one to two years	–	–	248.7	–	–
Due within two to three years	–	–	376.7	–	–
Due within three to four years	–	–	278.9	–	–
Due within four to five years	–	–	242.6	–	–
Due after five years	–	–	478.0	–	–
Total	1,419.7	72.1	2,044.6	33.5	35.8

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	2,004.4	91.9	8.9

2025 Financial liabilities: Maturity profile	Lease liabilities £m	Trade and other payables £m	FFECs £m
Due within one year, but not on demand	3.8	39.8	9.7
Due within one to two years	3.1	–	–
Due within two to three years	2.4	–	–
Due within three to four years	0.6	–	–
Due within four to five years	–	–	–
Due after five years	–	–	–
Total	9.9	39.8	9.7

Notes to the accounts continued

18. Financial instruments continued

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

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	
	2025 £m	2024 £m	2025 £m	2024 £m
Opening value	7,173.4	7,017.7	7,188.7	7,027.1
Additions	1,343.7	1,184.5	1,343.7	1,184.5
Disposals and repayments	(1,164.6)	(1,134.5)	(1,165.6)	(1,134.5)
Transfers	(0.2)	(0.5)	(0.2)	(0.5)
Deferred income movement	(2.5)	(2.5)	(2.5)	(2.5)
Fair value movement	(198.0)	68.1	(197.4)	69.0
Foreign exchange movement	(498.5)	40.6	(498.9)	45.4
Closing value	6,653.3	7,173.4	6,667.8	7,188.6

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 is to ensure that they always have sufficient funding to meet all short- to medium-term funding requirements. Liquidity 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; and 2) a collateral coverage ratio above 100 per cent at all times to demonstrate that we have sufficient liquid resources to meet liabilities as they fall due. The rolling cash to NAV ratio was above 10% during 2025 and the collateral coverage ratio was above 100% at all times. The Group's cash balance as at 31 December 2025 was £1,481.9 million (2024: £1,331.6 million) and its capital commitments including long-term commitments were £2,607.6 million (2024: £2,683.8 million).

Analysis of total cash balance	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Cash at bank and in hand	54.1	32.8	41.9	24.4
Short-term deposits receivable	1,427.8	1,298.8	1,419.7	1,292.0
Total	1,481.9	1,331.6	1,461.5	1,316.4

The short-term deposits receivable can easily be converted into cash. As at 31 December 2025, the Company had promissory notes of £1,540.0 million (2024: £1,130.0 million) due from its Parent entity. The receivable is payable on demand and without interest. However, the Company does not expect to draw this in 2026 and therefore in accordance with IAS 1, the full amount of £1,540.0 million has been reclassified as a non-current asset. For the prior year, based on cashflow forecasts available at the time of authorising the 2024 financial statements, the Company did not expect to drawdown any portion of the £1,130 million promissory note receivable in 2025, and therefore the full amount has been restated as a non-current asset. The Group's and Company's contractual maturities of derivatives and non-derivative financial liabilities are disclosed in note 18 and risk participation commitments are disclosed in note 23.

Notes to the accounts continued

19. Financial risk management continued**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.

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.

	2025 £m	2024 £m
2015 and prior	212.8	299.7
2016	94.0	73.6
2017	19.5	75.5
2018	32.4	38.9
2019	168.6	234.1
2020	29.8	102.3
2021	141.0	297.4
2022	154.0	224.7
2023	263.8	360.3
2024	466.4	977.5
2025	1,025.4	–
Total	2,607.6	2,683.8

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December was:

Notes	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Loan investments	4	2,044.6	2,004.4	2,044.6
Guarantees	5	33.5	92.6	33.5
FFECs in profit	8	35.8	9.0	35.8
Trade and other receivables (excluding loans)	15	362.2	195.8	357.8
Notes receivable	24	1,540.0	1,130.0	1,540.0
Short-term deposits	6	1,427.8	1,298.8	1,419.7
Cash and cash equivalents	6	54.1	32.8	41.9
Total		5,498.0	4,763.4	5,473.3

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 2025, 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 from 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 £2,044.6 million (2024: £2,004.4 million), of which £675.6 million (2024: £557.1 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 sensitivity analysis has been included in note 4 – Loan investments which shows the impact of any possible changes in fair value of investments.

As at 31 December 2025, the weighted average interest rate earned on the Group's and Company's bank deposit was 4.20 per cent (2024: 5.06 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 (2024: 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 £31.3 million positive impact on the Group's profit before tax (2024: 2.0 per cent increase would have a £24.2 million positive impact on the Group's profit before tax). A 2 per cent decrease would have £31.3 million negative impact on the Group's profit before tax (2024: 2.0 per cent decrease would have a £24.2 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.

Notes to the accounts continued

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 (2024: 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.

2025	+ 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	(562.3)	(195.4)	(757.6)	843.4	379.3	1,222.6
Indian rupee	(90.6)	(36.8)	(127.4)	135.9	71.4	207.3
Euro	(38.2)	(15.5)	(53.7)	57.3	30.1	87.4
South African rand	(15.2)	(34.3)	(49.5)	22.7	66.6	89.4
Moroccan dirham	(10.2)	–	(10.2)	15.3	–	15.3
Pakistani rupee	(6.3)	–	(6.3)	9.5	–	9.5
Other	(111.2)	–	(111.2)	166.8	–	166.8
Nepalese rupee	(2.0)	–	(2.0)	3.0	–	3.0

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
Nepalese rupee	(3.7)	–	(3.7)	5.6	–	5.6
Pakistani rupee	(2.8)	–	(2.8)	4.2	–	4.2
Other	(2.5)	–	(2.5)	3.8	–	3.8

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 2025, the Group had equity investments of £4,783.0 million (2024: £5,344.4 million). Included in this balance is an investment in a wholly owned investment entity with a value of £881.8 million, which represented 16.5 per cent of the Group's equity investments (2024: £1,059.1 million, 19.8 per cent).

A sensitivity analysis has been included in note 3 – Equity investments which shows the impact of any possible changes in fair value of investments.

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 in equity. The Company's objectives when managing capital are:

- › to comply with the capital requirements set by the 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.

Notes to the accounts continued

20. Government grant

The Group and Company receive capital grants from its Parent entity, the 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's and Company's fair value financial assets.

	Notes	2025 £m	2024 £m
Fair value financial assets		41.3	9.8
Grant income recognised		4.8	1.4
As at 31 December			
Deferred grant income (non-current)		(337.8)	(145.5)
Government grant receivable (current)	15	268.5	121.2

21. Capital commitments

Amounts contracted for but not provided for in the accounts amounted to £2,607.6 million (2024: £2,683.8 million) for investment commitments (see note 19 for further details).

22. Leases

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Right of use assets – cost	38.5	37.2	31.7	31.7
Total	38.5	37.2	31.7	31.7

Information about leases for which BII is a lessee is presented below.

Right of use assets – accumulated depreciation

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Balance at 1 January	23.3	18.4	19.3	15.5
Depreciation charged for the year	4.3	4.9	3.4	3.8
Balance at 31 December	27.6	23.3	22.7	19.3

Lease liabilities

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Current liabilities	4.9	3.3	3.7	2.9
Non-current liabilities	7.9	13.9	6.4	10.8
Total lease liabilities	12.8	17.2	10.1	13.7

During the year, total lease payments made by the Group were £4.5 million (2024: £3.5 million) and £3.5 million (2024: £2.6 million) by the Company.

Lease charges within the year

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Interest on lease liabilities/finance costs	1.0	1.1	0.8	1.0
Depreciation	4.3	4.9	3.4	3.8
	5.3	6.0	4.2	4.8

23. Contingent liabilities

In the normal course of its business, BII is involved in various legal actions, claims and other proceedings. BII assesses the likelihood of an adverse outcome for each such matter and recognises a provision when it is reasonably probable that an outflow of resources will be required to settle it and the amount can be reliably estimated. Where, given the early stage of legal processes and inherent uncertainties, it is not possible to estimate the probability or amount of any outcome reliably, no provision has been recognised in these financial statements, nor has any contingent liability been noted. BII will continue to monitor the matter and assess its potential impact.

The Group and the Company had the following contingent liabilities as at 31 December 2025:

- › In respect of unfunded risk participation agreements with a value of £60.7 million (2024: £127.8 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 £3.8 million (2024: £6.4 million)

These may, but probably will not, require an outflow of resources.

Notes to the accounts continued

24. Related party transactions

Parent entity

During 2024 and 2025, 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 £480 million in 2025 (2024: £1,160.0 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 £70 million (2024: £349.5 million) from its Parent entity in relation to settlement of a portion of the promissory notes receivable.

As at 31 December 2025, the Company had promissory notes of £1,540.0 million (2024: £1,130.0 million) due from its Parent entity. The receivable is payable on demand and without interest. However, the Company does not expect to draw this in 2026 and therefore in accordance with IAS 1, the full amount of £1,540.0 million has been reclassified as a non-current asset. For the prior year, based on cashflow forecasts available at the time of authorising the 2024 financial statements, the Company did not expect to drawdown any portion of the £1,130 million promissory note receivable in 2025, and therefore the full amount has been restated as a non-current asset.

During 2025, the Company received a capital grant of £200.0 million (2024: £54.3 million) by issuance of a promissory note. As at 31 December 2025, the Company had £268.5 million (2024: £121.2 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 Officer and Chief Financial Officer. KMP are remunerated on the basis of the PremCo report outlined on ►► **PAGES 67 TO 78**. In addition to their remuneration, there are no other short- to 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:

	2025 £m	2024 £m
Statement of comprehensive income		
Interest income	1.6	3.6
Management fee income	25.8	9.0
Management fee expense	–	(23.5)
Statement of financial position		
Equity investments	1,441.6	1,573.0
Equity investments – non-holding companies	282.2	269.0
Trade and other receivables	4.9	3.5

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 2025. 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 eruption of conflict between the US, Israel and Iran in February 2026 has had wide-ranging repercussions for global security and macroeconomic stability. BII does not have any direct exposure to Iran in its investment portfolio and no BII investments are at immediate risk of failure due to exposure to Iran or commodities.

It is expected that the ongoing geopolitical events will add pressure to the downside risks that were in existence prior to the war and that investment values will fall in 2026. However, in accordance with the requirements of IFRS, the fair valuations at the date of the consolidated statement of financial position reflect the economic positions in existence at that date. Any losses associated with these developments will be recognised in the 2026 financial statements. At present, the extent of these potential losses cannot be reliably estimated.

Notes to the accounts continued

26. Summary of material accounting policy information

The accounting policies for plant and equipment and intangible assets are not specified as neither are 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 12 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 coinvestments, BII values its direct equity investments based on Fund Manager Valuation Methodology. Passive coinvestment 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.

Notes to the accounts continued

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, and 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 is based on the following inputs:

Notes to the accounts continued

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 uses two credit models (Moody's and S&P) and applies 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.

LGD: The Loss Given Default 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 uses 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 for a prolonged period, the risk of non-recovery is considered in the valuation of the loan investment at fair value through profit or loss.

Management fee income

A fixed percentage management fee is earned for providing asset management services to subsidiaries. These fees are recognised as revenue in 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.

Notes to the accounts continued

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 periods.

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.

Notes to the accounts continued

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 Partnership 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 2025. Their adoption has not had any material impact on the Partnership's financial statements.

The accounting policies set out in these financial statements have been applied consistently to all years presented.

- › Amendments to IAS 21- Lack of Exchangeability effective from 1 January 2025.

New and revised IFRS Standards in issue but not yet effective

The following standards are issued but not yet effective and have not been applied to these financial statements. The Partnership 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 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.
- › Amendments to IFRS 1, IFRS 10 and IAS 7 – Annual improvements to IFRS Accounting Standards – effective for annual periods beginning on or after 1 January 2026.
- › Amendments to IFRS 18 – Presentation and Disclosures in Financial Statements – effective from 1 January 2027.
- › IFRS 19 Subsidiaries without Public Accountability: Disclosures – 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.

Notes to the accounts continued

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	(16.8)	40.6
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	5.0	65.0
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	(0.6)	0.1
BII Financial Services Mauritius Limited* Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary	100.0	Investment holding	GBP	0.1	0.7
BII Gateway Holdings LLP* 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	USD	47.0	282.9
BII Gateway A LLP 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	EUR	1.2	96.3
BII Gateway B LLP 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	USD	(13.4)	-
BII Gateway C LLP 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	USD	45.8	183.4
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	(47.2)	343.4
CDC India Opportunities Limited* 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	USD	4.6	19.7
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	(3.5)	7.4
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	1.0	11.6
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	-	119.8
BII South Asia Renewables Limited* 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	USD	(4.1)	36.5

Notes to the accounts continued

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	(0.1)	1.9
Growth Investment Partners Zambia Ltd^ Piziya Office Park, Stand No. 2374, Thabo Mbeki Road, Mass Media, Lusaka, P.O. Box 39371	Ordinary	53.6	Investment holding	USD	-	-
Gridworks Development Partners LLP^ 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	USD	(5.8)	62.1
MedAccess Guarantee Limited^ 84 Eccleston Square, Pimlico, London SW1V 1PX	Ordinary	100.0	Operating company	USD	(0.1)	174.5
Pan African Holdings Limited^+ Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary	100.0	In liquidation	GBP	-	-
Sindar Holdings Limited 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL	Ordinary	100.0	Investment holding	USD	4.8	64.1
BII Scots LP^ 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	Partnership interest	100.0	Investment holding	USD	(12.0)	31.1
UK Climate Investments LLP^ 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	GBP	12.3	132.1

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	11.9	0.1
UK Climate Investments H1 Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	(0.5)	17.9
UK Climate Investments Etna Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	(0.1)	9.8
UK Climate Investments Lakeside Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	(0.5)	-
UK Climate Investments Indigo Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	(0.2)	-
UK Climate Investments Kijani Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	(1.3)	1.7
UK Climate Investments Dazzle Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	(1.1)	31.3
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	36.9	106.0

Notes to the accounts continued

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	98.84	Investment holding	GHS	(50.0)	462.8
Globeleq Limited						
Second Floor, Regency Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 1WW	Ordinary	70.0	Operating holding company	USD	37.1	529.0
Globaleq Africa Limited						
First Floor, 24 Martin Lane, London, United Kingdom, EC4R 0DR	Ordinary	70.0	Operating holding company	USD	-	6.0
BII India EV LLP						
123 Victoria Street, London, England, SW1E 6DE	Partnership interest	38.11	Investment holding	USD	20.0	143.5

* 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\$600 million (£479.4 million) 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	-	1.5
Actis Energy 3C Sub-Feeder LP					
2 More London Riverside, London, SE1 2JT	Partnership interest	100.0	USD	-	21.4
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	-	31.4
Ancile Trade Access Program Sub-Fund					
C/O Inoks Capital S.A., Rue de l'athénée 32, Geneva, Switzerland	Ordinary shares	100.0	USD	-	26.5
Pragati India Fund Limited					
4th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius	Ordinary shares	99.0	USD	-	In liquidation
Takura III					
African Century Gardens, 153 Josiah Chinamano Avenue, Harare, Zimbabwe	Partnership interest	99.0	USD	-	12.3
IIDEA Fund 1					
Office No. 01, 5th Floor, 1 Sobha, 50 St Marks Road, Bangalore, Karnataka, 560001, India	Partnership interest	98.4	USD	-	2.5
Happy Travel Rolling Investors LP					
2 More London Riverside, London, SE1 2JT	Partnership interest	92.1	USD	-	In liquidation
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	-	In liquidation
Actis South Asia Fund 2 LP					
2 More London Riverside, London, SE1 2JT	Partnership interest	90.7	USD	-	In liquidation

Notes to the accounts continued

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
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	–	4.3
Actis Latin America 3 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	75.5	USD	–	In Liquidation
Kotak India Private Equity Fund III 10th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius	Ordinary shares	75.0	USD	–	In Liquidation
Actis ASEAN Fund LP 2 More London Riverside, London, SE1 2JT	Partnership interest	69.2	USD	–	In Liquidation
Summit Private Equity Fund II (ZAR) 1st Floor, The Ridge, 1 Discovery Place, Sandton, 2196, Johannesburg, South Africa	Partnership interest	63.6	ZAR	(8.8)	3.5
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	–	8.6
Actis China 3 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	51.0	USD	–	In Liquidation
NDB Venture Investment (Pvt) Ltd 7th Floor, McLarens Building, 123, Baudhaloka Mawatha, Colombo 4, Sri Lanka	Ordinary shares	50.0	LKR	–	In Liquidation
Enerica Regrid Infra Private Limited Unit No. 101, First Floor, Windsor, Village Kolekalyan, off CST Road, Vidyanagari Marg, Kalia, Santacruz (East), Mumbai	Ordinary shares	50.0	INR	(182.4)	105.0
The Africa Power Platform PCC Platinum Square. Hola Road Industrial Area, Suite No.10. Nairobi, Kenya	Ordinary shares	49.9	USD	^	^
Takura II African Century Gardens, 153 Josiah Chinamano Avenue, Harare, Zimbabwe	Partnership interest	49.5	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
Lightsource India Limited 7th Floor 33 Holborn, London, EC1N 2HU, England, United Kingdom	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	47.5	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, Ebene 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	^	^

Notes to the accounts continued

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
Endure Capital 21 C.V. 228 Hamilton Avenue, 3rd Floor, Palo Alto, CA 94301, USA	Partnership interest	43.5	USD	^	^
Skye Renewables Energy Pte. Ltd. 16 Raffles Quay, Floor #09-01, Hong Leong Building, 048581, Singapore	Preference shares	43.0	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	^	^
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	^	^
Nowagrid Limited 5 Okotie Eboh Street, Ikoyi, Lagos, Nigeria	Preference shares	37.5	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	^	^
BluePeak Private Capital Fund II SCSp 1a, Heienhaff L-1736 Senningerberg Grand Duchy of Luxembourg	Partnership interest	36.8	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
Sustainable Asia Renewable Assets Pte Ltd 9 Raffles Place, 19-21, Republic Plaza, Singapore 048619	Ordinary shares	36.7	USD	^	^
DI Frontier Market Energy & Carbon Fund c/o Bech-Brunn Law Firm, Langelinie Alle 35, 2100 Copenhagen, Denmark	Partnership interest	36.4	EUR	^	^
Actis Africa 3 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	35.3	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	^	^
Paradigm Tower Ventures Nene House, 4 Rushmills, Northampton, NN4 7YB, England, United Kingdom	Preference shares	34.9	USD	^	^
Theia Ventures Fund I Bhive Workspace, The Icon, 80 Feet Road, HAL 3rd stage, Indira Nagar, Bangalore, 560107, India	Partnership interest	33.6	INR	^	^
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	^	^
Green Investment Partnership 2nd Floor Berkeley Square House, London, W1J 6BD, United Kingdom	Partnership interest	31.3	USD	^	^

Notes to the accounts continued

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
Revego Africa Energy Fund 100 Grayston Drive, Sandown, Sandton, 2196, South Africa	Partnership interest	31.1	ZAR	^	^
Revego Africa Energy Fund 100 Grayston Drive, Sandown, Sandton, 2196, South Africa	Partnership interest	28.5	ZAR	^	^
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	^	^
Ruaraka Diversified Investment Limited Les Cascades Building, 33 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	^	^
Enko Impact Credit Fund L.P. Bank Street, Twentyeight Cybercity, Ebene, 72201, Mauritius	Partnership interest	30.0	USD	^	^
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	^	^
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	^	^

Company registered address	Class of share	Percentage held by BII	Currency	Profit/ (loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
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	^	^
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	^	^
VenturEast Proactive Fund II LLC St Louis Business Centre, Cnr Desroches & St. Louis Streets, Port Louis, Republic of Mauritius	Ordinary shares	27.5	USD	^	^
Atlantic Coast Regional Fund LLC c/o Abax Corporate Services, Level 6, One Cathedral Square, Jules Koenig 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	^	^
CLR Facility Services Private Limited A-1 First Floor, Minar Apartment, CTS No 124, Plot No 83, Law College Road, Erandwane, Pune, Maharashtra, 411004, India	Ordinary shares	26.9	INR	^	^
Ankur Capital II N5, Jetha Compound, Dr B Ambedkar Road, Byculla (east, Mumbai 400 027)	Partnership Interest	26.7	INR	^	^

Notes to the accounts continued

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
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	^	^
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	^	^
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, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	Partnership interest	24.5	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
VenturEast Life Fund III IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius	Preference shares	24.5	INR	^	^
SN Development B.V. Stationsweg 98, 5611 BZ, Eindhoven, Netherlands	Ordinary shares	24.5	USD	^	^
SN Malawi B.V. Prinses Catharina-amalias 5, 2496 's-gravenhage (The Hague), Netherlands	Partnership interest	24.5	USD	^	^
SN Power Invest Netherlands B.V. Strawinskylaan 1755, 1077XX, Amsterdam, Netherlands	Ordinary shares	24.5	USD	^	^
Divercity Urban Property Group (Proprietary) Limited Eyethu house, 270 Marshall Street City & Suburban, Johannesburg	Ordinary shares	24.4	ZAR	^	^
Seefund2 International IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius	Ordinary shares	24.2	USD	^	^
Virunga Healix Limited 3rd Floor, Northgate House, 450-500 Silbury Boulevard, Milton Keynes, United Kingdom, MK9 2AD	Ordinary shares	24.2	USD	^	^
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	^	^
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	^	^

Notes to the accounts continued

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
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	^	^
TlCom TIDE Africa Fund 85 Great Portland Street, London, W1W 7LT, United Kingdom	Partnership Interest	21.3	USD	^	^
iMerit Inc. 985 University Avenue Suite 8, Los Gatos, CA 95032, USA	Ordinary shares	21.2	USD	^	^
Green Growth Feeder Fund Pte. Ltd 163 Penang Road, #08-01, Winsland House II, Singapore 238463	Partnership Interest	21.2	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	^	^
UC Impower Fund I 92 Lenora Street #166, Seattle, Washington, 98121, USA	Partnership interest	20.7	INR	^	^
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	^	^
TVS Industrial & Logistics Parks Pvt Ltd B-106, 10th Floor, Mittal Tower, B Wing, Nariman Point, Mumbai, Maharashtra 400021, India	Ordinary shares	20.5	USD	^	^
UNICAF UNICAF Building, Famagusta Avenue, 6019, Larnaca, Cyprus	Partnership interest	20.0	EUR	^	^

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 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.

Notes to the accounts continued

Glossary

Catalyst Portfolio	One of BII's portfolios, which takes a flexible approach to risk in exchange for creating impact
CFD	Climate-related Financial Disclosures
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 on Climate-related Financial Disclosures
tCO₂e	Tonnes of carbon dioxide equivalent



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