BANQUE D'INVESTISSEMENT ET DE DEVELOPPEMENT DE LA CEDEAO
ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT
BANCO DE INVESTIMENTO E DE DESENVOLVIMENTO DA CEDEAO

ANNUAL REPORT 2021



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CONTENTS

TABLES & FIGURES

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS

AFD	Agence Française de Developpement
BADEA	Arab Bank for Economic Development in Africa
DOSP1	Department of Public Sector Operations
EBID	ECOWAS Bank for Investment and Development
ECA	Export Credit Agencies
ECOWAS	Economic Community of West African States
EU	European Union
GCCA+	Global Climate Change Alliance Plus
GDP	Gross Domestic Product
IFC	International Finance Corporation
IMF	International Monetary Fund
KfW	Credit Institute for Reconstruction
OeEB	Austrian Development Bank
SSA	Sub-Saharan Africa
UA	Unit of Account
US	United States
VPFCS	Vice President of Finance and Corporate Services
VPO	Vice President of Operations
WAEMU	West African Economic and Monetary Union
WEO	World Economic Outlook

EXCHANGE RATES

(Average Year 2021)

1 Unit of Account (UA)	=	1	SDR of the IMF
1 UA	=	1.427977	US Dollar
1 UA	=	1.037657	Pounds Sterling
1 UA	=	1.790495	Canadian Dollar
1 UA	=	1.199823	Euro
1 UA	=	787.032211	francs CFA
1 UA	=	564.497398	NGR-Naira
1 UA	=	8.262523	Ghana Cedis
1 UA	=	132.283873	CPV-Escudo
1 UA	=	72.384684	GAMB-Dalasi
1 UA	=	14028.616375	Guinean Francs
1 UA	=	14763.274160	Leone-SLL
1 UA	=	239.687990	Liberian Dollar

MESSAGE FROM

CHAIRMAN OF THE BOARD OF GOVERNORS

Economic growth projections for the year 2021 largely pointed to a year of economic recovery, as the COVID-19 vaccines rolled out and the world gained a better understanding of the virus. That notwithstanding, there was a cautious optimism about our ability to completely conquer the virus in-year and achieve spectacular growth, given the slow pace of vaccine rollout as a result of vaccine nationalism and vaccine hesitancy, and the emergence of new variants of the virus, the sporadic lockdowns across the world and the lethargy associated with the removal of international travel restrictions.

The tourism sector and, indeed, trade have suffered as a result, even though they recorded good growth relative to 2020. The travel restrictions continued to hamper supply chains, leading to a global inflation spiral. Countries that have had deflationary tendencies for years began to witness some level of price hikes, albeit marginal. It was no surprise, therefore, that the West African sub-region began to experience price increases around the same time.

This made the cost of living rather expensive, with dire consequences for the war on extreme poverty. This was after movement restrictions in the year 2020, at the height of the pandemic, had resulted in the loss of jobs and income and pushed many people into poverty. In West Africa, this reality and COVID-19-related expenses meant that Member States could not reduce fiscal deficits markedly from the 2020 levels, a situation which resulted in increased financing requirements and rising public debt.

In spite of these challenges, the Bank strived to make a difference in the sub-region, in line with its Strategy 2025. The Bank approved 24 new projects in the amount of UA 466.9 million (USD 666.8 million), against a target of UA 196.9 million (USD 281.2 million) for 21 projects, in Strategy 2025. Project commitments stood at UA 429.3 million (USD 613.0 million) for 22 projects, against a target of UA 162.7 million (USD 232.3 million) for 17 projects, with UA 166.1 million (USD 237.2 million) disbursed to projects, against a target of UA 154.4 million (USD 220.5 million).

The Bank showed resilience in 2021, after the unfortunate financial strain the pandemic unleashed on its operations in 2020. What remains is for the Bank to consolidate the gains it made in all areas in 2021, carefully navigating the social, political and economic pressures globally and in the sub-region to make a meaningful impact in the sub-region.

The shareholders stand ready to provide support when it becomes necessary.

Mr. Romuald Wadagni

Minister of State, Minister of Economy and Finance, Republic of Benin
Chairman of the Board of Governors

BOARD OF GOVERNORS

Mr. Romuald Wadagni (Chairman)
Minister of State, Minister for Economy and Finance
(Benin)

Mr. Lassane Kabore
Minister for Economy, Finance and Development
(Burkina Faso)

Dr. Olavo Avelino Garcia Correia
Deputy Prime Minister, Minister of Finance, Entrepreneurship Promotion and Digital Economy
(Cape Verde)

Mrs. Nialé Kaba
Minister for Planning and Development
(Côte d'Ivoire)

Mr. Mambury Njie
Minister for Finance and Economic Affairs
(The Gambia)

Mr. Ken Ofori-Atta
Minister for Finance
(Ghana)

Mr. Mamadi Camara
Minister for Economy and Finance
(Guinea)

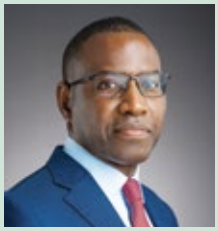
Mr. Victor L. P. Fernandes Mandinga
Minister for Economy, Planning and Regional Integration
(Guinea-Bissau)

Mr. Samuel Tweah
Minister for Finance and Development Planning
(Liberia)

Mr. Alousseni Sanou
Minister for Economy and Finance
(Mali)

Mr. Ahmat Jidoud
Minister for Finance
(Niger)

Mrs. Zainab Shamsuna Ahmed
Federal Minister for Finance, Budget and National Planning
(Nigeria)



Mr. Amadou Hott
Minister for Economy, Planning and Cooperation
(Senegal)

Mr. Dennis Vandy
Minister for Finance and Economic Development
(Sierra Leone)

Mr. Sani Yaya
Minister for Economy and Finance
(Togo)

MESSAGE FROM

PRESIDENT AND CHAIRMAN OF THE BOARD OF DIRECTORS

The provisional GDP growth of 5.9% posted by the global economy seems to suggest that we have exited the throes of the COVID-19 pandemic, at least, so far as economic activity is concerned. This growth compares favourably with the -3.1% growth recorded in 2020 at the height of the pandemic. The ECOWAS sub-region is also expected to record a positive growth, with an end-2021 provisional growth of 3.6%, up from a decline of 0.6% in 2020.

Even though the global economy rebounded in 2021, the effects of the COVID-19-induced supply chains disruptions did not dissipate entirely. Inflation spiralled out of control in many countries, with Western countries and the rest of the world scrambling to tame the trend. Inflation in the United States of America, for instance, reached 5.4%, with Europe recording a 4.4% inflation.

In West Africa, there was an upward pressure on prices in both the WAEMU zone and WAMZ. Inflation in the WAEMU zone reached a three (3)-year high of 4.3% in September 2021. Average inflation in the WAMZ exceeded 10% at the end of 2021. Overall average ECOWAS inflation in 2021 is estimated at 12.4%, from 10.2% in 2020.

Despite the difficult macroeconomic environment, the Bank continued to work towards achieving the first-year targets of Strategy 2025 and recorded impressive results in the process. Strategy 2025 is hinged on two (2) broad pillars, as follows:

Pillar I: Repositioning the Bank to deliver on its value proposition; and

Pillar II: Promoting resilient, inclusive and sustainable growth and development.

Under the first pillar, the Bank sought to increase visibility through its maiden publication of the West African Development Outlook (an annual publication of socio-economic indicators in the sub-region) and the Rendez-Vous (a quarterly newsletter for the Bank), with staff participation in various international conferences as panellists in 2021. The Bank increased resource mobilisation efforts and improved financial performance in 2021 as a way of preparing itself to intervene in member States. Overall, UA 177.92 million (USD 254.07 million) was mobilised, against the Strategy 2025 target of UA 159.52 million (USD 227.79 million). Net interest income increased from UA 10.0 million

(USD14.28 million) in 2020 to UA 14.73 million (USD 21.03 million) in 2021; operating income increased from UA 16.92 million (USD 24.16 million) in 2020 to UA 24.24 million (USD 34.61 million) in 2021; and profit increased from UA 2.69 million (USD 3.87 million) to UA 3.48 million (USD 4.97 million) in 2021. Non-performing loans declined to 5.78%, from 7.12% in 2020.

In addition to the above, the Bank established the Ethics and Governance Committee of the Board of Directors in September 2021, procured an operations management software to bolster the Bank's IT infrastructure and recruited nine (9) new professional staff to help sustain the gains made in transforming the Bank. All these culminated in Moody's upgrading the Bank's credit rating from B2 (negative) to B2 (stable).

Under the second pillar, the Bank approved twenty-four (24) new projects, valued at UA 466.90 million (USD 666.73 million), which was an increase of 67.63% over that of 2020. Eight (8) of these projects were from the public sector (UA 182.24 million or USD 260.23 million) and 16 from the private sector (UA 284.67 million or USD 406.50 million). New commitments increased by 191.78%, compared to 2020, increasing from UA 147.14 million (USD 210.11 million) for 13 projects in 2020 to UA 429.32 million in 2021 for 22 projects. New disbursements also reached UA 166.13 million (USD 237.23 million), an increase of 94.19% over the 2020 level.

The Bank is mindful of the Sustainable Development Goals (SDGs), eleven of which undergird Strategy 2025. In 2021, the Bank's operations affected nine (9) of the eleven adopted SDGs: Goals 1-3, 6-10 and 13. The Bank will strive to continue to align its interventions in Member States with all the 11 adopted SDGs, in line with its strategy.

As supply chains disruptions and geopolitical tensions in Eastern Europe put an upward pressure on prices and threaten to weaken global output, the global economy, and indeed that of West Africa, will continue to experience uncertainties. There are indications of some Western economies hiking key interest rates as a containment measure for rising inflation. This could have the unintended consequence of limiting portfolio flows to our sub-region. Regional development finance institutions like EBID have a unique opportunity to partner with Member States to navigate these difficult times.

On this note, I pledge to lead the Bank to extend the remarkable achievements of 2021, which can only mean one thing – increasing our support to our Member States. We will continue to partner with Member States to deliver high value projects to eradicate extreme poverty and hunger, contribute towards healthy living, provide good quality education, ensure gender equality and promote industrialisation in a sustainable manner.

George A. N. DONKOR, PhD, DBA

President of EBID

Chairman of the Board of Directors

Kempinski Hotel, Accra, Ghana

BOARD OF DIRECTORS

Dr. George A. N. Donkor
Chairman of the Board of Directors

Mrs. Aishatu Shehu Omar
Nigeria

Mrs. Anicou-Annie Lecadou Kacou
Côte d'Ivoire

Mr. Samuel Danquah Arkhurst
Ghana

Mr. Mussa Sambi
Guinea-Bissau

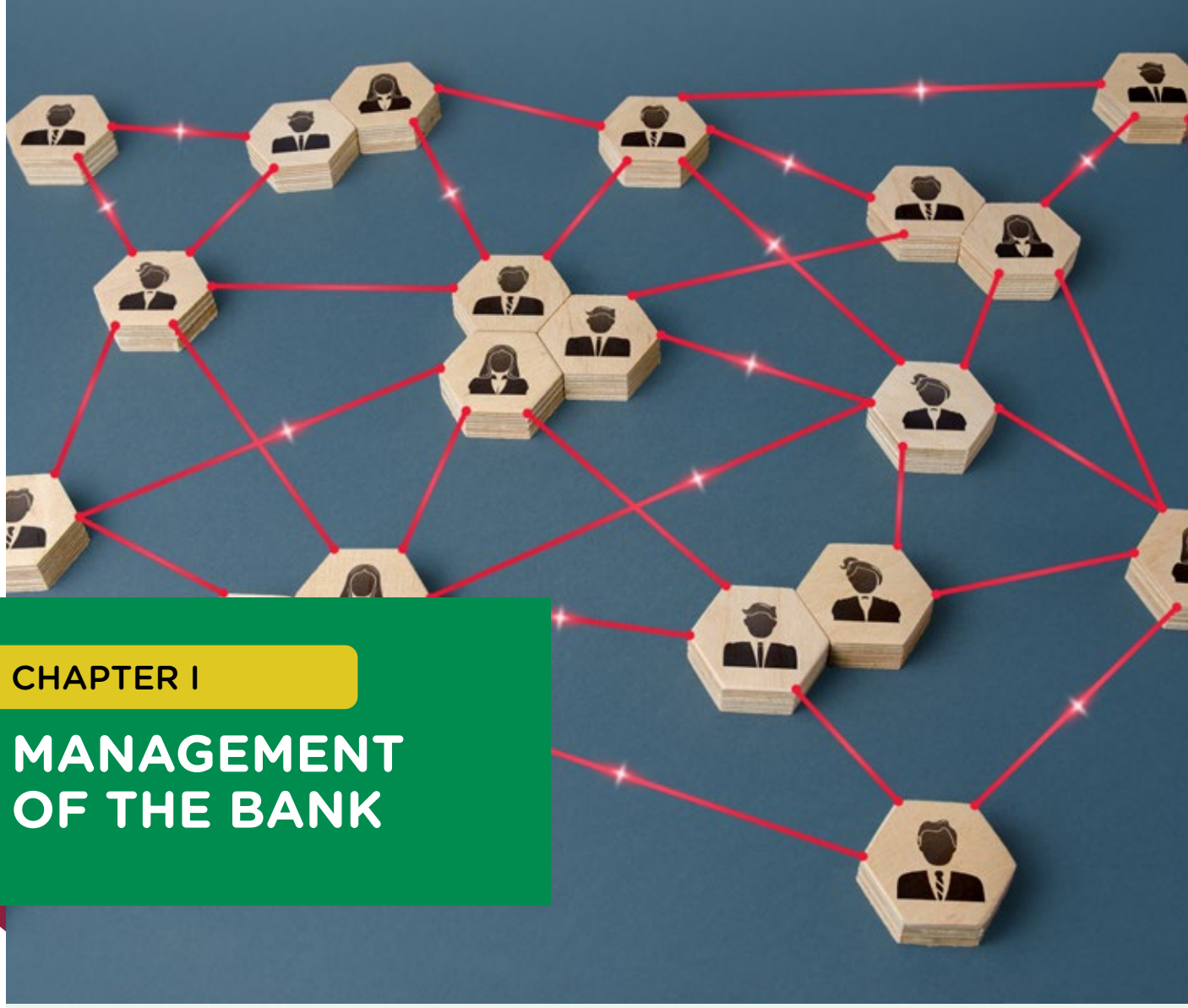
Mrs. Kourouma Emilie Bernadette Leno
Guinea

Mr. Maman Laouli Abdou Rafa
Niger

Mr. Augustus J. Flomo
Liberia

Mr. Abdulie Jallow
The Gambia

Mr. Sam Morris Aruna
Sierra Leone



CHAPTER I

MANAGEMENT OF THE BANK

The hierarchy of the Bank, as stipulated in its Articles of Association, is as follows:

- the Board of Governors;
- the Board of Directors; and
- Senior Management.

The successive paragraphs give an update of the composition of these decision-making bodies.

1.1 Board of Governors

The Bank's founding texts establish the Board of Governors as the supreme decision-making body. The Board of Governors comprises Governors appointed by each Member State, who are generally the Ministers of Economy and Finance or Regional Integration of the Member States (Table 1). The Board meets at least once a year at its Annual Meetings to review the Bank's operations and provide the strategic guidance necessary to achieve the Bank's objectives.

Table 1: Members of the Board of Governors as at December 31, 2021

Member States	Governors of EBID
Benin	Mr. Romuald Wadagni (Chairman)
Burkina Faso	Mr. Lassane Kabore
Cabo-Verde	Mr. Olavo Avelino Garcia Correia
Côte d'Ivoire	Mrs. Niale Kaba
The Gambia	Mr. Mambury Njie
Ghana	Mr. Ken Ofori-Atta
Guinea	Mr. Mamadi Camara
Guinea-Bissau	Mr. Victor Luis P. Fernandes Mandiga
Liberia	Mr. Samuel Tweah
Mali	Mr. Alousseni Sanou
Niger	Mr. Ahmat Jidoud
Nigeria	Mrs. Zainab Shamsuna Ahmed
Senegal	Mr. Amadou Hott
Sierra Leone	Mr. Dennis Vandy
Togo	Mr. Sani Yaya

1.1.1 Changes in the Board of Governors

The following were the changes in the composition of the Board of Governors in 2021:

- In Sierra Leone, the Mr. Dennis Vandy replaced Mr. Jacob Jusu Saffa as Minister of Finance and Economic Development; and
- In Niger, Mr. Ahmat Jidoud replaced Mr. Mamadou Diop as Minister of Finance.

1.2 Board of Directors

The Board of Directors, which is chaired by the President of the Bank, supervises the Bank's activities and determines its strategic direction. The members of the Board of Directors are vested with the powers delegated by the Board of Governors and are responsible for the conduct of the Bank's general operations.

During the year under review, the Board of Directors of the Bank was reconstituted. As at December 31, 2021, the Board of Directors was composed of nine (9) Non-Executive Directors, as set out Table 2.

Table 2: Composition of the Board of Directors as at December 31, 2021

Member	Board of Directors	Alternate Directors
EBID	Dr. George A. N. Donkor **(President of EBID)**	
ECOWAS Commission	President of the ECOWAS Commission **(Observer)**	
Nigeria	Mrs. Aishatu Shehu Omar	Mrs. Vivian Nwosu
Côte d'Ivoire	Mrs. Anicou-Annie Lecadou Kacou	Mr. Madassa Kouma
Ghana	Mr. Samuel Danquah Arkhurst	Dr. Mawuli Gaddah
Group I Cabo Verde, Guinea, Guinea-Bissau, Senegal	Mr. Mussa Sambi **(Guinea-Bissau)** Mrs. Kourouma Emilie Bernadette Leno **(Guinea)**	Mr. Pedro Mendes de Barros **(Cabo-Verde)** Mr. Mamour Ousmane Bâ **(Senegal)**
Group II Burkina Faso, Liberia, Mali, Niger	Mr. Maman Laouali Abdou Rafa **(Niger)** Mr. Augustus J. Flomo **(Liberia)**	Mr. Karfa Fayama **(Burkina Faso)** Mr. Souahibou Diaby **(Mali)**
Group III Benin, The Gambia, Togo, Sierra Leone	Mr. Abdulie Jallow **(The Gambia)** Mr. Sam Morris Aruna **(Sierra Leone)**	Mr. Arsene Dansou **(Bénin)** Mr. Kouko Zoumaru Agbere **(Togo)**

1.2.1 Other activities carried out by the Board of Directors

The Bank organised an induction ceremony and training seminar for the new Board of Directors from 27 to 30 September 2021 at the Bank's headquarters in Lome, Republic of Togo. The objective of this programme was to enable the new Board members to familiarise themselves with the structures and operations of the Bank.

At the end of the meeting, several recommendations were made, including the following:

- set targets for the Board in terms of the recovery of capital arrears by their respective Member States;
- Support advocacy for Member States to pay EBID's share of the Community Levy directly to the Bank instead of passing it through the ECOWAS Commission;
- Explore the possibility of launching a regional diaspora bond;
- Finalise and submit a standardised model loan agreement to the Board of Directors for approval;
- Convince Member States about the need to discourage the ECOWAS Commission from running parallel development projects to EBID;
- Prepare a Board of Directors' strategy for the next 3 to 4 years, the priority items of which should include the following: capital payment, governance, cost rationalisation and gender mainstreaming;
- Develop initiatives that will enable the Bank to access the Green Climate Fund;
- Assess how EBID can assist Member States in the management of COVID-19 and other health-related projects;
- Ensure synergy in the handling of private sector projects in Member States and take steps to inform Member States of the Bank's interventions;
- Take steps to ensure interpretation and translation into Portuguese, in line with the Community's Language Policy; and
- Make the induction, governance and capacity building seminar a constant feature for new Board members.

1.2.2 Mandate and Members of the Committees of the Board of Directors

The Ethics and Governance Committee was established on 1 October 2021, bringing the total number of Board Committees to four (4), as follows:

- Audit Committee;
- Risk and Credit Committee;
- Remuneration and Human Resource Committee; and
- Ethics and Governance Committee.

- Audit Committee

The mandate of the Audit Committee is to supervise the Bank's accounting procedures and internal controls. To this end, it monitors and ensures compliance with legal provisions, examines audit reports and makes appropriate recommendations to the Board of Directors.

- Risk and Credit Committee

The Risk and Credit Committee oversees the management of the Bank's credit portfolio as well as the measures taken by the Bank to counter trends in credit risk, credit concentration and asset quality. In addition, it ensures the adequacy of infrastructure, resources and systems in order to maintain appropriate risk management discipline.

- Remuneration and Human Resource Committee

The Remuneration and Human Resource Committee reviews and recommends amendments to the remuneration, recruitment, staff retention and termination policies, with the aim of ensuring a congenial work environment. It is also responsible for reviewing the procedures applicable to senior management and professionals with respect to compensation policies, pension plans and human resource practices.

- Governance and Ethics Commitee

The Ethics and Governance Committee's mission is to support the Board of Directors in the implementation of governance based on the principles of efficiency, transparency and accountability and to ensure that EBID maintains the highest standards of governance and ethics. In this regard, it has a strategic role to play in monitoring the Bank's policies on sustainable development and social responsibility to ensure the application of the texts in force and to propose any necessary amendments, while developing performance criteria and evaluation tools for both directors and members of the Bank's senior management.

Table 3 shows the membership of all Board Committees.

Table 3: Composition of the standing committees of the Board of Directors as at 31 December 2021

Directors	Board of Directors	Audit Committee	Risk and Credit Committee	Remuneration and Human Resources Committee	Ethics and Governance Committee
George Agyekum Nana Donkor, PhD, DBA	Chairman				
Mrs. Aïshatu Shehu Omar	X	X			X
Mr. Samuel Danquah Arkhurst	X			X	X
Mrs. Anicou-Annie Lecadou Kacou	X		X		X
Mr. Abdulie Jallow	X			X	
Mrs. Kourouma Emilie Bernadette Leno	X	X			
Mr. Mussa Sambi	X	X			
Mr. Augustus J. Flomo	X		X		
Mr. Maman Laouali Abdou Rafa	X		X		
Mr. Sam Morris Aruna	X			X	

1.3 Management Team

The Bank's Management Team consists of the President, two Vice-Presidents and the Directors of the Departments.

The President is responsible for the day-to-day management of the Bank. He is assisted by two (2) Vice Presidents: one in charge of Finance and Corporate Services and the other in charge of Operations.

On 17 March 2021, Mr Abou Jallow, a Gambian national, assumed position as the Vice President in charge of Operations. However, for personal reasons, he resigned on 30 June 2021. Subsequently, the Bank appointed Mr. MacDonald Saye Goanue, Director of Strategic Research and Planning, to coordinate the activities of the office, while it initiated the process of appointing a substantive Vice President (Operations). At the end of this process, Dr. Olagunju M. Ashimolowo, a Nigerian national, was appointed as the new Vice President in charge of Operations for a four (4) year term, effective on 1 October 2021.

In addition, the Bank also saw the appointment of Mrs. Euphrasie Akouetey as Acting Director of the Conferences Department under the supervision of the Secretary General.

Similarly, in order to strengthen the Bank's trade finance activity, Management has created a Trade Finance Division within the Department of Private Sector Operations and subsequently recruited a Commodity Trade Finance Officer to better coordinate the actions of this unit.

In addition, during the year 2021, the President of the Bank also undertook and carried out several important activities including:

- Participation in the inauguration of the President of Ghana, His Excellency Nana Dankwa Akufo-Addo;
- Visits to the Heads of State of Côte d'Ivoire and Senegal, notably: His Excellency Alassane Dramane Ouattara and His Excellency Macky Sall;
- Meetings with Ministers and eminent personalities from Benin, Burkina Faso, Côte d'Ivoire, Ghana, the Federal Republic of Nigeria, Senegal and Togo;
- Discussions with EBID partners within and outside the community (in Ghana, Nigeria, Senegal, Togo, Belgium, Great Britain, etc.);

- The signing of twenty-two (22) loan agreements with public and private promoters;
- Participation in the Boards of Directors of ASKY and ETI in particular;
- The launch of the first editions of EBID's West African Development Outlook and the information magazine Rendez-Vous;
- The organisation of the welcome, induction and training seminar for members of the renewed Board of Directors; and
- The handing over of computers in the form of technical assistance to the Togolese authorities.

In addition to these actions, the Bank's Senior Management also held regular monthly meetings to maintain its focus on the Bank's overall activities. Similarly, the Investment, Credit, Portfolio and Provisions Committees and all other committees of the Bank continued to hold their monthly and quarterly meetings throughout 2021.

MANAGEMENT TEAM

George Agyekum Nana DONKOR, PhD, DBA
President and Chairman of the Board of Directors of EBID

Dr. DONKOR has more than 27 years of experience in senior management positions in Finance, Marketing, Law and Compliance. He previously worked at the same institution as the Vice-President, Finance and Corporate Services for 7 years. He holds two Master's degrees and two doctorates in relevant disciplines. He is a lawyer by profession.

Mabouba DIAGNE, PhD
Vice-President, Finance and Corporate Services

Dr. DIAGNE has more than 20 years of experience in Development Finance Institutions. Prior to EBID, he was the Regional Director of the Trade Development Bank (TDB). Dr Mabouba was previously the Regional Senior Executive in Corporate and Investment Banking in Germany with Dresdner Bank, London with Credit Suisse, and Southern Africa with Barclays Bank. He holds a PhD. in Financial Risk Management & Portfolio Optimisation, and 4 Master's degrees in Financial Mathematics, Applied Mathematics and Computer Sciences.

Olagunju M.O. ASHIMOLOWO, DBA
Vice-President, Operations

International banking and finance executive and Chartered Accountant with more than 30 years of experience in Financial Management, Internal Control, Audit and Compliance, Risk Management and Tax Management. Dr ASHIMOLOWO holds an MBA in Finance from the University of Lagos, a second Master's degree in Applied Business Research (MABR) and a DBA in Business Administration, with research interest in Technology Adoption from SBS Swiss Business School, Zurich, Switzerland.

Moctar COULIBALY
Secretary-General

Mr. COULIBALY has more than 34 years of professional experience in the legal and financial fields. Since joining EBID in 1999, he has held several positions within the Bank. Prior to joining EBID, he worked in consulting firms in Mali, including the law firm, Hassane Barry, the tax firm, Sory Makanguilé and the Bank of Africa-Mali. He holds a Bachelor's degree in law and a Master's degree in finance.

MacDonald Saye GOANUE
Director, Research and Strategic Planning

Mr. GOANUE has more than 20 years of professional experience in Macroeconomic Analysis, Strategic Planning, and Development. He previously worked for the World Bank, Central Bank of Liberia, Ministry of Finance in Liberia, and University of Liberia. He holds a MSc in Economics from University of Illinois, Urbana Champaign.

Manzamesso TCHALLA-PALI
Director, Private Sector Operations

With more than 24 years of experience, Mr. TCHALLA-PALI worked for the Industry-Commerce-Agrochemical Group (ICA) before joining EBID where he has held several positions since joining in 2001.

MANAGEMENT TEAM

Sydney VANDERPUYE
Director, Finance and Accounting

With an MBA in Finance, Member of the Association of Chartered Accountants (ACCA) and Member of the Institute of Chartered Accountants, Ghana, Mr. VANDERPUYE has held senior positions at Ernst & Yong (Ghana), Société Générale and Access Bank Ghana. He has 19 years of professional experience in Accounting Management.

Francis G. EZIN, DBA
Director, Administration and General Services

With a solid professional background in Management, Mr. EZIN has held very high-level positions within the Ecobank Group for 18 years prior to joining EBID. He holds three Master's degrees in Finance, in Business Law and also in Human Resources Management.

Mamadou Saidou CAMARA
Director, Legal

With over 19 years of professional experience in Management, Mr. CAMARA worked during more than 14 years for the Ecobank Group prior to joining EBID. He holds a DESA in Business Law, MSc in Banking, MSc in international Banking and Finance (Salford University) certified PPP Professionals (APMG International).

Hughes GOA
Director, Public Sector Operations

Mr. GOA has an academic background in Engineering and Finance and more than 20 years of experience in all areas of development, including policy and sectoral strategy development, project preparation, structuring and financial engineering, and monitoring of project implementation. He holds a degree in Agroeconomic Engineering from the Houphouet-Boigny National Polytechnic Institute and an MBA in Finance.

Anthony EHIMARE
Director, Risk Management

A senior executive in international banking and financial system, Mr. EHIMARE held the position of Vice-President of Risk Management at HSBC in New York (USA) and previously worked in Citigroup New York and Ecobank Group. He holds a Master's degree in Business Administration from the University of Buffalo.

Mrs. Euphrasie AKOUETEY
Acting Director, Conference

Graduate of the University of Toulouse Jean-Jaurès in France and previously Head of the Language Services Division at EBID.

CHAPTER II

ECONOMIC ENVIRONMENT

2.1. Recent Developments and Global Outlook

Touted as the year of economic recovery, 2021 has, to a large extent, lived up to expectation despite the persistence of the COVID-19 pandemic. The year witnessed at least five different variants of the coronavirus, namely Alpha, Beta, Gamma, Delta and Omicron, raising doubts about a return to normalcy.

As at 31 December 2021, the number of confirmed COVID-19 cases worldwide was estimated to be 287 million, an increase of 245% year-on-year, compared to 2020. Sadly, more than 5 million people have died from COVID-19 despite the efforts of doctors and nurses to save their lives.

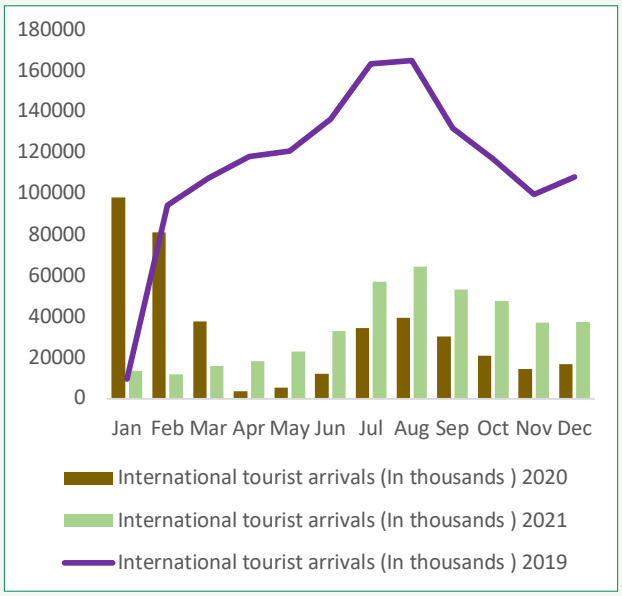
In terms of vaccination against COVID-19, it is noted that by the end of December 2021, the number of people who had received at least one dose was estimated at 4.6 billion (compared to 7.2 million at the end of December 2020) and those who had been fully vaccinated were estimated at 3.9 billion (compared to 40,557 in December 2020).

In effect, by 31 December 2021, 57.9% of the world's population had received at least one dose of vaccination. However, there are wide disparities with regards to coverage from one continent to the other. For example, only 14% of the African population had received at least one dose, compared to 61% in Oceania, 65% in Europe, 67% in Asia, and 68% in North America.

However, the temporary closure of borders and travel restrictions targeted at countries declared as being at high risk of contagion to COVID-19 conspired to worsen supply chains disruptions, suppressing global trade and putting an upward pressure on prices.

As Figure 1 indicates, tourism, for example, continued to significantly lag behind pre-pandemic levels. Tourist arrivals only overtook 2020 levels after March 2021.

Figure 1: Tourism activity before and during the COVID-19 pandemic



Source: EBID staff based on World Tourism Organisation (UNWTO) data

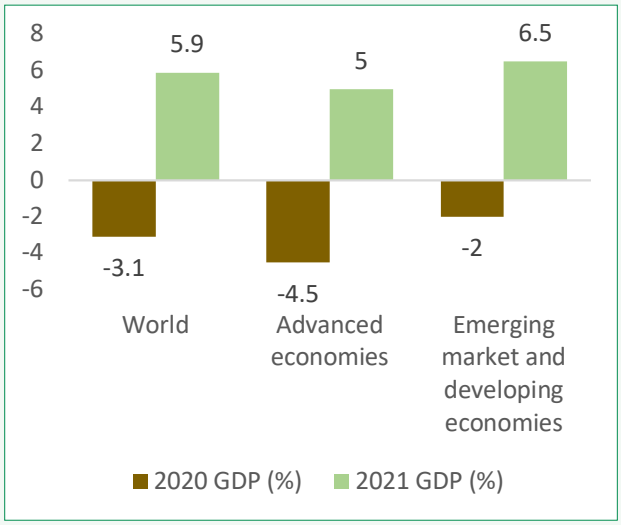
One of the measures to reduce the impact of COVID-19 was the introduction of moratoria on loan repayments. These decisions benefited both governments and businesses. Once the moratoria are lifted, governments and companies could find it difficult to meet their obligations. In financial terms, therefore, 2021 ended with the prospect of increased risk of non-performing loans.

2.2. Global output growth

Despite the difficulties faced by governments, businesses and households around the world in 2021, global output grew by 5.9%, compared to a 3.1% contraction in 2020.

As shown in Figure 2, the level of growth recorded globally was the result of increased output in both advanced economies and emerging markets and developing economies. The advanced economies grew by 5% in 2021, compared to a contraction of 4.5% in 2020. Emerging markets and developing economies grew by 6.5% in 2021, compared to a contraction of 2% in 2020.

Figure 2: Aggregate economic growth trends, 2020-21



Source: EBID staff based on IMF World Economic Outlook data

A key contributory factor to the rebound in economic activity was the increase in trading activities, relative to 2021. Trade in goods and services grew by 9.7% in 2021, compared to 2020.

2.2.1 United States of America

United States of America's output reached US$19,482.8 billion in 2021, with real GDP growing at 5.97%, compared to 2020. The 2021 nominal GDP exceeded that of the pre-pandemic period in 2019 (i.e. $19,032.7 billion).

The increase in economic activity stemmed from a 9.7% increase in consumption and the impact of the US$1,900 billion economic stimulus plan, which led to an increase in investment. Total investment reached 21.1% of GDP, imports of goods and services increased by 14.1%, while exports rose by 5.4%.

On the job market, 4.9 million people got employed in 2021, compared to job losses to the tune of 9.7 million in 2020. The unemployment rate edged down to 5.4%, a 2.7 percentage points drop, compared to 2020. Inflation inched up to 4.3% in 2021, compared to 1.3% in 2020.

2.2.2 European Union

Despite Brexit, the EU recorded a 5.1% growth in economic activity in 2021, with the nominal GDP of US$17,078.4 billion, exceeding the 2019 level.

This growth is partly explained by the NextGenerationEU (NGEU) recovery plan initiative, which seeks to invest €806.9 billion in the health, digitalisation and green initiatives. Total EU investment reached 22.6% of GDP, with public expenditure estimated at 53% of GDP in 2021.

2.2.3 Sub-Saharan Africa

Real GDP growth recovered to 3.7%, compared to a contraction of 1.7% in 2020. This rebound was driven by higher commodity prices, the easing of measures put in place to combat the pandemic and the recovery of international trade.

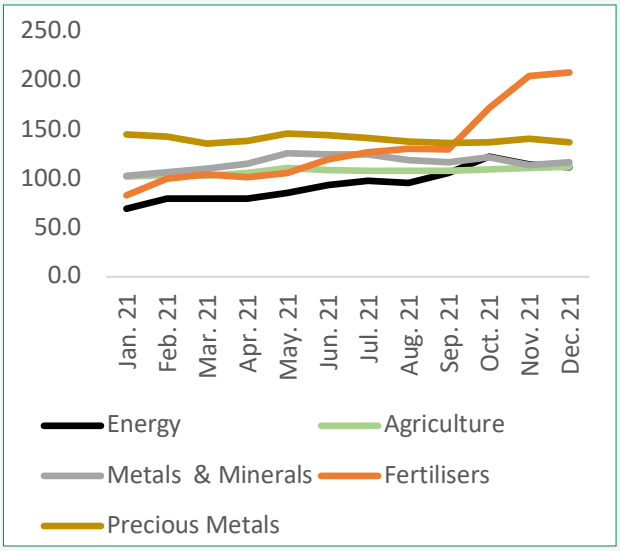
Despite the economic turnaround in 2021, the sustainability of this growth could be undermined by the persistence of the COVID-19 pandemic, the recent military coups, religious extremism, job losses and increased poverty.

2.3. Commodity prices

The increase in commodity prices was more pronounced in 2021 than in the previous year. Apart from precious metals, the other types of raw materials recorded an increase in their price index.

Generally, commodity prices increased in 2021. The price index of fertilisers showed an average monthly increase of 9.2%, that of energy increased by 4.6%, metals and minerals increased by 1.2%, agriculture increased by 0.9%, while precious metals showed decreased by 0.5% between January and December 2021.

Figure 3: Monthly evolution of the commodity price index



Source: EBID staff based on World Bank data

Energy price index evolution is mainly driven by the evolution of the following factors: the price of natural gas which increased by 11.4% during 2021; the price of coal which experienced a monthly average increase of 6.7%; and the price of crude oil which recorded a monthly average increase of 3.1%.

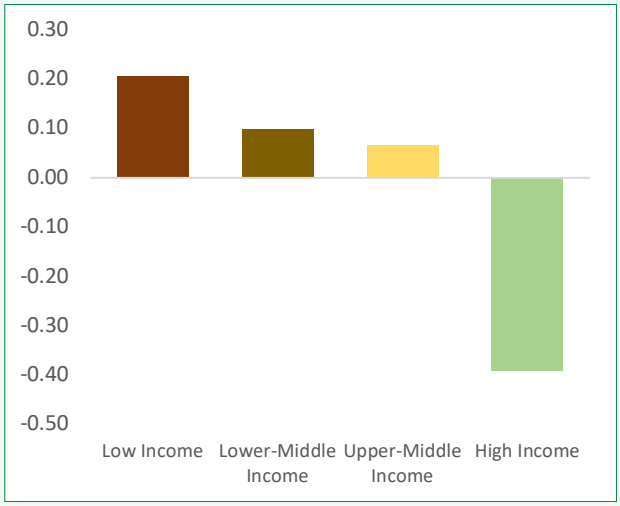
2.4. Global finance

In the wake of the COVID-19 pandemic, governments, businesses and some households contracted loans. Creditors subsequently granted moratoria on existing loan maturities to bring relief to clients.

With the exception of high-income economies, where the ratio of non-performing loans had fallen in 2021, compared to 2020, the other country groups are already showing signs of increases in non-performing loans.

As shown in Figure 4, low-income economies experienced the largest increase in the non-performing loan ratio in 2021. This suggests a continued increase in the non-performing loan ratio as the moratoria were lifted and some debtors were unable to meet their commitments.

Figure 4: Change in non-performing loan ratios, by income group of countries, 2020-2021



Source: EBID staff based on World Bank data

2.5. Recent economic developments and prospects in ECOWAS

2.5.1 Political and security context

Some ECOWAS Member States, especially those in the Sahelian zone, have been plagued by ethnic, politico-ideological and terrorist tensions and conflicts. These tensions have increased since the political turmoil in Libya in 2011.

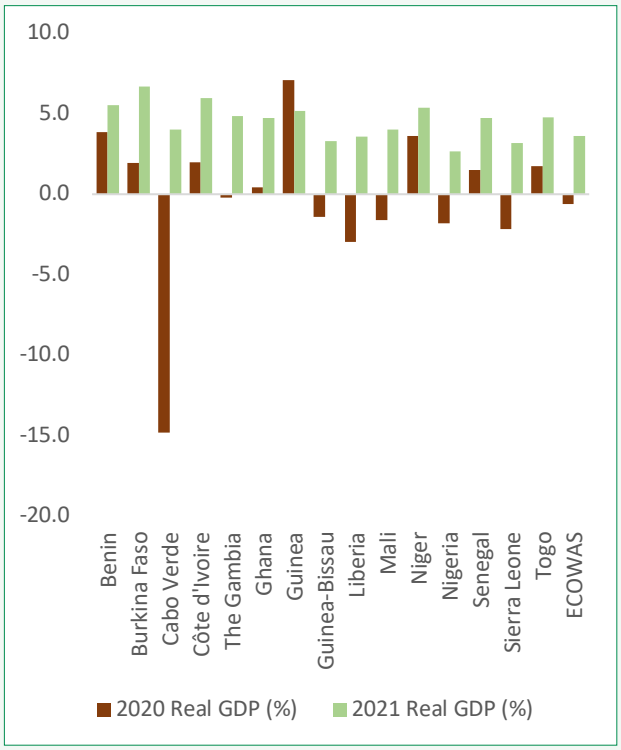
In September 2021, there was military coup in Guinea, following the military uprising in Mali in May 2021 In effect, two Member States of the ECOWAS had fallen under military rule by the end of 2021.

Source: EBID staff based on World Bank data

2.5.2 Real sector

The ECOWAS bloc's GDP grew by 3.6% in 2021, up from -0.6% in 2020. This was driven largely by an increase in investment (which was estimated at 27.5% of GDP), an increase in public expenditure (17.4% of GDP) and an increase in the export of goods and services (17.5% of GDP).

Figure 5: ECOWAS real GDP growth, 2020-2021



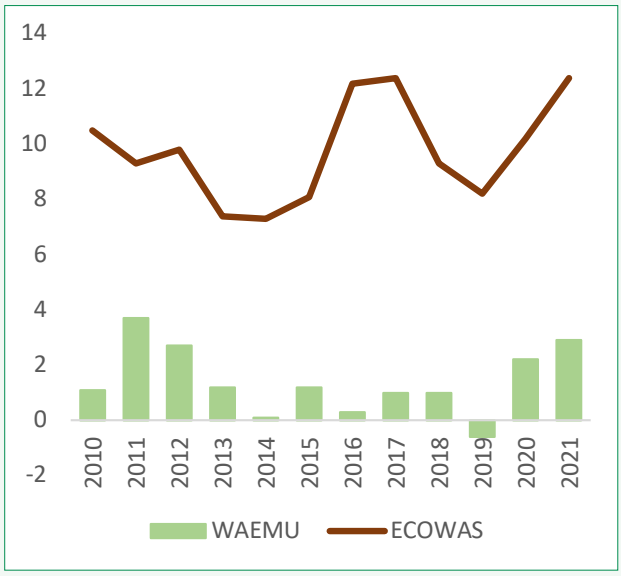
Source: EBID staff based on IMF World Economic Outlook data

With the exception of Guinea, all ECOWAS Member States recorded a high GDP growth in 2021 than in 2020. Burkina Faso was the best performing Member State with a real GDP growth of 6.7%, with Nigeria, the largest economy in the sub-region, recording the lowest growth of 2.6%.

2.5.3 General price levels

In 2021, ECOWAS recorded its second highest inflation rate since 2010, estimated at 12.4% (Figure 6). This increase in the inflation rate was mainly due to the pass-through effect of high crude oil prices, which led to high transport and foodstuffs costs.

Figure 6: Inflation in ECOWAS

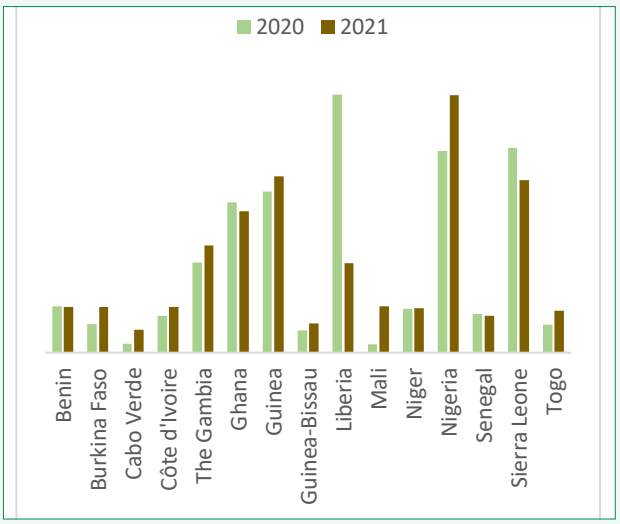


Source: EBID staff based on IMF World Economic Outlook data

The average price of crude oil rose from $53.6 per barrel in January 2021 to US$82.06 in October before falling to US$72.87 in December 2021. The price of a metric ton of edible oil increased from an average of US$1,174.9 in January 2021 to US$1,615 in November before falling to US$1,529.5 in December 2021. The price of a metric ton of maize, meanwhile, rose from US$234.5 in January 2021 to US$305.3 in May before falling to US$264.5 in December 2021. However, the price of rice fell from an average of US$520.4 per metric ton in January 2021 to US$394.2 in December 2021.

At the level of ECOWAS Member States, inflation has been more prevalent in West African Monetary Zone countries than in West African Economic and Monetary Union countries, as shown in Figure 7. Despite the low level of inflation in WAEMU countries countries, consumption habits have been negatively influenced by this increase in the general price level since households in WAEMU countries are not used to such a high level of inflation.

Figure 7: Level of inflation in ECOWAS Member States, 2020-2021

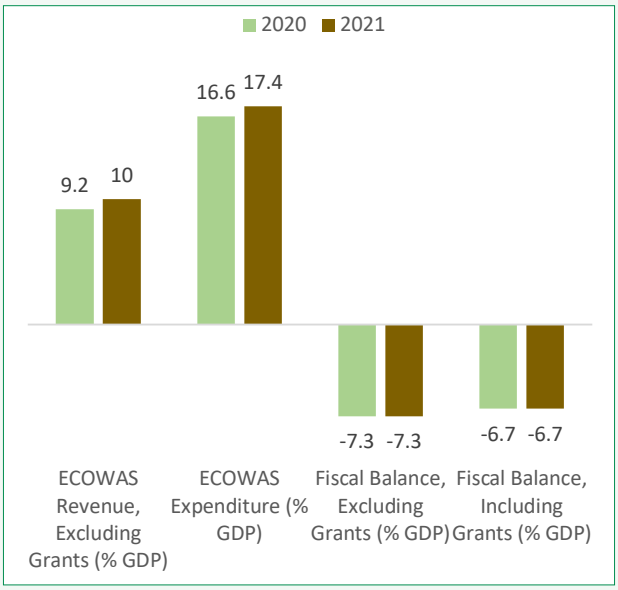


Source: EBID staff based on IMF World Economic Outlook data

2.5.4 Public finance

Despite some fiscal measures taken by almost all ECOWAS Member States since the onset of the pandemic to ease the tax burden of taxpayers in the Community, it appears that ECOWAS was able to record a slight increase in revenue mobilised as a percentage of GDP in 2021, compared to 2020. Total revenue mobilised by Member States reached 10% of sub-regional GDP in 2021, compared to 9.2% of sub-regional GDP in 2020.

Figure 8: Trends in selected ECOWAS public finance indicators, 2020-2021



Source: EBID staff based on IMF Regional Economic Outlook data

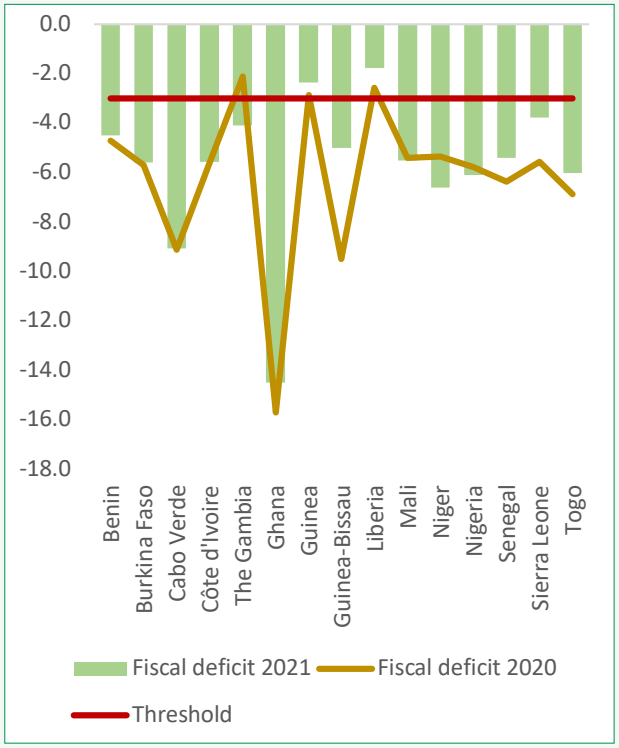
The Member States whose revenue mobilisation exceeded 20% of their GDP were Cabo Verde (30.2% of GDP), Liberia (28.7% of GDP), Gambia (22.8% of GDP), Mali (22% of GDP) and Senegal (20.2% of GDP). Looking at the revenue mobilised in nominal terms, the following countries performed better in terms of year-on-year revenue mobilisation: Guinea (36%), Nigeria (35.3%), Ghana (34.1%), Guinea-Bissau (20.6%) and Cabo Verde (20.1%).

The economic recovery and the requirements for social sector interventions, triggered by the COVID-19 pandemic, led to an increase in government expenditure in all ECOWAS Member States in 2021, except Guinea-Bissau, compared to 2020. As a result, total government expenditure reached 17.4% of sub-regional GDP in 2021, compared to 16.6% of sub-regional GDP in 2020, which was 1.4 percentage points higher than in 2019.

The Member States whose expenditure in 2021 exceeded 25% of their GDP were: Cabo Verde (39.3% of GDP), Liberia (30.5% of GDP), Ghana (28.9% of GDP), Mali (27.5% of GDP), The Gambia (26.9% of GDP) and Senegal (25.6% of GDP).

As a result, the Community recorded a fiscal deficit of 6.7% of sub-regional GDP. Member States' fiscal deficit exceeded the 3% of GDP Primary Convergence Criteria threshold in 2021, except for Guinea, and Liberia. Ghana's fiscal deficit of 14.5% of GDP stood out as the highest in the sub-region (Figure 9). This is followed by Cabo Verde, which recorded a fiscal deficit of 9.1% of GDP.

Figure 9: Fiscal deficit trends in ECOWAS Member States, 2020-2021



Source: EBID staff based on IMF World Economic Outlook data

2.5.5. Public debt

ECOWAS debt reached 45.8% of GDP in 2021. Six (6) countries crossed the debt threshold of 70% of GDP. Cabo Verde's debt reached 160.7% of GDP in 2021, positioning the country as the one with the highest debt-to-GDP ratio in the Community. The joint debt sustainability analysis of the IMF and the World Bank had already warned in November 2020 of Cabo Verde's exposure to a high risk of external and overall debt distress.

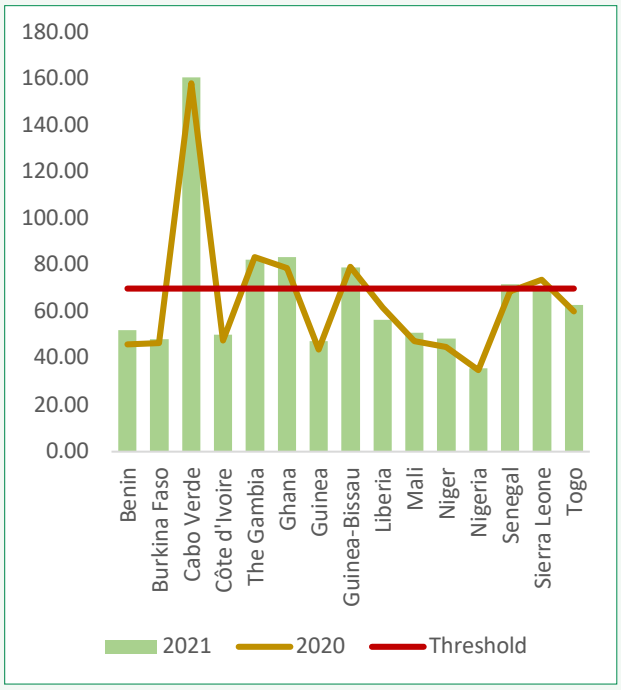
Table 4: Risk of debt distress in ECOWAS States

Country	REDD	RODD	DP
Benin	Low	Low	05/20
Burkina Faso	Moderate	Moderate	11/20
Cabo Verde	High	High	10/20
Côte d'Ivoire	Moderate	Moderate	07/21
The Gambia	High	High	01/21
Ghana	High	High	07/21
Guinea	Moderate	Moderate	06/21
Guinea-Bissau	High	High	01/21
Liberia	Moderate	High	12/20
Mali	Moderate	Moderate	02/21
Niger	Moderate	Moderate	10/20
Senegal	Moderate	Moderate	06/21
Sierra Leone	High	High	07/21
Togo	Moderate	High	04/20

Note
REDD: Risk of external debt distress
RODD: Risk of overall debt distress
DP: Date of Publication
Source: World bank

As shown in Table 4 and Figure 10, other Member States such as Ghana (83.5% of GDP debt in 2021), The Gambia (82.3% of GDP debt in 2021), Guinea-Bissau (79.1% of GDP debt in 2021), and Sierra Leone (71.9% of GDP debt in 2021) also face not only a high risk of external debt distress but also a high risk of overall debt distress. Togo, with an estimated debt of 62.9% of GDP, is reported to be exposed to a moderate risk of external debt distress and a high risk of overall debt distress.

Figure 10: Trend in debt levels, 2020-21



Source: EBID staff based on IMF World Economic Outlook data

CHAPTER III

OVERSIGHT AND ORGANISATIONAL EFFECTIVENESS

3.1 Oversight

The principal oversight activities carried out by the Bank's Board of Governors and Board of Directors are presented in the sections below.

3.1.1 Board of Governors

The Board of Governors of the Bank held its 19th Ordinary General Meeting by video conference on 23 April 2021.

i. Nineteenth Ordinary Session of April 23, 2021

At the end of this session, the Board of Governors:

- Adopted the minutes of the 18th Ordinary General Meeting of the Board of Governors held on 09 April 2020 by video conference;
- Considered the matters arising from the 18th Ordinary General Meeting of the Board of Governors and the follow-up actions;
- Adopted the 2020 Annual Report, which included the Bank's activity report and audited financial statements for the year ended 31 December 2020;
- Approved EBID's Strategic Plan for 2021-2025;
- Appointed two (2) new members of the EBID Board of Directors for the remaining terms of their predecessors, i.e. until 21 August 2021. These were Mrs. Aishatu Shehu Omar, a Nigerian national, and Mr. Arsene Dansou a Beninese national, to

replace Mr. Fidel Odey and Mr. Abdou Rafiou Bello of the Federal Republic of Nigeria and Group III, respectively;

- Approved a two (2) year mandate for the new Board of Directors, with effect from 22 August 2021; and
- Elected Mr. Romuald Wadagni, Governor of EBID for the Republic of Benin, as the new Chairman of the Board of Governors.

The Board of Governors also considered the report of the 2nd Home Consultation conducted from 30 July to 16 August 2020; the status of capital and debt collections as at 31 March 2021 and the revised service contract of the President of EBID.

3.1.2 Board of Directors

During the period under review, the Board of Directors of the Bank had four (4) Home Consultations (12th, 13th, 14th and 15th, respectively, from 04 to 11 February 2021, from 07 to 15 June 2021 from 21 to 30 July 2021 and from 13 to 20 August 2021) as well as five (5) ordinary sessions, four (4) of which were held by videoconference (72nd, 73rd, 74th and 76th, respectively, on 9 March 2021, 21 April 2021, 1 July 2021 and 23 December 2021) and one (1) face-to-face (75th session held on 1 October 2021).

At the end of these meetings, the following decisions, among others, were taken:

i. 12th Home Consultation: 4-11 February 2021

The Board:

- Authorised the amendment of Volume 5 of EBID's Business Continuity Plan (BCP) to establish separate sites for IT back-up and geographical fallback for staff to the effect that the Bank's IT back-up site shall be in the Republic of Cabo Verde, while the Republic of Ghana serves as the geographical fallback site for staff.

ii. 72nd Session of 9 March 2021

The Board:

- Adopted the minutes of the 71st Meeting of the Board of Directors held on 17 December 2020 by video conference;
- Authorised the Bank to enter into a buyer's credit with KBC Bank NV in the amount of €17.3 million, guaranteed by CREDENDO;
- Authorised the Bank to enter into a buyer's credit agreement with AKA European Export and Trade Bank in the amount of €50 million, guaranteed by Euler Hermes;
- Authorised the Bank to enter into a buyer's credit agreement of €17.3 million with ODDO BHF Aktiengesellschaft, guaranteed by Euler Hermes;
- Authorised the Bank to enter into a buyer's credit agreement of €15.2 million with ODDO BHF Aktiengesellschaft, guaranteed by Euler Hermes;
- Granted authorisation to enter into a buyer's credit agreement with ODDO BHF Aktiengesellschaft in the amount of €40 million, guaranteed by Euler Hermes;

Authorised the Bank to take out a buyer's credit with KfW IPEX-Bank GmbH in the amount of €38.5 million, guaranteed by Euler Hermes;

- Authorised the Bank to enter into a buyer's credit with Credit Suisse in the amount of €17 million, guaranteed by SERV;
- Authorised the Bank to enter into a buyer's credit in the amount of €46 million with Credit Suisse, guaranteed by BPI France;
- Authorised the Bank to enter into a partial financing agreement to construct 1,500 boreholes equipped with 1,500 mixed solar and manual pumps in the Republic of Côte d'Ivoire; and
- Authorised the Bank to enter into a partial financing agreement for the installation of 1,000 solar-powered water pumping and treatment units in the Republic of Côte d'Ivoire.

The Board of Directors also considered the minutes of the 70th Board Meeting held on 16 October 2020 and the 12th Board Home Consultation held from 4 to 11 February 2021, respectively.

iii. 73rd Session of 21 April 2021

The Board:

- Adopted the minutes of the 72nd meeting of the Administrative Council conducted on 09 March 2021 by video conference;
- Adopted the Bank's activity report and financial statements for the year ended 31 December 2020;
- Authorised the Bank to contract a credit line with Africa Agriculture and Trade Investment Fund S.A. (AATIF) for a credit line of €20 million;
- Authorised the Bank to contract a €20 million line of credit with Finance in Motion (Eco-Business Fund S.A.) for the partial financing of the installation of

solar pumping units in the Republic of Côte d'Ivoire;

- Authorised the Bank to contract a €20 million line of credit with Finance in Motion (Eco-Business Fund S.A.) for on-lending to various Banks;
- Authorised the Bank to contract a €10 million line of credit with the Norwegian Investment Fund for Developing Countries (NorFund);
- Authorised the Bank to contract a €78 million credit line with CBC Banque S.A., guaranteed by Credendo;
- Authorised the Bank to enter into a syndicated facility arranged by Trafalgar 21 Ltd;
- Authorised the Bank to extend its shareholding in the Liberian Bank for Development and Investment (LBDI);
- Authorised the partial financing of the National Road No. 7 Rehabilitation Project: Mako-Kedougou-Saraya-Moussala Section in the Republic of Senegal.

The Board of Directors also considered the Bank's activities for the first quarter, the status of capital and debt recovery as well as the reports of the Audit, Risk and Credit Committees.

iv. 13th Home Consultation from 7 to 15 June 2021

The Board:

- Approved the partial financing for the construction of a 50MW photovoltaic power plant by Planet Solar Energy Ltd in various locations in Sierra Leone in the amount of €19.11 million;
- Authorised the granting of a line of credit to First City Monument Bank Limited (FCMB) in the Federal Republic of Nigeria in the amount of USD25.0 million; and
- Approved the partial financing of the 2021 Annual Road Maintenance Programme (ARMP) of the Fonds d'Entretien Router Autonome (FERA) in the Republic of Senegal in the amount of XOF 25.0 billion.

v. 74th Session on 1 July 2021

The Board:

- Adopted the minutes of the 73rd session of the Board of Directors held on 21 April 2021 by video conference;
- Authorised the Bank to contract a line of credit with Cargill Financial Services International in the amount of USD27 million;
- Approved the partial financing for the construction and operation of a flour mill in Cotonou by Atlantic Moulin Benin, in the Republic of Benin in the amount of €7.70 million;
- Approved the partial financing for the construction and operation of a cocoa processing plant by Atlantic Cocoa Company in the Republic of Côte d'Ivoire in the amount of €28.56 million; and
- Approved the partial financing for the construction and rehabilitation of slaughterhouses and modern slaughter units for ruminants and monogastric animals in the Republic of Burkina Faso in the amount of €26.40 million.

The Board of Directors also adopted EBID's revised pricing policy and the Bank's procurement regulations.

The Board also examined the service contracts of the Vice-Presidents of the Bank, the draft guidelines on interpretation and translation, the memorandum on the revision of the level of hotel expenses for missions, an update of the 2021-2028 XOF Bond as well as the report of the 13th Home Consultation of the Board of Directors conducted from 7 to 15 June 2021.

vi. 14th Home Consultation from 21 to 30 July 2021

The Board:

- Authorised the Bank to contract a loan of USD 400 million from NATIONWIDE Finance LLC to be disbursed in instalments.

vii. 15th Home Consultation from 13 to 20 August 2021

The Board:

- Approved the granting of a line of credit of XOF 7 billion to the Agricultural Bank of Niger (BAGRI Niger SA).

viii. 75th Session on 1 October 2021

The Board:

- Adopted the minutes of the 74th session of the Board of Directors conducted on 1 July 2021 by video conference;
- Authorised the Bank to contract a line of credit of USD 20 million with the Abu Dhabi Export Agency (ADEX);
- Authorised the granting of a line of credit in the amount of CFAF 10 billion to the Banque Nationale pour le Développement Economique (BNDE) in the Republic of Senegal;
- Authorised a line of credit of USD30 million to Universal Merchant Bank (UMB) in the Republic of Ghana;
- Approved the partial financing of the coltan processing plant project by Bri Coltan in the Republic of Côte d'Ivoire in the amount of CFAF 4.7 billion;
- Approved the partial financing of the construction of a Regional Hospital Centre in the Republic of Togo in the amount of USD12.16 million;
- Authorised the revision of the retirement age at EBID from sixty (60) to sixty-two (62) years;
- Authorised the postponement of the principal and interest maturities of seven (7) loans impacted by the COVID-19 pandemic in Benin (1), Ghana (2), Liberia (1), Nigeria (1), Sierra Leone (1) and Togo (1) until 31 December 2021;
- Established the Ethics and Governance Committee of the Board; and
- Appointed Dr. Olagunju Moses Olalekan Ashimolowo as Vice President in charge of Operations of EBID.

The Board of Directors also examined the report on the development of the Bank's activities as at 30 June 2021, the capital situation and debt recovery as at 30 September 2021, as well as the reports of the Audit, Risk and Credit Committees.

ix. 76th Session on 23 December 2021

The Board:

- Adopted the minutes of the 75th session of the Board of Directors held in Lomé, Republic of Togo, on 1 October 2021;
- Amended the conditions of service of EBID staff;

Instituted the payment of a clothing allowance to EBID staff once a year;

- Adopted the budget of EBID for the financial year 2022;
- Authorised the Bank to contract a facility of USD35 million with Cargill Financial Services International INC;
- Authorised the Bank to contract a line of credit with Africa Finance Corporation in the amount of USD50 million;
- Authorised the Bank to contract a line of credit in the amount of €25 million with Africa Agriculture and Trade Investment Fund S.A. (AATIF);
- Authorised the Bank to contract a credit line with KfW IPEX Bank, Germany, in the amount of €40 million, guaranteed by Euler Hermes;
- Authorised the Bank to issue a bond of CFAF 120 billion on the WAEMU market;
- Authorised the Bank to subscribe to bonds issued by Fidelity Bank in the Federal Republic of Nigeria for a participation of USD50 million;
- Approved the partial financing of the Kanawolo-Korhogo road reinforcement and improvement project by MK Construction in the Republic of Côte d'Ivoire in the amount of €30 million;
- Approved the partial financing of the Northern Agro-Industrial Pole Project (2PAI-NORD) in the Republic of Côte d'Ivoire in the amount of USD50 million; and
- Approved the partial financing of the construction of a water retention dam, the development of the downstream perimeter and the installation of a solar field for pumping and irrigating rice plots on the Sangola site in M'Bengue, in the Republic of Côte d'Ivoire in the amount of CFAF 5 billion.

The Board of Directors also took note of the report on the development of the Bank's activities as at 30 September 2021, the capital situation and debt recovery as at 30 November 2021, as well as the reports of the Audit Committee and the Remuneration and Human Resources Committee.

3.2 Human Resource Management

As at 31 December 2021, the Bank had a total staff of 149 (of which 30.9% were women), compared to 148 as at 31 December 2020.

The Bank appointed Mr. Abou Jallow as Vice President in charge of Operations on 17 March 2021. However, he later resigned on 30 June 2021 for personal reasons. Following from this, the Bank proceeded in accordance with existing provisions to appoint Dr. Olagunju Moses Olalekan Ashimolowo as Vice President in charge of Operations on 01 October 2021.

The Bank also appointed fourteen (14) other staff members, including nine (9) professionals, with fourteen (14) others exiting (retirement, resignation and death).

In addition, during the same period, EBID recorded the promotion of forty-five (45) staff members in all categories. This brings the share of professional employees of the Bank to 49.7% at the end of December 2021, against 45.3% as at 31 December 2020.

Tables 5 and 6 below summarise the Bank's human resources as at 31 December 2021.

Table 5: Evolution of the Bank's Workforce (2020 - 2021)

Category	Evolution of the workforce: 2020 - 2021			
	2020	Entrance[1]	Departures[2]	2021
President	1	0	0	1
Vice-President	1	2	1	2
Management staff	**2**	**2**	**1**	**3**
Professional staff	67	9	3	73
Support staff	79	5	11	73
Permanent total	**146**	**14**	**14**	**146**
Total	**148**	**16**	**15**	**149**

Table 6: Gender distribution of staff as at 31 December 2021

	MEN	WOMEN	TOTAL	Share (%)
Management	3	0	3	**2.01**
Directors (D)	11	1	12	**8.05**
Professional staff (P)	45	17	62	**41.61**
Support staff (G/M)	44	28	72	**48.32**
TOTAL	**103**	**46**	**149**	**100.00**
Share (%)	**69.13**	**30.87**	**100.00**	

Regardless of the COVID-19 pandemic, the Bank strived to avail at least one tailor-made training to staff in the following areas, among others:

- Introduction to trade finance;
- Mastering cash management and asset and liability management in times of crisis;
- Fire prevention and management;
- Introduction to blockchain;
- EBID's Human Resource and Information Systems training;
- Code of Ethics and Anti-Money Laundering;
- Introduction to credit insurance;
- Performance Assessment;
- Anti-corruption in the project cycle; and
- Fundamental concepts and principles of the financial sector and markets.

3.3 Business Processes and Entrepreneurial Reforms

The Bank continued to implement a series of key reforms aimed at positioning it as the leading development finance institution in the ECOWAS Region. Some of these reforms focused on IT, audit and risk management, business continuity as well as financial management

1 Entrance = Recruitment / Promotion with change of category

2 Departures= Retirement + Resignation + Death + Change of category due to promotion

3.3.1 Information Technology Management

In order to improve its operational effectiveness and efficiency, the Bank continued to work on modernising its IT infrastructure.

During the year 2021, the main actions carried out in this respect concerned:

- **Business continuity plan:** All the necessary steps to set up EBID's disaster recovery site at the National Data Centre in Cabo Verde have been completed. The Bank is now waiting for the requisite equipment to be installed, configured and tested before signing the agreement with NOSI and then shipping its fallback platform to Cabo Verde, which at this stage will be fully operational;
- **The acquisition of the Bank's operations management software**: InfrasoftTech has ordered all the hardware for the technical platform that will host the core banking software. As at 31 December 2021, all the equipment had been received and stored at the Bank, awaiting the recruitment of a consultant who will assist the EBID team to install the infrastructure. The Bank has started the process of configuring the technical platform;
- **Internet bandwidth improvement and website management**: The Bank's internet connectivity bandwidth was increased from 100 Mb/s to 200 Mb/s. In practice, the internet bandwidth can now be increased to 1,000 Mb/s within the Bank;
- **EBID's ticketing system**: in collaboration with ASKY's IT team, the IT Department, after installing the SABRE travel software, organised the training of protocols on the electronic ticketing system; and
- **Development of EBID adapted software packages**: During the period under review, the IT Department undertook the design and development of integrated software packages for the automated management of requisitions and requests for intervention made by the Department of Administration and General Services. These packages are currently in the testing phase and are expected to be fully deployed from 1 February 2022.

3.3.2 Audit and Risk Management

During the period under review, the Internal Audit and Operations Evaluation Department carried out several major activities, including:

- An audit of service contracts signed by the Bank;
- An audit of the construction and operation of a 5-star hotel complex under the "RADISSON BLU" label in Abidjan by Koira Hôtel Investment, in the Republic of Côte d'Ivoire;
- An audit of the credit line granted to the Banque de l'Habitat du Sénégal (BHS);
- An audit of the management of institutional credit cards granted to designated officials;
- An audit of the construction of a cashew nut processing plant in Tiébissou, Republic of Côte d'Ivoire;
- A review of policy documents and procedures of the Internal Audit and Operations Evaluation Department such as:
  - The Bank's 13-year-old internal audit charter
  - The Bank's 9-year-old Internal Audit Manual; and
  - The 14-year-old General Guidelines for the retrospective evaluation of EBID operations; and
- The finalisation of activities under the nine (9) pillars of the European Union with ECORYS, whose mission ended at the end of April 2021. GIZ will continue to assist the Bank in order to better prepare it for the certification audit.

At the level of the Risk Management Department (RMD), the main activities were portfolio monitoring, risk assessment of both public and private sector projects and approval of the risk pricing policy. In the area of project risk assessment, the Department provided expertise on twenty-seven (27) projects during the period under review. In addition, the RMD conducted several working sessions with the rating agencies, notably Fitch and Moody's in the context of the Bank's rating for the year 2020.

3.4 Resource Mobilisation, Cooperation and Partnerships

3.4.1 Resource Mobilisation

The Bank's financial resource mobilisation activities for the year 2021 showed a marked improvement of 376.57%, compared to the previous year, which stood at UA 43.2 million, excluding ECA-backed transactions. These efforts were mainly focused on the recovery of capital arrears from six (6) Member States and the mobilisation of commercial resources on the WAEMU market.

3.4.1.1 Capital Resources

Capital resources mobilised from Member States amounted to UA 43.93 million (or USD 62.73 million), being the payment of capital arrears from the Republic of Côte d'Ivoire, The Gambia, Guinea Bissau, Liberia, the Federal Republic of Nigeria and Senegal.

As at 31 December 2021, the Bank's called-up capital stood at UA 392.74 million, of which UA 345.04 million had been paid up, representing 87.86%. In view of the developments recorded in the mobilisation of capital arrears, the balance of arrears amounts to UA 47.70 million. At end-2021, only eight (8) Member States had fully paid up their share of the called-up capital. These are Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Mali, Niger and Togo (Table 7).

Table 7: Status of Capital Resources as at December 31, 2021

Member State	Situation as at 31/12/2020			Payments in 2021 (UA)	Outstanding balance as at 31/12/2021	
	Called-Up Capital (UA)	Paid-up Capital (UA)	Capital Arrears (UA)		Amount (UA)	Share (%)
Benin	11,228,211	11,228,211	0	0	0	0.0
Burkina Faso	9,734,383	9,734,383	0	0	0	0.0
Cabo Verde	3,734,570	2,279,650	1,454,920	0	1,454,920	3.1
Cote d'Ivoire	57,971,063	43,237,276	14,733,787	14,733,787	0	0.0
The Gambia	9,734,383	3,559,908	6,174,475	1,516,962	4,657,513	9.8
Ghana	61,706,160	61,706,160	0	0	0	0.0
Guinea	10,842,504	10,842,504	0	0	0	0.0
Guinea Bissau	5,614,106	796,788	4,817,318	357,562	4,459,756	9.4
Liberia	25,058,371	9,179,825	15,878,546	984,064	14,894,482	31.2
Mali	7,107,934	7,107,934	0	0	0	0.0
Niger	7,854,848	7,854,848	0	0	0	0.0
Nigeria	122,689,907	101,450,688	21,239,219	20,209,283	1,029,936	2.2
Senegal	29,539,328	12,625,430	16,913,898	6,128,502	10,785,396	22.6
Sierra Leone	16,456,610	6,042,126	10,414,484	0	10,414,484	21.8
Togo	13,468,953	13,468,953	0	0	0	0.0
Total	**392,741,331**	**301,114,684**	**91,626,647**	**43,930,160**	**47,696,487**	**100**

3.4.1.2 Commercial Resources

In terms of commercial resources, the Bank held discussions with bilateral and multilateral partners such as the China Development Bank, Austrian Development Bank (OeEB), Commerzbank of Germany, Arab Bank for Economic Development in Africa (BADEA), Cargill, Aka Bank, Turkish Eximbank, ODDO BHF, Credit Suisse, KBC Bank NV, KfW IPEX BANK, Multilateral Investment Guarantee Agency (MIGA), Japan Bank for International Cooperation (JBIC), Exim Banks of South Korea and China – Sinosure, Development Bank of Southern Africa, Africa Trade Finance Limited, Abu Dhabi Development Fund, Misr Bank, Malaysia Exim Bank, Power Bank and many other partners to obtain lines of credit mainly for its private sector window. In addition, the Bank also engaged the Eximbank of India for a new line of credit for the financing of public sector projects.

During the period under review, the Bank's Board of Directors authorised the Bank to contract nineteen (19) new buyer credits to the tune of €454.3 million and USD505 million (i.e. a total of UA 732.29 million). This brings the total number of forward contracts signed as at 31 December 2021 to thirty-nine (39) for a total amount of €872.9 million and USD988.8 million dollars (equivalent to a total amount of UA 1,419.97 million), the majority of which are ECA-backed and granted mostly part by European and Arab/African bilateral partners.

- The Board of Directors also approved a XOF 240 billion 2021-2028 bond issue programme on the WAEMU financial market. The first tranche of XOF 50 billion, which was launched on 10 May 2021, closed 48 hours later with a record oversubscription of 258%.

The bond was listed on the Bourse Régionale des Valeurs Mobilières (BRVM) on 22 July 2021.

3.4.1.3 Special Resources

Special resources mainly relate to the mobilisation of resources at the Community level, i.e., part of the Community Levy. This came about when the ECOWAS Commission was instructed in 2013 by the Conference of Heads of State and Government to allocate the surplus of the resources of the Community Levy to EBID to enable it execute more projects in Member States.

Furthermore, by virtue of a decision of the ECOWAS Board of Ministers, a Memorandum of Understanding was signed, which required the Commission to receive ECOWAS USD 12 million over 4 years from the ECOWAS Commission to subsidize the Bank's lending rates to Member States. Thus far, the Bank has received only one payment (i.e. a single payment of USD3 million in respect of 2014), with payments for 2015-2021 outstanding.

3.4.2 Partnership and Cooperation

The Bank is constantly seeking opportunities for constructive and mutually beneficial partnerships to support its sustainable development mandate.

As part of EBID's accreditation process to the Green Climate Fund (GCF), the Bank organised meetings with partners such as KfW, OeEB, GCCA+, E&S, and AFD on the one hand, and with the consultant ECI on the other hand, to discuss various issues. These include the upgrading of the Bank's environmental and social management policy documents and procedures, the Bank's current environmental and social management system, and the possibilities of support available to EBID's Environmental and Sustainable Development Unit. The objective is to bring the Bank in line with the requirements of the GCF and current international standards in environmental and social management.

Similarly, with a view to the operationalisation of the Regional Agriculture and Food Fund (RAF), the Bank recruited a consultant to assist the Bank to prepare the operational guidelines, the business plan and the resource mobilisation strategy of the RAF. The scoping meeting between the stakeholders (ECOWAS Commission, Regional Agency for Agriculture and Food (RAAF) and EBID) was held at the end of June 2021 by video conference.

3.5 Budget Performance

The implementation of the budget for the period under review was quite satisfactory with the revenue from loans largely achieved at 89.2% of the forecast and representing 88.7% of total revenue recorded in 2021. Overall, the operating budget as of December 31, 2021, showed a surplus of UA 7.56 million, or 137.4% of the actual target for the year 2021.

This is due to the fact that income from loans and investments, which represent 96% of revenue for the year 2021, showed an implementation rate of 87%. As regards operating expenditure, 77.8% of the target for 2021 was achieved, due mainly to expenditure controls on official and operational missions (44.5%) and statutory meetings (49.3%). Capital expenditure recorded a relatively low implementation rate of 0.2%, corresponding to UA 12,408 against an annual forecast of UA 5,421,682.

In terms of sectoral contribution, the private and public sectors account for 61.8% and 38.2%, respectively, of total loan receipts recorded for the year 2021 (Table 8).

Table 8: Budget Implementation Status as at December 31, 2021 (in thousands of UA)

Item	Forecast 2021 (a)	31/12/2021		Part (%)
		Actual (b)	Achievement Rate b/a (%)	
Revenue	**42,797**	**36,587**	**85.5**	**100.0**
Revenues from Loans	36,372	32,440	89.2	88.7
Investment income	4,000	2,696	67.4	7.4
Dividend	295	78	26.5	0.2
Other revenues	2,130	1,373	64.4	3.8
Operational Expenditures	**37,298**	**29,030**	**77.8**	**100.0**
Statutory meetings	908	448	49.3	1.5
Staff expenses	10,094	9,545	94.6	32.9
Official and operational missions	2,565	1,140	44.5	3.9
Current expenditures	2,395	1,900	79.3	6.5
Financial charges	21,236	15,997	75.3	55.1
Contingencies	100	0	0.0	0.0
Surplus	**5,500**	**7,557**	**137.4**	**-**
Investment Expenditure	**5,422**	**12**	**0.2**	**-**
Income on loans				
Public Sector	11,389	12,405	108.9	38.2
Private Sector	24,984	20,035	80.2	61.8
Total	**36,372**	**32,440**	**89.2**	**100.0**

CHAPTER IV

OPERATIONAL ACTIVITIES

During the period 1 January to 31 December 2021, the Bank's operational activities hinged on project appraisals, loan approvals, signing of financing agreements, project supervision and disbursements on loans and equity investments.

In comparison to 2020, the Bank's activities generally progressed markedly due to efforts to mobilise adequate resources during the period under review to finance the numerous requests received.

4.1 Overview of the Bank's Portfolio as at end-December 2021

As of December 31, 2021, the Bank had committed to finance twenty-two (22) new commitments in the amount of UA 429.32 million in Côte d'Ivoire, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo. This represents an increase of 207.22% in the volume of operations compared to 2020. Of these new commitments, thirteen (13) were from the private sector, amounting to UA 242.25 million and nine (9) from the public sector, amounting to UA 187.07 million.

These new agreements brought the cumulative net commitments of the Bank's portfolio to UA 1,543.74 million involving 153 projects, representing an increase of 33.88%, compared to the volume of net commitments recorded at the end of December 2020 (Table 9). This result was achieved despite a reduction in the number of active projects

due to the completion of four (4) projects and the cancellation of two (2) others, valued at UA 41.04 million, as well as a decline in the Bank's share values in three (3) equity investments.

Table 9: Key portfolio performance indicators as at December 31, 2021

	2020	2021
Net Commitments (UA million)	**1,153.1**	**1,543.7**
Net Commitments (#)	136	153
Of which: Loans	125	141
Equity	11	12
Public sector (UA million)	**764.6**	**944.4**
Share (%)	66.3	61.2
Private sector (UA million)	**388.5**	**599.3**
Share (%)	33.7	38.8
Cumulative Approvals (UA million)	**2,345.7**	**2,866.7**
Cumulative Disbursements (UA million)	**748.5**	**919.4**
Former Projects (Loans) (#)	**43**	**41**
Average term (loans) (# of years)	12	11
Annual disbursement rate (%)	**11.9**	**18.6**
Disbursement on projects (#)	37	53

The average tenor of the Bank's loan portfolio was 11 years at end-2021, compared to 12 years in 2020, with 62 projects (42.51% of the total loan portfolio) having a duration of 12 years or more.

The Bank disbursed to 53 projects in 2021, up from 37 in the year 2020. The annual loan disbursement rate for the year 2021 was almost 19%, compared to 12% in 2020.

4.1.1 Project Appraisal

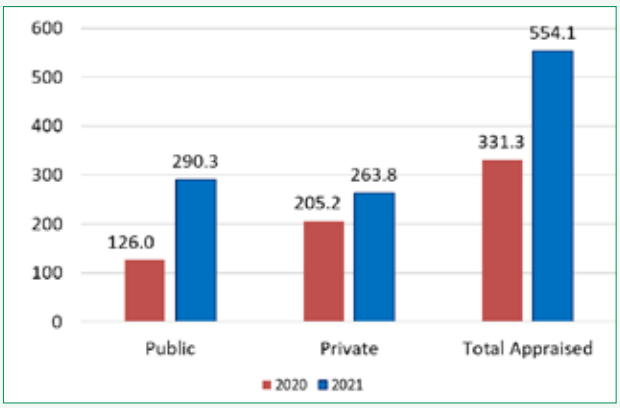
For the year 2021, the Bank, despite the persistence of the global health crisis, appraised twenty-eight (28) projects in the amount of UA 554.14 million (equivalent to USD791.30 million) as against twenty-one (21) projects valued at UA 331.27 million (equivalent to USD473.04 million. These evaluated projects comprised sixteen (16) private sector projects worth UA 263.82 million (equivalent to USD376.72 million) and twelve (12) public sector projects worth UA 260.62 million (equivalent to USD372.16 million), as shown in Table 10. The breakdown by Member State is as follows: Côte d'Ivoire (7 projects), Senegal (5 projects), Mali (5 projects), Niger (2 projects), Ghana (2 projects), Guinea (2 projects), Nigeria (2 projects), Benin (1 project), Burkina Faso (1 project) and Togo (1 project), as shown in Annex 2.

Almost half of the projects evaluated were in the services sector (43.79%), while the remainder were in the rural development (27.83%), infrastructure (10.62%), industry (9.79%) and social (7.97%) sectors.

Table 10: Project Appraisal (2020-2021)

	2020		2021		Variation (%)	
Area of operation	Number	Amount (UA)	Number	Amount (UA)	Number	Amount
PUBLIC	9	126,022,871	12	290,323,719	33.3	130.37
PRIVATE	12	205,244,558	16	263,816,427	33.3	28.54
Total	21	331,267,429	**28**	**554,140,146**	**33.3**	**67.28**

Figure 11: Trends in the projects appraised in 2020-2021 (in million UA)



GHANA: A line of credit to finance the import and delivery of fertilisers to agricultural companies and producers in favour of GLOFERT Limited

Signed on 13/07/2021

4.1.2 Project Supervision

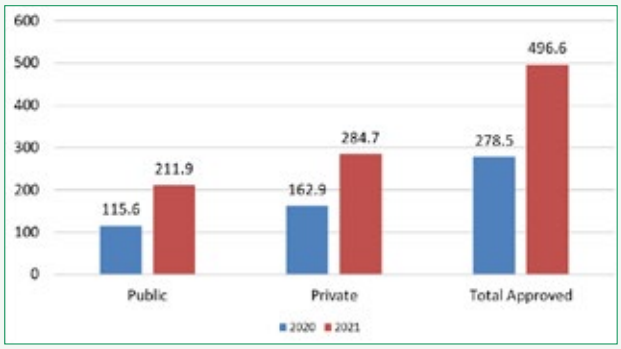
During the period under review, twenty-seven (27) projects, including six (6) from the private sector, were supervised (13 by videoconference and 14 by face-to-face missions), compared to nine (9) projects in 2020 (face-to-face). The breakdown by Member States is as follows: Benin (3 projects), Burkina Faso (3 projects), Côte d'Ivoire (4 projects), Ghana (2 projects), Guinea (2 projects), Liberia (2 projects), Mali (4 projects), Senegal (3 projects) and Togo (4 projects), as shown in Annex 3.

Of these projects, sixteen (16) were in the infrastructure sector, five (5) in the rural development, three (3) in services, two (2) in the social sector and one (1) in the industry sectors.

4.1.3 Approvals

The Bank approved twenty-four (24) new projects, valued at UA 496.61 million, equivalent to USD709.14 million, in 2021. Of these projects, eight (8) were from the public sector at a value of UA 211.94 million (USD302.65 million) and sixteen (16) from the private sector valued at UA 284.67 million (USD406.50 million), as shown in Annex 4. Compared to the previous year's level of approvals, new approvals grew by 99.18%.

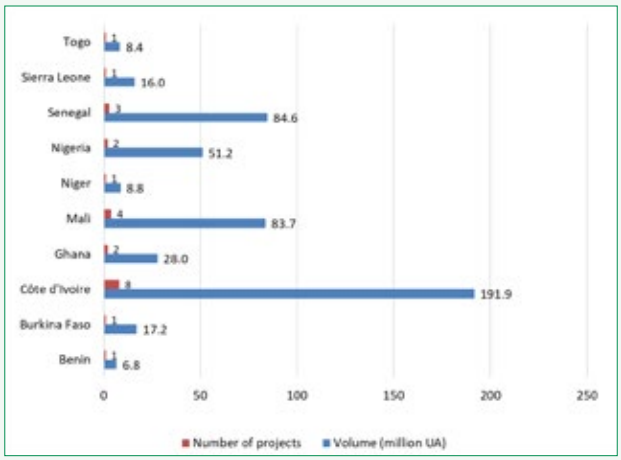
Figure 12: New approvals as at December 31, 2021 (in million UA)



Similarly, the sectoral distribution showed that about 42.19% (UA 209.50 million) of these new approvals went in favour of trade finance projects (short-term lines of credit), while the remainder was for infrastructure, rural development, industry and social resilience projects.

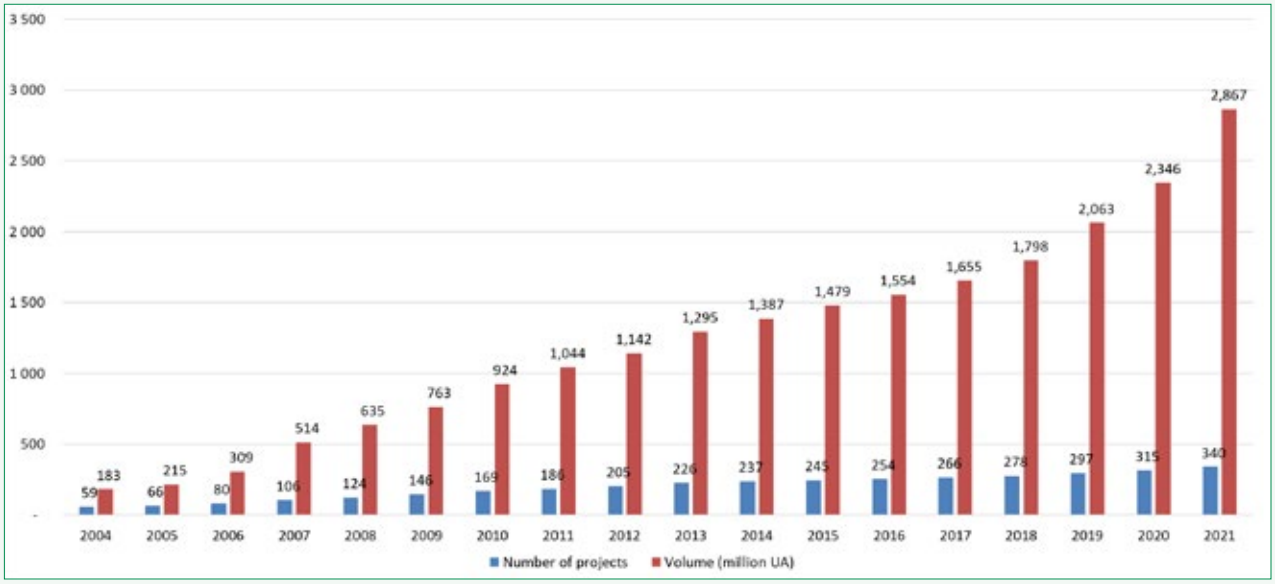
As shown in Figure 8, the beneficiary Member States include Côte d'Ivoire (8 projects), Mali (4 projects), Senegal (3 projects), Ghana (2 projects), the Federal Republic of Nigeria (2 projects), Benin (1 project), Burkina Faso (1 project), Niger (1 project), Sierra Leone (1 project) and Togo (1 project).

Figure 13: New approvals by country as at December 31, 2021



These new approvals bring the Bank's cumulative approvals to UA 2.87 billion for 340 projects as of 31 December 2021. This represents an increase of 22.21%, compared to cumulative approvals as of 31 December 2020, as shown in Figure 12.

Figure 14: Cumulative approvals as at December 31, 2021 (in million UA)



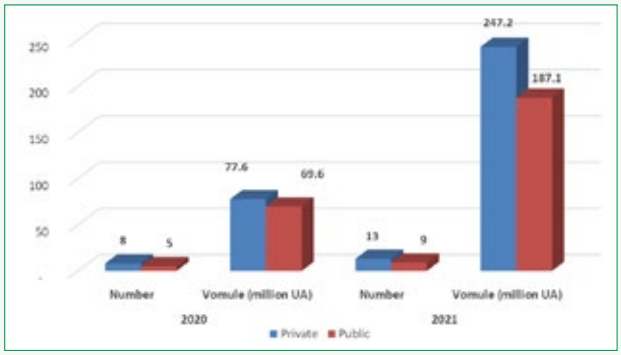
4.1.4 Commitments

New commitments for the year 2021 increased sharply by 191.78%, compared to 2020. It increased from UA 147.14 million for thirteen (13) projects in 2020 to UA 429.32 million in 2021 for twenty-two (22) projects , as shown in Annex 5.

In terms of sectoral distribution, 52.70% (UA 226.24 million) of the new commitments came from the services sector, 35.64% (UA 153.02 million) from the energy and transport infrastructure sector and the remaining 11.66% (UA 50.06 million) from agriculture and rural development.

Nine (9) Member States, namely Côte d'Ivoire (2 projects), Ghana (2 projects), Guinea (1 project), Mali (5 projects), Niger (5 projects), Nigeria (1 project), Senegal (4 projects), Sierra Leone (1 project) and Togo (1 project), benefitted.

Figure 15: Breakdown of new commitments by sector at December 31, 2021



Out of the new commitments, thirteen (13) were in the private sector at a total value of UA 242.25 million (equivalent to USD345.93 million) and nine (9) in the public sector at a value of UA 187.07 million (equivalent to USD267.13 million). This brings the cumulative net commitments of the Bank's portfolio to UA 1,543.74 million for 153 operations (Table 9).

The value of the Bank's equity portfolio improved by 7.74%, compared to the previous year's level. This was achieved thanks to a marked improvement in the value of the Bank's shares in Ecobank Transnational Incorporated (ETI) despite some deterioration in the value of the shares in the Agricultural Fund for Africa (AFA), AHL MARIOTT AFRICAN and SPCAR/ ASKY Airlines.

This feat was achieved despite a decrease in the volume of the Bank's operations, resulting from the completion of four (4) projects and the cancellation of two (2) others totalling UA 41.04 million.

In summary, the Bank's portfolio consists mainly of direct loans and commercial financing (representing 97.84% of cumulative net commitments) and 2.16% of equity investments. The volume of the loan portfolio and equities increased by 34.60% and 7.74%, respectively, during the same period.

The infrastructure sector accounts for 54.39% of the Bank's cumulative net commitments (UA 839.68 million), followed by the services sector (UA 399.30 million or 25.87%), rural development (UA 138.46 million or 8.97%), the industry sector (UA 86.13 million or 5.58%) and the social sector (UA 80.16 million or 5.19%). It should be noted that the rural development and services sectors almost doubled in terms of the volume of commitments in the Bank's total net project portfolio between 2020 and 2021.

The Bank's interventions, which run into 128 projects with a value of UA 1.318 billion (87.28% of net lending interventions), have been mainly financed from its own resources, the Indian line of credit and the bond issuances on the WAEMU regional capital market. Other external resources include ECA resources (7.15%), AFD's line of credit (2.72%), Afreximbank's line of credit (2.15%) and BADEA's line of credit (0.71%), as shown in Table 11.

SIERRA LEONE: Partial financing of Planet Solar Energy Ltd.

Signed on 24/08/2021

Table 11: Breakdown of net cumulative commitments by source of financing, sector of operations, and mode of intervention as at December 31, 2021

		31/12/2020			31/12/2021			Variation 2020-2021 (%)	
		Number of Projects	Amount (UA)	%	Number of Projects	Amount (UA)	%	Number (%)	Amount (%)
LOANS	BY SOURCE OF FUNDING								
	Indian Line of Credit Public	34	518,891,119	46,2	38	604,200,974	40.0	11.8	16.4
	Indian Line of Credit Private	1	16,297,380	1.5	1	16,297,380	1.1	0.0	0.0
	Afreximbank Line of Credit	4	46,652,118	4.2	3	32,419,170	2.1	-25.0	-30.5
	BADEA Line of Credit	2	13,935,286	1.2	1	10,650,005	0.7	-50.0	-23.6
	WAEMU Debenture	11	86,197,159	7.7	13	135,443,982	9.0	18.2	57.1
	EBID/Own Resources	70	407,516,090	36.3	76	562,341,912	37.2	8.6	38.0
	AFD	3	32,649,616	2.9	4	41,051,071	2.7	33.3	25.7
	ECA	-	-	-	5	108,007,433	7.2	-	-
	TOTAL	**125**	**1,122,138,768**		**141**	**1,510,411,927**		**12.8**	**34.6**
	SECOR								
	Private sector	44	357,547,766	31.9	52	565,972,171	37.5	18.2	58.3
	Public sector	81	764,591,002	68.1	89	944,439,756	62.5	9.9	23.5
	TOTAL	**125**	**1,122,138,768**		**141**	**1,510,411,927**		**12.8**	**34.6**
	AREA OF OPERATION								
	Infrastructure	74	703,540,856	62.7	80	839,684,937	55.6	8.1	19.4
	Rural Development	8	88,396,021	7.9	10	138,458,512	9.2	25.0	56.6
	Industry	12	95,510,673	8.5	11	86,131,376	5.7	-8.3	-9.8
	Services	23	154,525,004	13.8	32	365,970,889	24.2	39.1	136.8
	Social	8	80,166,213	7.1	8	80,166,213	5.3	0.0	0.0
	TOTAL	**125**	**1,122,138,768**		**141**	**1,510,411,927**		**12.8**	**34.6**
COMMITMENTS	MODE OF INTERVENTION								
	Loans & Trade Finance	125	1,122,138,768	97.3	141	1,510,411,927	97.8	12.8	34.6
	Equity participation	11	30,937,716	2.7	12	33,330,754	2.2	9.1	7.7
	Guarantees	-	-	-	-	-	-	-	-
	TOTAL	**136**	**1,153,076,484**		**153**	**1,543,742,681**		**12.5**	**33.9**

Although all Member States have benefited from the Bank's financing operations, the distribution of cumulative net commitments shows that Mali (15.0%), Côte d'Ivoire (13.0%) and Benin (10.7%) are the top three (3) beneficiaries of the Bank's operations, as shown in Figures 16 and 17.

NIGER: Project to extend and strengthen the drinking water supply systems of three regional capitals (Maradi, Dosso and Diffa Maradi)

Signed on 06/07/2021

Figure 16: Breakdown of cumulative net commitments by number of projects and amount as at December 31, 2021 (million UA)

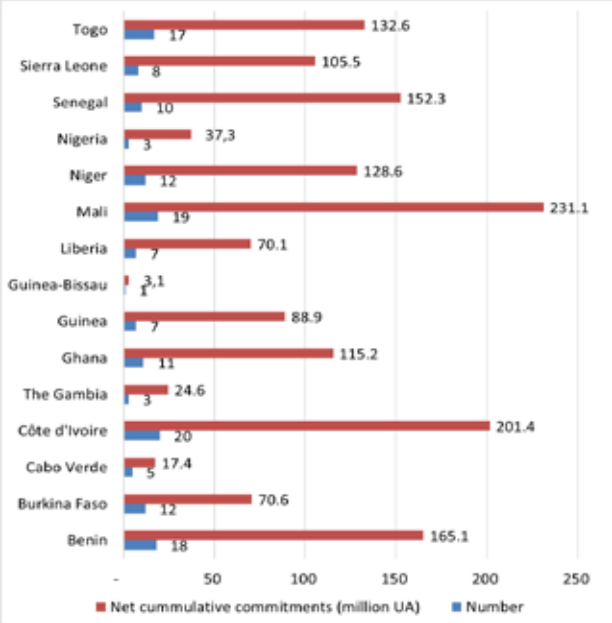
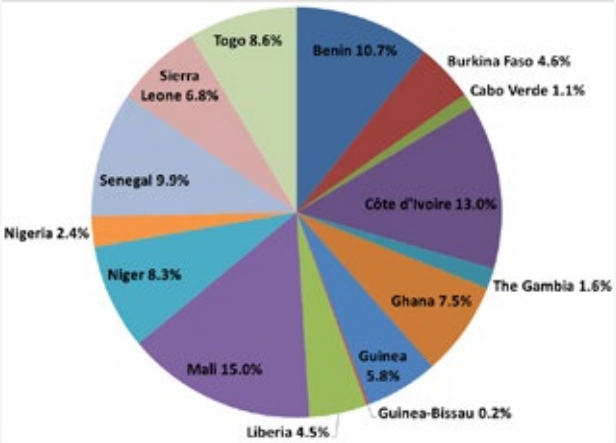


Figure 17: Breakdown of cumulative net liabilities by country at December 31, 2021



4.1.5 Disbursements

As of December 31, 2021, total cumulative net disbursements from the Bank's portfolio stood at UA 919.42 million (USD 1.31 billion), representing an increase of 22.84% over its level as of December 31, 2020. Disbursements by sector of operations were 48.36% for the private sector and 51.64% for the public sector. In terms of sectoral activities, the infrastructure sector received the most disbursements (54.65%), followed by the services sector (30.87) and the industrial sector (8.35%). In addition, although all sectors experienced year-on-year growth in disbursements, the services and industrial sectors recorded higher disbursement rates, with respective improvements of 44.36% and 90.90%, compared to 2020. Cumulative disbursements of the loan portfolio amounted to UA 886.09 million as at 31 December 2021, representing an increase of 23.49% over 2020. At the end of December 2021, 63.84% of cumulative net loan commitments had an annual disbursement rate of about 18.6%.

SENEGAL: A line of credit in favour of Banque Nationale pour le Développement Economique (BNDE) SA

Signed on 16/11/2021

Table 12: Cumulative net disbursements as at December 31, 2021

	31/12/2020		31/12/2021		Variation
	Amount (UA)	Share (%)	Amount (UA)	Share (%)	(%)
BY DEPARTMENT					
Private sector loan	331,775,848	44.3	**444,625,711**	**48.4**	34.0
Public sector loan	416,712,593	55.7	**474,794,937**	**51.6**	13.9
TOTAL	748,488,441	100	**919,420,648**	**100**	**22.8**
BY SECTOR					
Infrastructure	431,135,708	57.6	**502,466,586**	**54.7**	16.5
Rural Development	10,301,552	1.4	**19,665,879**	**2.1**	90.9
Industry	76,442,800	10.2	**76,807,166**	**8.4**	0.5
Services	196,611,762	26.3	**283,825,116**	**30.9**	44.4
Social	33,996,619	4.5	**36,655,901**	**4.0**	7.8
TOTAL	748,488,441	100	**919,420,648**	**100**	**22.8**

In 2021, new disbursements reached UA 166.13 million (USD237.23 million), an increase of 94.19% over the 2020 level. This increase is explained by an increase in disbursements in the services and rural development sectors by 316.75% and 2367.37%, respectively, as shown in Table 12. Disbursements to the private sector window increased by 82.02%, reflecting the Bank's new strategic intent to significantly expand its short-term trade finance interventions.

The disbursements made during the year under review were mainly used to finance:

- project for the construction of the evacuation network associated with the CIPREL 5 and AZITO 4 thermal power plants in favour of CI-ENERGIES in the Republic of Côte d'Ivoire;
- support for the development of SMEs: SME Start-up Project in the Republic of Côte d'Ivoire;
- granting of a line of credit dedicated to the financing of priority infrastructure projects in the form of PPP within the framework of the governmental programme "year of roads" in favour of Consolidated Bank Ghana Limited in Ghana;
- granting of a line of credit to Vista Bank in the Republic of Guinea;
- construction of roads by East International Group Inc. in Liberia;
- construction of the Sikasso-Bougouni-Sanankoroba-Bamako 225KV double term link in the Republic of Mali;
- setting up of a revolving facility in favour of SOYATT SA for the import and marketing of petroleum products to markers installed in Mali, in the Republic of Mali;
- credit line dedicated to the purchase of fertilisers for the agricultural sector in favour of the Agricultural Bank of Niger (BAGRI), in the Republic of Niger;
- participation in a USD50 million syndication to First City Monument Bank (FCMB) Limited in the Federal Republic of Nigeria;
- provision of a line of credit to Banque Nationale pour le Développement Economique (BNDE) SA, in the Republic of Senegal; and
- granting of a line of credit for the financing of SMEs in favour of ORAGROUP SA (II) in the Togolese Republic.

MALI: Rehabilitation of the hydroelectric schemes of Sélingué and Sotuba

Signed on 15/06/2021

4.2 Highlights of some of the key projects funded in the period under review revue

Financing of SMEs/SMIs

GUINEA: Financing of SMEs/SMIs

Amount: €10 million

Developmental impact: Reduce short-term financing constraint and increase industrial and agricultural development to ensure food security

The overall objective of the project is to strengthen the capacity of Vista Bank Guinea to develop its interventions in favour of SMEs.

The deployment of resources in support of SMEs should enable them to access long-term resources and to make investments that were previously not possible due to a lack of adequate resources. Overall, the project should lead to an improvement in the rate of industrialisation in Guinea, thanks in particular to the creation of value chains through the local processing of agricultural products, among others.

Financing infrastructure

GHANA: Financing of priority infrastructure in the form of PPPs

Amount: USD50 million

Developmental impact: To bridge the infrastructure gap and stimulate socio-economic development in Ghana. In addition, the facility is expected to create 750 direct jobs and over 400 indirect jobs in the road sector

The purpose of the USD50 million facility to Consolidated Bank Ghana Limited is to on-lend to construction companies executing Government of Ghana road construction contracts in parts of the Ashanti and Greater Accra regions under the Government's «year of roads» programme.

Financing infrastructure

SENEGAL: Financing the rehabilitation of the Dakar-Bamako Corridor

Amount: FCFA 32 billion francs

Developmental impact: Strengthen regional integration via the Mako - Kedougou - Moussala section. To facilitate sub-regional trade and improve the living conditions of the populations in the project area.

The overall objective of the project is to create a permanent road link with a good level of service across the south between Mali and Senegal and thus remove traffic constraints to reduce overall transport costs. It will also increase the income of traders and transporters using the road and open up the rural areas crossed by the road to the country's major towns and cities.

CHAPTER V

FINANCIAL PERFORMANCE

5.1 REPORT OF THE BOARD OF DIRECTORS

The Board of Directors have pleasure in closing the financial statements of the ECOWAS Bank for Investment and Development (the Bank) for the year ended 31 December 2020. The financial statements have been drawn and presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The Board of Directors have reviewed the Annual Report and the process by which the Bank believes that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance of the Bank.

Nature of Business

The Bank was established by the ECOWAS Member States to facilitate business and investment in West Africa. The objective of the Bank is to assist in creating favourable conditions for the emergence of an economically strong, industrialised and prosperous West Africa that is fully integrated into the global economic system with a view to taking advantage of the opportunities and prospects offered by globalization.

The Board and its Committees

The Board of Directors is accountable for the long-term success of the Bank and it is responsible for ensuring leadership, designing of strategy, and ensuring that the Bank is adequately resourced to achieve its strategic aspirations. In doing so, the Board of Directors considers its responsibilities, and the impact of its decisions on its stakeholders

including shareholders, employees, suppliers, and the community in which the Bank operates.

In addition, pursuant to Articles of Association, the President has authority for the day-to-day operational management of the Bank and for further delegation to the Vice-Presidents in respect of matters which are necessary for the day to day running and management of the Bank.

The Board remains very diverse with a distinctive mixture of backgrounds, experience and skills among the directors. Risk and governance, shareholder and stakeholder relationships, strategy and budget, financial performance oversight, business development and people are some of the key activities the Board focused on in 2019 as it provided guidance to Management in steering the Bank through a turbulent period in the economy and in the banking industry.

The Board met regularly throughout the year. In addition to substantial strategy discussions held at each meeting, the Board held strategy sessions where it had a systematic and comprehensive discussion around the strategy and direction of the Bank.

At the time of the closing of the 2021 annual financial statements on ..... April 2022, the Board was made up of nine (9) Non-Executive Directors. Below is the list of the nine-member Board:

Board members	ECOWAS Bank For Investment and Development Board	Board Audit Committee	Board Risk & Credit Committee	Board Remuneration & Human Resource Committee
Mrs. Aishatu Shehu Omar	x	x		
Mr. Samuel Danquah Arkhurst	x			x
Mrs. Anicou-Annie Lecadou Kacou	x		x	
Mrs Kourouma Emilie Bernadette Leno	x	x		
Mr. Mussa Sambi	x	x		
Mr. Augustus J. Flomo	x		x	
Mr. Maman Laouali Abdou Rafa	x		x	
Mr. Abdulie Jallow	x			x
Mr. Sam Morris Aruna	x			x

Board Roles and Key Responsibilities

The President

The President is the legal representative of the Bank and the Chairman of the Board of Directors. The President is responsible for managing all aspects of the Bank's businesses including proposing the strategic direction of the Bank and performing any other task assigned to him by the Board of Governors.

Non-Executive Directors (NEDs)

NEDs provide an independent perspective, constructive challenge and monitor the performance and delivery of the strategy within the risk and controls set by the Board.

Number of Board Meetings held in 2021

Board members	Scheduled meetings: 5	Home consultation	Remarks
Mrs. Aishatu Shehu Omar	4	✓	
Mr. Samuel Danquah Arkhurst	4	✓	
Mrs. Anicou-Annie Lecadou Kacou	4	✓	Represented by its alternate at a meeting
Mrs Kourouma Emilie Bernadette Leno	2 (Country under sanction)	✓	- Entry into function on 22/08/2021 - Convened from the 75th meeting held on 01/10/2021
Mr. Mussa Sambi	2	✓	✓
Mr. Augustus J. Flomo	2	✓	✓
Mr. Mamam Laouali Abdou Rafa	2	✓	✓
Mr. Abdullie Jallow	2	✓	✓
Mr. Sam Morris Aruna	2	✓	✓

Board Committees

The Board of Directors made a conscious decision to assign a broader range of issues to the Board committees, namely: Audit Committee, Risk & Credit Committee, and Remuneration & Human Resource Committee. The linkages between the Committees and the Board are critical for the smooth running of the Bank.

The Board duly received the reports and updates from each of the Committee meetings throughout the reporting period.

At its 75th session on 1st October 2021, the Board of Directors created a new standing committee, the Governance and Ethics Committee, which will hold its first meeting in 2022.

The Bank has effective mechanisms in place to ensure that there are no gaps or unnecessary duplication between the remit of various Committees.

Audit Committee

The Audit Committee oversees the management of the financial and internal controls. The Committee's role is to review, on behalf of the Board, the Bank's internal controls; to identify, assess, manage and monitor financial risks. It also gives advice to the Board on external audit work and matters relating to financial reporting. In discharging its responsibilities, the Committee acknowledges and embraces its role of protecting the interest of shareholders.

Number of Board Audit Committee meetings held in 2021

Board members	Number of scheduled meetings: 3	Remarks
Mrs. Aishatu Shehu Omar	3	Chairperson, attended all meetings
Mrs Kourouma Emilie Bernadette Leno	0	Country under sanction
Mr. Mussa Sambi	1	- Entry into function on 22/08/2021 - Convened from the 42nd Audit Committee meeting held on 20/12/2021

Credit and Risk Committee

The Credit and Risk Committee maintains oversight accountability for credit, market and operational, risks. In discharging its responsibilities, the Committee monitors risk positions and seeks assurance on behalf of the Board around the Bank's Risk Management Framework which assigns accountability and responsibility for the management and control of risk.

Number of Board Risk & Credit Committee Meetings held in 2021

Board members	Scheduled meetings	Remarks
Mrs. Anicou-Annie Lecadou Kacou	2	
Mr. Augustus J Flomo	1	- Entry into function on 22/08/2021 - Convened from the 31st Risk Committee meeting held on 21/12/2021
Mr. Maman Laouali Abdou Rafa	1	- Entry into function on 22/08/2021 - Convened from the 31st Risk Committee meeting held on 21/12/2021

Remuneration and Human Resource Committee

The role of the Remuneration and Human Resource Committee is to propose the level and structure of the remunerations of staff of the Bank.

The Committee is also responsible for reviewing the Bank's human resource policy and for making recommendations to the Board.

Number of Board Remuneration and Human Resource Committee Meetings held in 2021

Board members	Scheduled meetings 3	Remarks
Mr. Samuel Danquah Arkhurst	3	
Mr. Abdoulie Jallow	1	- Entry into function on 22/08/2021
Mr. Sam Morris Aruna	1	- Entry into function on 22/08/2021 - Convened from the 31st Committee meeting held on 21/12/2021

Going Concern

The Bank's Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the-going-concern basis.

Fund Management Activities

The Bank manages funds on behalf of the ECOWAS member states to undertake infrastructural development activities and business developments in West Africa.

Auditors

The auditors, Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office.

Directors' Responsibility for the Financial Statements

The Bank's Directors are responsible for the fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as the Directors determine as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

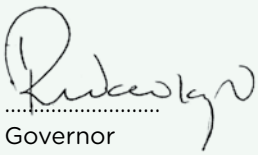
Business Performance

- Operating income increased by 43.28%
- Profit increased by 29.52%
- Total assets increased by 23.45%

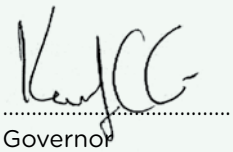
Approval of the Financial Statements

The Directors have taken all the necessary steps to make themselves and Ernst & Young aware of any information needed in performing the 2021 audit. As far as each of the Directors is aware, there is no relevant audit information of which Ernst & Young is unaware.

The financial statements of the Bank were issued by the Board of Directors, recommended to the Board of Governors for approval, and signed on 8th April 2022 on its behalf by:



Governor
Romuald Wadgani



Governor
Ken Ofori-Atta

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ECOWAS Bank for Investment and Development (the Bank) set out on pages 45 to 99, which comprise the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How the matter was addressed in the audit
Revenue recognition Interest on loans formed about 91% of the Bank's revenue. Interest income of the Bank is computed manually. There is the risk of misstating revenue balances due to errors in computation and bias. This is indicated in note 3.1 and note 8 respectively of the financial statements.	We assessed the design and operating effectiveness of internal controls on the interest income recorded for the year. We reviewed the underlying information and records used in the computation of interest income against the source documents for accuracy of data input. We also re-computed interest income for accuracy. We checked for authorization and approval of the recording and reporting of the interest income. We checked for adequacy of disclosures in the notes to the financial statements in accordance with IAS 1.

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Key Audit Matters	How the matter was addressed in the audit
Valuation and impairment of financial assets Financial assets include loans and advances to customers and unquoted equity investments held by the Bank. These formed about 83.11% of the total assets. There is the risk of misstatement due to the assumptions used in the valuation as noted below: **i. Valuation of unquoted investments.** The valuation of the unquoted investments is a key area of judgement due to the varying valuation techniques including the use of significant unobservable inputs. The use of different valuation techniques and assumptions could produce significantly different valuation results of the unquoted investments. This is indicated in note 3.2 and note 16 respectively of the financial statements. **ii. Impairment of loans and advances** IFRS 9 introduced a forward-looking Expected Credit Loss (ECL) model. The ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognized as a loss allowance or provision depends on the extent of credit deterioration since the initial recognition and recognition of impairment could be done on a 12-month expected credit losses or Lifetime expected credit losses. Impairment computations under IFRS 9 therefore involves the use of models that takes into account the following: • The probability-weighted outcome. • Reasonable and supportable information that is available without undue cost or Loan loss provision is a key area of judgement for management. Significant judgements in the determination of the Bank's Expected Credit Loss includes: • Use of assumptions in determining ECL modelling parameters. • Portfolio segmentation for ECL computation • Determination of a significant increase credit risk and	**Unquoted equity investments:** We assessed the design and operating effectiveness of internal controls on the valuation of unquoted investments recorded during the year. We also required our Strategy and Transactions specialist to perform an independent valuation of the investments using observable and unobservable information in the form of financial statements, management accounts and project reports of the investee entities obtained from EBID's management. A number of equity valuation models were used to ascertain the market values of the Bank's equity investments. These are the Price to Earnings multiples, the Earnings Before Interest and Tax multiples and Price to Book value multiples. An impairment assessment was conducted based on the market values recomputed on the unquoted investments. **For loans and advances:** We assessed the design and operating effectiveness of internal controls on the impairment of loans and advances recorded for the year. The loan portfolio was stratified into sectors and the Probability of Default were ascertained based on an average historic performance. The Loss Given Default was also assessed by reviewing the collaterals secured against the loans granted, the effective interest rates for each of the facilities and the total exposure for each of the loans as well as the effective interest rate, The collateral security and the related values used as a basis for securing the loans were assessed for reasonableness and right of use in the event of a default. We reviewed the IFRS 9 model of the Bank to ascertain the accuracy of computation of the impairment computation including the verification of data input and its related assumptions. For loans classified into Stage 3, we reviewed the Bank's estimation of recovery of cashflows based on the adequacy and appropriate collateral securities used to secure the facilities and the valuation thereof.

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Key Audit Matters	How the matter was addressed in the audit
• Determination of associations between macroeconomic scenarios. The use of different models and assumptions can significantly affect the level of allowance for expected credit losses on loans and advances to customers. Due to the significance of such loans which account for about 79.10% of total assets of the bank, and the significant use of judgements, the assessment of the allowance for expected credit losses is a key audit matter. This is indicated in notes 4 and 17.1 of the financial statements.	We validated forward looking information to the extent available such as expected future cashflows of the loan customers in assessing the accuracy of the impairment computation. We reviewed the adequacy of quantitative and qualitative disclosures in line with IFRS 7.

Other information

The directors are responsible for the other information. The other information comprises the information which includes the report of the Board of Directors and other disclosures.

The other information does not include the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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 Bank's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting processes.

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 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.

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As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pamela Des Bordes (ICAG/P/1329).

Signed for and on behalf of
Ernst & Young (ICAG/F/2022/126)
Chartered Accountants
Accra, Ghana.
Date: 08 April, 2022

5.2 FINANCIAL HIGHLIGHTS For the year ended 31 December 2021

All amounts are expressed in million Units of Account

As at 31 December	2021	2020	2019	2018
Total assets	**870.96**	705.54	711.92	647.58
Loans and advances	**688.96**	550.82	530.73	508.22
Financial assets at amortised cost	**81.32**	60.39	90.83	52.36
Borrowings	**488.21**	374.07	377.62	333.14
Managed funds	**20.49**	21.41	19.84	14.61
Provision for long service award	**4.83**	5.45	9.32	9.97
Net Assets	**349.88**	298.08	296.25	281.48
For the year ended				
Net Interest Income	**14.73**	10.00	15.87	12.95
Operating income	**24.24**	16.92	20.31	18.88
Profit for the year	**3.48**	2.69	4.04	3.60
Return on assets (%)	**0.4**	0.4	0.6	0.6
Return on equity (%)	**1.1**	0.9	1.4	1.3
Interest margin (%)	**2.1**	1.6	2.7	2.5
Cost-to- income (%)	**64.2**	78.6	66.3	67.4
NPL ratio: non-performing loans/ gross (%)	**5.78**	7.12	7.96	15.36
Capital Adequacy Ratio (CAR)%	**50.60**	53.89	55.58	48.53

5.3 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		UA	UA
Interest income calculated using effective interest method	8	30,352,379	24,099,288
Interest expense calculated using effective interest method	9	(15,620,778)	(14,095,282)
Net interest income		**14,731,601**	10,004,006
Fees and commission income	10a	5,033,315	2,459,655
Fees and commission expense	11	(335,959)	(233,341)
Net fee and commission income		**4,697,356**	2,226,314
Trading income	10b	1,014,856	217,036
Net fair value (loss)/gain from other financial instruments carried at fair value		1,122,185	(887,530)
Other operating income	12	2,672,652	5,357,557
Total other trading income		**4,809,693**	4,687,063
Operating income		**24,238,650**	16,917,383
Net impairment (charge)/reversal on financial assets	15.2 &17.1	(5,186,545)	(942,733)
Operating income net of impairment charges		**19,052,105**	15,974,650
Personnel expenses	28	(9,772,825)	(7,815,898)
Depreciation	21	(2,049,030)	(1,880,478)
Other expenses	13	(3,751,176)	(3,592,241)
Total Operating Expenses		**(15,573,031)**	(13,288,617)
Profit for the year		**3,479,074**	2,686,033
Other Comprehensive Income			
Items that will not be reclassified to the income statement:			
Fair value gain/(loss) on Unquoted instruments	16.2	4,421,002	(2,591,529)
Total other comprehensive income		**4,421,002**	(2,591,529)
Total Comprehensive income		**7,900,076**	94,504

The accompanying notes to the financial statements are an integral part of these financial statements.

5.4 STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 UA	2020 UA
Assets			
Cash and bank balances	14	**21,236,410**	24,235,929
Financial assets at amortised cost	15	**81,320,439**	60,394,229
Quoted equity instruments at fair value through profit or loss	16.1	**3,821,837**	2,699,652
Unquoted equity instruments at fair value through other comprehensive income	16.2	**31,119,593**	25,646,535
Debt instruments at fair value through other comprehensive income	16.3	**1,946,451**	2,575,479
Loans and advances	17	**688,957,344**	550,824,562
Contributions to managed funds	19.1	**8,789,544**	9,068,370
Inter-institutional accounts receivable	18.1	**739**	-
Other assets	20	**5,854,176**	2,058,392
Property, plant and equipment	21	**27,916,846**	28,032,429
Total assets		**870,963,379**	705,535,577
Liabilities and Equity			
Liabilities			
Creditors and accruals	22	**4,399,760**	3,573,156
Provision for long service award	23	**4,828,918**	5,449,166
Borrowings	24	**488,217,898**	374,073,519
Managed funds	19.2	**20,488,261**	21,412,553
Inter-institutional accounts payable	18.2	**3,147,194**	2,949,394
Total liabilities		**521,082,031**	407,457,788
Equity			
Stated capital	25	**345,018,167**	301,114,684
Income surplus/ (Accumulated losses)	26	**(1,050,943)**	(4,530,017)
Other reserves	27	**5,914,124**	1,493,122
Total equity		**349,881,348**	298,077,789
Total liabilities and equity		**870,963,379**	705,535,577

The financial statements of the Bank were issued by the Board of Directors and recommended to the Board of Governors for approval and signed on 8th April 2022 on its behalf by:

Governor
Romuald Wadgani

Governor
Ken Ofori-Atta

The accompanying notes to the financial statements are an integral part of these financial statements.

5.5 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

Balance at 31 December 2021	Note	Stated capital	Accumulated losses	Other Reserves	Total
		UA	UA	UA	UA
Balance at 1 January 2021		**301,114,684**	**(4,530,017)**	**1,493,122**	**298,077,789**
Profit for the year		**-**	**3,479,074**	**-**	**3,479,074**
Other Comprehensive Income	27	**-**	**-**	**4,424,002**	**4,421,002**
Total Comprehensive Income		**301,114,684**	**(1,050,943)**	**5,914,124**	**305,977,865**
Transactions directly with shareholders:					
Additional Capital contribution	25	**43,903,483**	**-**	**-**	**43,903,483**
Balance at 31 December 2021		**345,018,167**	**(1,050,943)**	**5,914,124**	**349,881,348**

Balance at 31 December 2020		Stated capital	Accumulated losses	Other reserves	Total
		UA	UA	UA	UA
Balance at 1 January 2020		299,381,523	(7,216,050)	4,084,651	296,250,124
Profit for the year			2,686,033		2,686,033
Other Comprehensive Income	27	-	-	(2,591,529)	(2,591,529)
Total Comprehensive Income		299,381,523	(4,530,017)	1,493,122	296,344,628
Transactions directly with shareholders:					
Additional Capital contribution	25	1,733,161	-	-	1,733,161
Balance at 31 December 2020		301,114,684	(4,530,017)	1,493,122	298,077,789

The accompanying notes to the financial statements are an integral part of these financial statements.

5.6 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 UA	2020 UA
Profit for the year		**3,479,074**	2,686,033
Adjustment for non-cash items			
Depreciation		**2,049,030**	1,880,478
Impairment charge/(reversal) on financial assets	15.2 &17.1	**5,186,545**	942,733
(Gains)/losses on foreign currency translation		**(521,299)**	3,624,367
Dividend income		**(78,140)**	(151,142)
Investment interest		**(2,700,916)**	(2,943,128)
Loss on disposal of property, plant and equipment		**-**	64,946
Accrued interest on borrowings		**74,476**	(151,142)
Provision for Long service award		**-**	(2,156,328)
Fair value gains/(losses) on investments at fair value through profit or loss	16.1	**(1,122,185)**	887,530
Adjusted profit for the year		**6,366,585**	4,684,347
Changes in working capital			
(Increase)/Decrease in Loans and advances		**(143,319,327)**	(21,033,900)
(Increase)/Decrease in Institutional accounts (Assets)		**(739)**	62
(Increase)/Decrease in Other assets		**(3,795,784)**	1,787,139
(Increase)/Decrease in Provision for Long service award		**(620,248)**	-
Increase/(Decrease) in Accruals and account payable		**752,129**	(2,374,424)
(Increase)/Decrease in Institutional accounts (Liabilities)		**197,800**	8,994
(Increase)/Decrease in contribution to Managed funds		**278,826**	-
(Increase)/Decrease in Managed funds		**(924,293)**	1,576,925
Total Cash flows used in operating activities		**(141,065,051)**	(15,350,857)
Investing activities			
Proceeds from sale of Property, plant and equipment		**-**	35,470
Purchase of Property, plant and equipment		**(1,933,447)**	(1,159,734)
Purchase of financial assets at amortised cost		**(20,926,210)**	-
Redemption of financial assets at amortised cost		**-**	30,438,076
Interest received on investments		**2,700,916**	2,943,128
Dividend income		**78,140**	151,142
Purchase of Equity investments		**(1,052,056)**	(153,788)
Payment of long service awards		**-**	(1,714,441)
Proceeds from Debt instruments		**629,028**	539,174
Total Cash flows from / (used in) investing activities		**(20,503,629)**	31,043,557
Financing activities			
Additional capital contributions	25	**43,903,483**	1,733,161
Proceeds from additional borrowings	24	**190,826,728**	43,060,640
Repayment of borrowings	24	**(76,682,349)**	(46,602,803)
Total Cash flows from financing activities		**158,047,862**	(1,809,002)
(Decrease)/Increase in cash and cash equivalents		**(3,520,818)**	14,063,804
Net foreign exchange difference on: cash and cash equivalents		**(1,981,805)**	(1,398,810)
Net foreign exchange difference on borrowings		**1,609,338**	5,130,075
Other foreign exchange differences		**893,766**	(7,355,632)
Cash and cash equivalents as at 1 January 2021	14	**24,235,929**	13,796,492
Cash and cash equivalents as at 31 December 2021	**14**	**21,236,410**	24,235,929

The accompanying notes to the financial statements are an integral part of these financial statements.

5.7 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Reporting entity

The ECOWAS Bank for Investment and Development (EBID) is the financial institution established by the Fifteen Member States of the Economic Community of West African States (ECOWAS) with the mission to assist in creating favourable conditions for the emergence of an economically strong, industrialised and prosperous West Africa that is fully integrated into the global economic system with a view to taking advantage of the opportunities and prospects offered by globalization.

The address of its registered office is 128, Boulevard du 13 Janvier B-P 2704, Lomé –Togo.

In accordance with the Agreement Establishing the Bank, the Bank, its property, other assets, income and its operations and transactions shall be exempt from all taxation and customs duties. The Bank is also exempt from any obligation to pay, withhold or collect any tax or duty.

2. Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as issued by the International Accounting Standards Board (IASB).

b. Basis of preparation

The financial statements are prepared on the historical cost basis except for the following assets and liabilities that are stated at their fair value: financial instruments at fair value through profit or loss and financial instruments at fair value through other comprehensive income.

Functional and Presentation Currencies

The Bank conducts its operations in the currencies of its member countries. As a result of the application of IAS 21 revised, "The Effects of Changes in Foreign Exchange Rates", it was concluded that the Unit of Account (UA) most faithfully represented the aggregation of economic effects of events, conditions and the underlying transactions of the Bank conducted in different currencies. The UA is also the currency in which the financial statements are presented. The value of the Unit of Account is defined as equivalent to one Special Drawing Right (SDR) of the International Monetary Fund (IMF) or any unit adopted for the same purpose by the IMF. In line with the Bank's policy, Management approved the execution of currency exchange transactions to align the composition of the net assets of the Bank to the SDR.

Currency translation

Income and expenses are translated to UA at the rates prevailing on the date of the transaction. Monetary assts and liabilities are translated into UA at rates prevailing at the balance sheet date. Non-monetary assets and liabilities are translated into UA at historical rates. Translation differences are included in the determination of net income. Capital subscriptions are recorded in UA at the rates prevailing at the time of receipt and are not subsequently retranslated. When currencies are converted into other currencies, the resulting gains or losses are included in the determination of net income. The rates used for translating currencies into UA at 31 December 2021 and 2020 respectively are below:

Year	USD	GBP	EURO	Franc CFA
2021	**1.39959**	**1.041830**	**1.237480**	**811.733668**
2020	1.440270	1.073230	1.183850	776.554694

The amounts presented in the financial statements have been rounded to the nearest UA. The presentation currency remains the same as the functional currency.

2.1. Initial application of new amendments to the existing standards effective for current financial period

2.1.1. Adoption of new and revised standards

The Bank did not early adopt the requirements of 'Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16' (IBOR reform Phase 2) which is effective for annual periods beginning on or after 1 January 2021 with earlier adoption permitted.

Several other amendments and interpretations apply for the first time in 2021, but do not have an impact on the Bank's financial statements.

IBOR reform Phase 2

IBOR reform Phase 2 includes a number of reliefs and additional disclosures. The reliefs apply upon the transition of a financial instrument from an IBOR to a risk-free-rate (RFR).

Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that, for the financial instrument, the transition from the IBOR benchmark rate to RFR takes place on an economically equivalent basis.

IBOR reform Phase 2 provides temporary reliefs that allow the Bank's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Bank to amend hedge designations and hedge documentation. This includes redefining the hedged risk to reference an RFR, redefining the description of the hedging instrument and / or the hedged item to reference the RFR and amending the method for assessing hedge effectiveness. Updates to the hedging documentation must be made by the end of the reporting period in which a replacement takes place. For the retrospective assessment of hedge effectiveness, the Bank may elect on a hedge by hedge basis to reset the cumulative fair value change to zero.

The Bank may designate an interest rate as a non-contractually specified, hedged risk component of changes in the fair value or cash flows of a hedged item, provided the interest rate risk component is separately identifiable, e.g., it is an established benchmark that is widely used in the market to price loans and derivatives.

For new RFRs that are not yet an established benchmark, relief is provided from this requirement provided the Bank reasonably expects the RFR to become separately identifiable within 24 months. For hedges of groups of items, the Bank is required to transfer to subgroups those instruments that reference RFRs. Any hedging relationships that prior to application of IBOR reform Phase 2, have been discontinued solely due to IBOR reform and meet the qualifying criteria for hedge accounting when IBOR reform Phase 2 is applied, must be reinstated upon initial application.

As of December 2021, the only available IBOR transactions were in relation to borrowings received. These were benchmarked to the LIBOR and EURIBOR. EURIBOR has been reformed and can therefore continue, financial instruments referencing these rates will not need to transition as it was swapped like for like with no impact. The Bank is in communication with Afrexim on the translation of the LIBOR to RFR and its potential impact on the current agreement. The transition is expected to occur in 2022.

The table below provides an overview of IBOR-related exposure by currency and nature of financial instruments. Non-derivative financial instruments are presented on the basis of their carrying amounts excluding expected credit losses while derivative financial instruments are presented on the basis of their notional amount.

	Rates subject to IBOR reform		Balances not subject to IBOR reform	Expected credit losses	Total
	LIBOR EUR1	EURIBOR			
	UA	UA	UA	UA	UA
Borrowings	13,808,115	-	474,409,783	-	488,217,898

2.2. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

IFRS 17 – Insurance contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. IFRS 17 introduces new accounting requirements for banking products with insurance features that may affect the determination of which instruments or which components thereof will be in the scope of IFRS 9 or IFRS 17.

Credit cards and similar products that provide insurance coverage: most issuers of these products will be able to continue with their existing accounting treatment as a financial instrument under IFRS 9. IFRS 17 excludes from its scope credit card contracts (and other similar contracts that provide credit or payment arrangements) that meet the definition of an insurance contract if, and only if, the entity does not reflect an assessment of the insurance risk associated with an individual customer in setting the price of the contract with that customer.

When the insurance coverage is provided as part of the contractual terms of the credit card, the issuer is required to:

- Separate the insurance coverage component and apply IFRS 17 to it.
- Apply other applicable standards (such as IFRS 9, IFRS 15 *Revenue from Contracts with Customers* or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*) to the other components Loan contracts that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder's obligation created by the contract: Issuers of such loans – e.g. a loan with waiver on death – have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

IFRS 17 is not applicable to the Bank as the Bank does not issue insurance contracts.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Bank will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual period in which it will first apply the amendment and does not expect this will result in a material impact on its financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Bank.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Bank is currently assessing the impact of the amendments to determine the impact they will have on the Bank's accounting policy disclosures.

Covid-19-Related Rent Concessions - amendment to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. However, as the amendment does not address lessor accounting, the Bank as a lessor will have to assess how to account for rent concessions when applicable. The Bank did not have any leases impacted by the amendment.

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Bank.

3.1 Financial assets and liabilities

Financial instruments

Financial assets and financial liabilities are recognised in the Bank's Statement of financial position when the Bank becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Bank will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets

Under IFRS 9 all financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVTOCI;
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Bank may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- The Bank may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI; and
- The Bank may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Debt instruments at amortised cost or at FVTOCI

The Bank assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Bank's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank determines the business models at a level that reflects how financial assets of Banks are managed together to achieve a particular business objective. The Bank's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Bank has more than one business model for managing its financial instruments which reflect how the Bank manages its financial assets in order to generate cash flows. The Bank's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Bank considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Bank does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Bank takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Bank determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Bank reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Bank has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/ loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/ loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

In the current and prior reporting period the Bank has applied the fair value option and so has designated debt instruments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on re- measurement, recognised in profit or loss. Fair value is determined in the manner described in note 7.

Reclassifications

If the business model under which the Bank holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Bank's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Bank holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item.
- other exchange differences are recognised in OCI in the investment revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedge accounting relationship, exchange differences are recognised in profit or loss either in 'net trading income', if the asset is held for trading, or in 'net income from other financial instruments at FVTPL' if otherwise held at FVTPL; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in OCI in the investment revaluation reserve.

Impairment

The Bank recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to banks;
- Loans and advances to customers;
- Debt investment securities;
- Loan commitments issued; and
- Financial guarantee contracts issued.

No impairment loss is recognised on equity investments

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial

instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.

For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Bank's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is drawn down; and
- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the holder, the debtor or any other party.

The Bank measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

More information on measurement of ECLs is provided in note 8, including details on how instruments are grouped when they are assessed on a collective basis.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Bank assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the assets are credit-impaired at initial recognition. For these assets, the Bank recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognized in profit or loss. A favourable change for such assets creates an impairment gain.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk

The Bank considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Bank; or
- The borrower is unlikely to pay their credit obligations to the Bank in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Loans are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay their credit obligation, the Bank takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Bank uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk

The Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank will measure the loss allowance based on lifetime rather than 12-month ECL. The Bank's accounting policy is to use the practical expedient method, that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Bank's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail, lending forward looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality.

The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- the remaining lifetime PD at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated based on facts and
- circumstances at the time of initial recognition of the exposure.

The PDs used are forward looking and the Bank uses the same methodologies and data used to measure the loss allowance for ECL (please refer to note 8).

The qualitative factors that indicate significant increase in credit risk are reflected in PD models

on a timely basis. However the Bank still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending there is particular focus on assets that are included on a 'watch list'. Giving an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending the Bank considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when an asset becomes 30 days past due, the Bank considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Bank renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Bank has an established forbearance policy which applies for corporate and retail lending.

When a financial asset is modified the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy a modification results in derecognition when it gives rise to substantially different terms.

To determine if the modified terms are substantially different from the original contractual terms the Bank considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest. If the difference in present value is greater than 10% the Bank deems the arrangement substantially different leading to derecognition.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification.

The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Bank's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Bank calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Bank measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Bank derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Bank retains an option to repurchase part of a transferred asset), the Bank allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Write-off

Loans and debt securities are written off when the Bank has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- loan commitments and financial guarantee contracts: as a provision; and
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component the Bank presents a combined loss allowance for both components. The combined amount

is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Bank or a contract that will or may be settled in the Bank's own equity instruments and is a non-derivative contract for which the Bank is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Bank's own equity instruments.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Bank's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Bank's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is

(i) held for trading, or

(ii) designated as at FVTPL.

A financial liability is classified as held for trading if:

it has been incurred principally for the purpose of repurchasing it in the near term; or

on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit- taking; or

it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination and may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Bank of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the Banking is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line item in the profit or loss account.

However, for non-derivative financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

For issued loan commitments and financial guarantee contracts that are designated as at FVTPL all gains and losses are recognised in profit or loss.

In making the determination of whether recognising changes in the liability's credit risk in OCI will create or enlarge an accounting mismatch in profit or loss, the Bank assesses whether it expects that the effects of changes in the liability's credit risk will be offset in profit or loss by a change in the fair value of another financial instrument measured at FVTPL. This determination is made at initial recognition.

Other financial liabilities

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. For details on EIR see the "net interest income section" above.

Derecognition of financial liabilities

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Bank exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including paid net of any fees received and discounted using the original effective rate, is at least, 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

Date of recognition

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Categorisation of financial assets and liabilities

The Bank classifies its financial assets in the following categories: financial assets held at fair value through profit or loss; loans and receivables and Financial assets held at fair value through other comprehensive income (FVOCI) . Financial liabilities are classified as either held at fair value through profit or loss, or at amortised cost. Management determines the categorisation of its financial assets and liabilities at initial recognition.

Financial assets and liabilities held at fair value through profit or loss

This category has two sub-categories: financial assets and liabilities held for trading, and those designated at fair value through profit or loss at inception. A financial asset or liability is classified as trading if acquired principally for the purpose of selling in the short term.

Financial assets and liabilities may be designated at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis, or a group of financial assets and/or liabilities is managed and its performance evaluated on a fair value basis.

Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets held at fair value through other comprehensive income (FVOCI) Financial assets held at fair value through other comprehensive income (FVOCI) are those non-derivative financial assets that are not classified as financial assets at fair value through profit or loss, loans and receivable or amortised cost.

Financial liabilities measured at amortised cost

This relates to all other liabilities that are not designated at fair value through profit or loss.

Initial recognition

The Bank recognises Financial Assets and Financial Liabilities when it becomes a party to the contract.

Financial Assets and Liabilities are initially recognised at fair value plus directly attributable transaction cost except for those that are classified as fair value through profit or loss.

Subsequent measurement

Financial assets held at fair value through other comprehensive income (FVOCI) are subsequently measured at fair value with the resulting changes recognised in equity. The fair value changes on FVOCI assets are recycled to the statement of profit or loss when the underlying asset is sold, matured or derecognised. Financial assets and liabilities classified as fair value through profit or loss are subsequently measured at fair value with the resulting changes recognised in profit or loss. Loans and receivables and other liabilities are subsequently carried at amortised cost using the effective interest method, less impairment loss.

Derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Bank has transferred substantially all the risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

3.2. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

For complex instruments such as swaps, the Bank uses proprietary models, which are usually developed from recognised valuation models. Some or all of the inputs into these models may be derived from market prices or rates or are estimates based on assumptions.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors that market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly stated financial instruments carried at fair value on the statement of financial position.

Day 1 profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the Bank immediately recognises the difference between the transaction price and fair value (a Day 1 profit or loss) in Net trading income. In cases where fair value is determined using data which is not observable, the difference between the transaction price and

model value is only recognised in the profit or loss when the inputs become observable, or when the instrument is derecognised.

3.3. Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprise cash on hand, cash and balances with other banks and amounts due from banks and other financial institutions.

3.4. Property, plant and equipment

Recognition and measurement

Property plant and equipment are measured at cost less accumulated depreciation and impairment losses. The Bank does not depreciate the land component of its properties.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use purchased software that is integral to the functionality of the related equipment and is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

The Bank performs a revaluation of its land and buildings every five (5) years using an independent valuer to ensure that the fair value does not differ significantly from its carrying amount. This was revised from three (3) years in 2020. Hence the properties are held on a revaluation basis. The most recent valuation was performed in December, 2018.

Assets classified as Capital Work-In-Progress is held at cost. Assets in this class of property, plant and equipment are not depreciated. On completion, the asset is transferred to the relevant asset category and depreciation starts in the month of transfer.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Land	-
Buildings	2%
Motor vehicles	20%
Furniture and fittings	20%
Office equipment	20%
Electric Installations	20%
Office partitioning	25%
IT equipment	33 1/3%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

At the end of 2021, fully depreciated plant, property and equipment still in use with a gross carrying value of nil amounted to UA8,107,508

Gains and losses on disposal of property, and equipment are determined by comparing proceeds from disposal with the carrying amounts of property and equipment and are recognised in the profit or loss as other income.

3.5. Other intangible assets

Other intangible assets that are acquired by the Bank and have finite useful lives are recognised at costs of less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses excluding expenses on internally generated goodwill and brands is recognised in profit and loss as incurred.

Amortisation is based on the cost of the asset less its residual value.

Amortisation is recognised in profit and loss on a straight-line basis over the lifespan of the asset. The estimated remaining useful life is three (3) years.

3.6. Events after the reporting date

Events subsequent to the statement of financial position date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

3.7. Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Financial guarantees are initially recognised at their fair value, and the fair value is amortised over the life of the financial guarantee. The financial guarantees are subsequently carried at the higher value of the amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

3.8. Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss when they are due.

Long service award

Provisions are made by the Bank for long service award described as separation allowances. The long services award is a month's salary of a staff for every 2 years worked. The provision is done using the Projected Unit Credit Method. The Bank appoints the services of an actuary every five (5) years in the determination of the Long service award. Within the 5-year period, the obligation is assessed internally by the bank.

Termination benefits

Termination benefits are recognised as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Bank has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.9. Impairment on non-financial assets

The carrying amount of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. Impairment losses are recognised in the profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine 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.

3.10. Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Bank as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.11 Borrowing costs

The Bank recognises Borrowing costs as an asset on inception which is amortised over the tenor of the facility.

4. Critical judgements and estimates in applying the Bank's accounting policies

The preparation of financial statements in conformity with IFRS requires Management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Bank's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Impairment losses on loans and advances

The Bank reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income.

Going concern

The Bank's Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payment of Principal and Interest (SPPI) and the business model test The Bank determines the business model at a level that reflects how Banks of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Bank's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase of credit risk

Expected Credit Loses (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the

credit risk of an asset has significantly increased the Bank takes into account qualitative and quantitative reasonable and supportable forward looking information.

Establishing Banks of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are Banked on the basis of shared risk characteristics. Refer to note 8 for details of the characteristics considered in this judgement

The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that class of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used: The Bank uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Bank's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward looking information relevant to each scenario: When measuring ECL the Bank uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Refer to note 3 for more details, including analysis of the sensitivity of the reported ECL to changes in estimated forward looking information.

Probability of default (PD): (PD) constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. See note 3 for more details, including analysis of the sensitivity of the reported ECL to changes in PD resulting from changes in economic drivers.

Loss Given Default (LGD): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. See note 3 for more details, including analysis of the sensitivity of the reported ECL to changes in LGD resulting from changes in economic drivers.

Fair value measurement and valuation process: In estimating the fair value of a financial asset or a liability, the Bank uses market-observable data to the extent it is available. Where such Level 1 inputs are not available the Bank uses valuation models to determine the fair value of its financial instruments.

4.1. Financial risk management

4.1.1. Introduction and Overview

The Bank has a defined risk appetite, approved by the Board, which is an expression of the amount of risk we are prepared to take. It plays a central role in the development of our strategic plans and policies. Our overall risk appetite has not changed. We regularly assess our aggregate risk profile, conduct stress tests and monitor concentrations to ensure that we are operating within our approved risk appetite.

We review and adjust our underwriting standards and limits in response to observed and anticipated changes within our environment and the evolving expectations of our stakeholders. In 2018, we maintained our overall cautious stance whilst continuing to support our core clients.

The management of risk lies at the heart of EBID's operations. One of the main risks we incur arises from extending credit to customers through our trading and lending operations. Beyond credit risk, we are also exposed to a range of other risk types such as country cross-border, market, liquidity, operational, pension, reputational and other risks that are inherent to our strategy and product range.

4.1.2. Risk Management Framework

The ultimate responsibility for setting our risk appetite and for the effective management of risk rests with the Board. Acting within an authority delegated by the Board, the Board Risk Committee (BRC), whose membership is comprised exclusively of non-executive directors of the Board, has responsibility for oversight and review of prudential risks including but not limited to credit, market, and liquidity, operational and reputational. It reviews the bank's overall risk appetite and makes recommendations thereon to the Board.

Its responsibilities also include reviewing the appropriateness and effectiveness of the country's risk management systems and controls, considering the implications of material regulatory change proposals, ensuring effective due diligence on monitoring the activities of the Country Risk Committee (RiskCO) and Asset and Liability Committee (ALCO).

The BRC receives quarterly reports on risk management, including portfolio trends, policies and standards, liquidity and capital adequacy, and is authorised to investigate or seek any information relating to an activity within its terms of reference.

The Risk Committee (RiskCo) is responsible for the management of all risks other than ALCO. RiskCo is responsible for the establishment of, and compliance with, policies relating to credit risk, market risk, operational risk, and reputational risk. The RiskCo also defines our overall risk management framework. RiskCo oversees committee such as Country Operational Risk Committee, Group Special Asset Management, Early Alert (CIB, RB and CB), and Credit Approval Committee.

ALCO is responsible for the management of capital and the establishment of, and compliance with, policies relating to statement of financial position management, including management of liquidity, capital adequacy and structural foreign exchange and interest rate risk.

Credit risk

Credit risk is the risk that a customer or counterparty will default on their contractual obligations resulting in financial loss to the Bank. The Bank's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and other banks (including related commitments to lend such as loan or credit card facilities), investments in debt securities and derivatives that are an asset position. The Bank considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

Credit risk management

The Bank's credit committee is responsible for managing the Bank's credit risk by:

ensuring that the Bank has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Bank's stated policies and procedures, IFRS and relevant supervisory guidance.

identifying, assessing and measuring credit risk across the Bank, from an individual instrument to a portfolio level.

creating credit policies to protect the Bank against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to continually monitor exposures against internal risk limits.

Limiting concentrations of exposure by type of asset, counterparties, industry, credit rating, geographic location etc.

Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.

Developing and maintaining the Bank's risk grading to categorise exposures according to the degree of risk of default. Risk grades are subject to regular reviews.

Developing and maintaining the Bank's processes for measuring ECL including monitoring of credit risk, incorporation of forward looking information and the method used to measure ECL.

Ensuring that the Bank has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.

Establishing a sound credit risk accounting assessment and measurement process that provides it with a strong basis for common systems, tools and data to assess credit risk and to account for ECL. Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

Significant increase in credit risk

As explained in note 1 the Bank monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank will measure the loss allowance based on lifetime rather than 12-month ECL.

Internal credit risk ratings

In order to minimize credit risk, the Bank has tasked its Credit Management Committee to develop and maintain the Bank's credit risk grading to categories exposures according to their degree of risk of default. The Bank's credit risk grading framework comprises ten categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades also changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. All exposures are monitored and the credit risk grade is updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure. The following data are typically used to monitor the Bank's exposures:

- Payment record, including payment ratios and ageing analysis;
- Extent of utilization of granted limit;
- Forbearances (both requested and granted);
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies;
- For private sector exposures: internally generated data of customer behaviour, affordability metrics etc.; and
- For public sector exposures: information obtained by periodic review of customer files including audited financial statements review, market data such as prices of credit default swaps (CDS) or quoted bonds where available, changes in the financial sector the customer operates etc.

The Bank uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed. The table below provides a mapping of the Bank's internal credit risk grades to external ratings.

Bank's credit risk grades	Fitch rating	Description
1	AAA	Low to fair risk
2	AA+ to AA	Low to fair risk
3	A+ to A	Low to fair risk
4	BBB+ to BBB	Monitoring
5	BB+ to BB	Monitoring
6	B+ to B	Monitoring
7	CCC+	Substandard
8	CCC	Substandard
9	CC+ to CC-	Doubtful
10	C, D	Impaired

Significant increase in credit risk

The Bank analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data such as GDP growth, unemployment, benchmark interest rates and house prices. The Bank generates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Bank then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

Incorporation of forward-looking information

The Bank uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL (Refer to note 8 for measurement of ECL). The Bank employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Bank applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Bank for strategic planning and budgeting. The Bank has identified and

documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Bank has not made changes in the estimation techniques or significant assumptions made during the reporting period.

Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. The grouping of financial instruments for assessment of credit loss provisions on a collective basis is based on the industry sectors of the exposures. Stage 2 and Stage 3 loans are however assessed individually.

Measurement of ECL

The key inputs used for measuring ECL are:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

As explained above these figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information. PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time.

The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due, and those that the lender would expect to receive, taking into account cash flows from any collateral.

The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realisation of collateral, cross- collateralisation and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims.

The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan. EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

The Bank's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default.

The Bank uses EAD models that reflect the characteristics of the portfolios. The Bank measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice.

However, for financial instruments such as revolving credit facilities that include both a loan and an undrawn commitment component, the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period.

For such financial instruments the Bank measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period.

However, the Bank does not enforce in the normal day-to-day management the contractual right to cancel these financial instruments. This is because these financial instruments are managed on a collective basis and are cancelled only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take to mitigate ECL, e.g. reduction in limits or cancellation of the loan commitment.

4.1.3. Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary.

Limits on the level of credit risk by product and industry sector are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Lending limits are reviewed in the light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

Some other specific control and mitigation measures are outlined below:

Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Charges over business assets such as premises, inventory and accounts receivable.
- Charges over financial instruments such as debt securities and equities.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are identified for the relevant individual loans and advances.

Financial covenants (for credit related commitments and loan books)

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards (often referred to as financial covenants).

The Bank monitors the term to maturity of credit commitments because longer- term commitments generally have greater degrees of credit risk than shorter-term commitments.

4.1.4. Maximum exposure to credit risk before collateral held or other credit enhancements

The Bank's maximum exposure to credit risk is represented by the gross carrying amounts of the financial assets with the exception of financial and other guarantees issued by the Bank for which the maximum exposure to credit risk is represented by the maximum amount the Bank would have to pay if the guarantees are called on. The financial assets are categorised by the industry sectors of the Bank's counterparties.

Loans and advances to customers form 87.04% of the total maximum exposure; 10.28% represent investments in short term and 2.68% represent balances with banks, placements and other assets.

The following table breaks down the Bank's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Bank's counterparties.

On balance sheet

At 31 December 2021	Loans and advances to customers	Cash and balances with Banks	Short term funds	Financial assets at amortised cost	Total
	UA	UA	UA	UA	UA
Power / Energy	152,522,140	0	0	0	152,522,140
Communication	31,767,488	0	0	0	31,767,488
Infrastructure / Transport	192,434,162	21,236,410	0	82,139,872	295,810,444
Agriculture and Rural development	24,400,396	0	0	0	24,400,396
Water Supply and Sanitation	12,889,337	0	0	0	12,889,337
Finance & Industry	221,328,605	0	0	0	221,328,605
Multi-sector & Social/Health	8,0297,224	0	0	0	80,297,224
Total	715,639,352	21,236,410	0	82,139,872	819,015,634
Allowance for credit losses	(26,682,008)	0	0	(819,433)	(27,501,441)
Net carrying amount	688,957,344	21,236,410	0	81,320,439	791,514,193

4.1.5. Credit Quality

The Bank manages the credit quality of its financial assets using internal credit ratings. It is the Bank's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Bank's rating policy. The attributable risk ratings are assessed and updated regularly.

The credit quality of the Bank's loans and advances are categorized as follows:

Stage 1 Loans and Advances

These are loans and advances that have not deteriorated significantly in credit quality since initial recognition, or that have low credit risk (where the optional simplification is applied) at the reporting date. They are considered ''performing'' credits and are rated 1 in the Bank's internal credit risk grading system.

Stage 2 Loans and Advances

These are loans and advances that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event. These are considered ''the Watch List Credit'' in the Bank's internal credit risk grading system and are rated 2.

Stage 3 Loans and Advances

These are loans and advances that have objective evidence of a credit loss event. Stage 3 allocation is driven by either the identification of credit impairment or an exposure being classified as defaulted. These loans are considered "non-performing" in the Bank's internal credit risk grading system and are rated 3 or 4.

All loans and advances are categorized as follows in the comparative period:

Neither past due nor impaired

These are loans and securities where contractual interest or principal payments are not past due.

Past due but not impaired

Loans and securities where contractual interest or principal payments are past due but the Bank believes that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed to the Bank.

Impaired loans and securities

Impaired loans and securities are loans and securities for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s). These are loans and securities specifically impaired.

Loans with renegotiated terms

The contractual terms of a loan may be modified for a number of reasons including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. The Bank renegotiates loans to customers to maximise collection opportunities and minimise the risk of default. The revised terms of renegotiated facilities usually include extended maturity, changing timing of interest payments and amendments to the terms of the loan agreement. There are no loans or other financial assets with renegotiated terms as at 31 December 2021 (December 2020: nil).

Impairment assessment under IFRS 9

The Bank assesses its impairment for the purpose of IFRS reporting using the 'forward-looking' Expected Credit Loss (ECL) model in line with provisions of IFRS 9 - Financial Instruments.

The Bank records an allowance for expected losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.

The measurement of expected credit losses is based on the product of the instrument's probability of default (PD), loss given default (LGD), and exposure at default (EAD), discounted to the reporting date using the effective interest rate.

The ECL model has three stages. The Bank recognises a 12-month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit-impaired and then a lifetime expected loss allowance is recognised.

Write-off policy

The Bank writes off a loan / security balance (and any related allowances for impairment losses) when the Credit Department determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Credit Risk Exposure

An analysis of the Bank's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
31-December-2021	12-month ECL	Lifetime ECL	Lifetime ECL		
Grades 1-3: Low to fair risk	629,330,120	-	-	-	629,330,120
Grades 4-5: Monitoring	-	44,937,083	-	-	44,937,083
Grades 6-8: Substandard	-	-	-	-	0
Grade 9: Doubtful	-	-	-	-	0
Grades 9-10: Impaired	-	-	41,372,149	-	41,372,149
Gross carrying amount	629,330,120	44,937,083	41,372,149	0	715,639,352
Loss allowance	(2,496,315)	(3,067,989)	(21,117,704)	-	(26,682,008)
Carrying amount	626,833,805	41,869,094	20,254,445	0	688,957,344

Placements with other banks	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
31-December-2021	12-month ECL	Lifetime ECL	Lifetime ECL		
Grades 1-3: Low to fair risk	**82,139,872**	-	-	-	**82,139,872**
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8 : Substandard	-	-	-	-	-
Grade 9 : Doubtful	-	-	-	-	-
Grades 9-10 : Impaired	-	-	-	-	-
Gross carrying amount	**82,139,872**	-	-	-	**82,139,872**
Loss allowance	**(819,433)**	-	-	-	**(819,433)**
Carrying amount	**81,320,439**	-	-	-	**81,320,439**

Loans to customers	
31-December-2021	UA
Neither past due nor impaired	**629,330,120**
Past due but not impaired	**44,937,083**
Impaired	**41,372,149**
Gross amounts	**715,639,352**
Collective	**(26,682,008)**
Net amounts	**688,957,344**

Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
31-December-2020	12-month ECL	Lifetime ECL	Lifetime ECL		
Grades 1-3: Low to fair risk	511,282,214	-	-	-	511,282,214
Grades 4-5: Monitoring	-	20,838,836	-	-	20,838,836
Grades 6-8 : Substandard	-	-	-	-	0
Grade 9 : Doubtful	-	-	-	-	0
Grades 9-10 : Impaired	-	-	40,323,028	-	40,323,028
Gross carrying amount	511,282,214	20,838,836	40,323,028	0	572,444,078
Loss allowance	(3,700,510)	(3,798,083)	(14,120,923)	-	(21,619,516)
Carrying amount	507,581,704	17,040,753	26,202,105	0	550,824,562

Placement with other banks	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
31-December-2020	12-month ECL	Lifetime ECL	Lifetime ECL		
Grades 1-3: Low to fair risk	85,240,201	-	-	-	85,240,201
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8 : Substandard	-	-	-	-	-
Grade 9 : Doubtful	-	-	-	-	-
Grades 9-10 : Impaired	-	-	-	-	-
Gross carrying amount	85,240,201	-	-	-	85,240,201
Loss allowance	(610,043)	-	-	-	(610,043)
Carrying amount	84,630,158	-	-	-	84,630,158

At 31-December-2020	Loans to customers
	UA
Neither past due nor impaired	511,282,214
Past due but not impaired	20,838,836
Impaired	40,323,028
Gross amounts	572,444,078
Collective	(21,619,516)
Net amounts	550,824,562

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit- impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL: Some loans were classified from Stage 1 to 2 (e.g. Koira (Radisson) Hotel) and from Stage 2 to 1 (e.g. Patnasonic, Garden City Mall). This is because these loans experienced some difficulties and good credit standing respectively thus the change in ECL;

- Additional allowances for new financial instruments recognised during the period as well as releases for financial instruments derecognised during the period;

  Impact on the measurement of ECL due to changes in PD's, EAD's and LGD's in the period, arising from regular refreshing of inputs to models; There were no changes to inputs in the period.

- Impacts on the measurement of ECL due to changes made to models and assumptions; There was no change in the model or assumptions in the period
- Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- Foreign exchange translations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognized during the period and write-offs of allowances related to assets that were written off during the period.

The tables below analyse the movement of the loss allowance during the year per class of assets.

Loss allowance - loans and advances to customers at amortized cost

2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
Loss allowance as at 1 January 2021	**(3,700,510)**	**(3,798,083)**	**(14,120,923)**	**-**	**(21,619,516)**
Movements with P&L impact:					
Transfers:					
Transfers from Stage 1 to Stage 2	**199,524**	**(199,524)**	**-**	**-**	**-**
Transfers from Stage 1 to Stage 3					
Transfers from Stage 2 to Stage 1					
Increases/(decreases) due to change in credit risk	**1,004,671**	**929,618**	**(6,996,781)**	**-**	**(4,662,492)**
Additional allowance for new financial assets originated					
Release of allowance for financial assets derecognised					
Changes in model assumptions and methodologies					
Foreign exchange and other movements	**-**	**-**	**-**	**-**	**-**
Total net P&L charge	**1,204,195**	**730,094**	**(6,996,781)**	**-**	**(4,662,492)**
Loss allowance at 31 December 2021	**(2,496,315)**	**(3,067,989)**	**(21,117,704)**		**(26,682,008)**

Significant changes in the gross carrying amount of financial assets that contributed to the changes in the loss allowance are as follows:

The structured paydown of a significant portion of stage 1 loans and advances to customers which resulted in a decrease in the gross loan book and the loss allowance on stage 1 loans and advances.

More information about the significant changes in the gross carrying amount of financial assets during the period that contributed to changes in the loss allowance, is provided at the table below:

Gross carrying amount - Loans and advances to customers at amortised cost

2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
Loss allowance as at 1 January 2020	(389,423)		(21,286,826)	-	(21,676,249)
Movements with P&L impact:					
Transfers:					
Transfers from Stage 1 to Stage 2	899,322	(899,322)	-	-	-
Transfers from Stage 1 to Stage 3					
Transfers from Stage 2 to Stage 1					
Increases/(decreases) due to change in credit risk	(2,411,765)	(2,898,761)	7,165,903	-	56,733
Additional allowance for new financial assets originated					
Release of allowance for financial assets derecognised					
Changes in model assumptions and methodologies					
Foreign exchange and other movements	-	-	-	-	-
Total net P&L charge	(3,311,087)	(3,798,083)	7,165,903	-	56,733
Loss allowance at 31 December 2020	(3,700,510)	(3,798,083)	(14,120,923)		(21,619,516)

Credit Collateral

The Bank holds collateral against loans and advances to customers in the form of cash, treasury bills/certificates, stock and shares of reputable quoted companies, legal mortgages, debentures and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and updated periodically.

Collateral generally is not held over placements with other Banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is usually also not held against investment securities.

Other collateral are mainly domiciliation of payments (sales, invoices, salaries, allowances and terminal benefits), lien on shipping documents, corporate guarantees and similar collaterals.

Other financial assets comprising cash and bank balances (including balances with the central bank), investment securities and accounts receivable are not secured. The Bank's investment in government securities as well as balances held with other Banks are not considered to require collaterals given their sovereign nature.

Liquidity Risk

The Bank defines liquidity risk as the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

It is the policy of the Bank to maintain adequate liquidity at all times, and for all currencies. Hence the Bank aims to be in a position to meet all obligations, to repay depositors, to fulfil commitments to lend and to meet any other commitments.

A substantial portion of the Bank's assets are funded by Member States contributions and debentures/borrowings issued by the banks. These are widely diversified by type and maturity, and they represent a stable source of funds. Lending is normally funded by liabilities in the same currency.

An analysis of various maturities (undiscounted) of the Bank's assets and liabilities is provided below:

Maturities of assets and liabilities

2021	3-6 months	6-12 months	1- 5 Years	Over 5 Years	December 2021
Assets	UA	UA	UA	UA	UA
Cash and bank balances	21,620,918	-	-	-	21,620,918
Financial assets measured at amortised cost	-	81,752,779	-	-	81,752,779
Equity and Debt investments	-	-	32,506,292	-	32,506,292
Loans and advances	29,702,730	42,981,047	293,061,098	32,4207,448	689,952,323
Contribution to managed funds	-	9,068,370	-	-	9,068,370
Inter-institutional accounts assets	724	-	-	-	724
Other assets	5,866,226	-	-	-	5,866,226
Total assets	57,190,598	133,802,196	325,567,390	324,207,448	840,767,632
Liabilities					
Creditors and accrual	4,395,884	-	-	-	4,395,884
Long Service award	-	-	1,419,499	3,552,325	4,971,824
Borrowings	20,755,121	74,378,909	190,332,403	204,312,833	489,779,266
Managed funds	-	-	21,109,437	-	21,109,437
Inter-institutional accounts liabilities	-	-	3,131,741	-	3,131,741
Total liabilities	25,151,005	74,378,909	215,993,080	207,865,158	523,388,152

Timing buckets have been expanded to provide more useful information

Maturities of assets and liabilities

2020	3-6 months	6-12 months	1-5 Year	Over 5 Years	December 2020
Assets	UA	UA	UA	UA	UA
Cash and bank balances	24,235,929	-	-	-	24,235,929
Financial assets measured at amortised cost	-	60,394,229	-	-	60,394,229
Equity investment	-	-	30,921,666	-	30,921,666
Loans and advances	50,531,049	28,260,659	212,270,902	259,761,952	550,824,562
Contribution to managed funds	-	9,068,370	-	-	9,068,370
Other assets	2,058,392	-	-	-	2,058,392
Total assets	26,294,321	69,462,599	243,192,568	259,761,952	677,503,148
Liabilities					
Creditors and accruals	3,573,155	-	-	-	3,573,155
Long service award	-	-	2,298,946	3,150,220	5,449,166
Borrowings	26,382,634	20,330,501	140,139,402	187,220,983	374,073,519
Managed funds	-	-	21,412,553	-	21,412,553
Inter-institutional accounts liabilities	-	-	2,949,394	-	2,949,394
Total liabilities	29,955,789	20,330,501	166,800,295	190,371,203	407,457,787

Timing buckets have been expanded to provide more useful information

Categories of financial assets and financial liabilities

2021	Fair Value through Profit or Loss	Amortized Cost	Fair Value through Other Comprehensive income	Total Carrying Amount	Total Fair value
Assets	UA	UA	UA	UA	UA
Cash and bank balances	-	21,236,410	-	21,236,410	21,236,410
Other assets	-	5,854,176	-	5,854,176	5,854,176
Financial assets at amortised cost	-	81,320,439	-	81,320,439	8,132,0439
Equity investment	3,821,837	-	28.645.042	32,466,879	32,466,879
Loans and advances	-	688,957,344	-	688,957,344	688,957,344
Contribution to managed funds	-	-	8.789.544	8,789,544	8,789,544
Total assets	3,821,837	797,368,369	37,434,586	838,624,792	83,862,4792
Liabilities					
Creditors and accrual	-	4,399,760	-	4,399,760	4,399,760
Long service award	4,828,918	-	-	4,828,918	4,828,918
Borrowings	-	488,217,898	-	488,217,898	488,217,898
Managed funds	-	20,488,260	-	20,488,260	20,488,260
Total liabilities	4,828,918	513,105,919	0	51,793,4837	517,934,837

Categories of financial assets and financial liabilities

2020	Fair Value through Profit or Loss	Amortized Cost	Fair Value through Other Comprehensive income	Total Carrying Amount	Total Fair value
Assets	UA	UA	UA	UA	UA
Cash and bank balances	-	24,235,929	-	24,235,929	24,235,929
Other assets	-	2,058,392	-	2,058,392	2,058,392
Financial assets at amortised cost	-	60,394,229	-	60,394,229	60,394,229
Equity investment	2,699,652	-	28,222,014	30,921,666	30,921,666
Loans and advances	-	550,824,562	-	550,824,562	549,263,007
Contribution to managed funds	-	-	9,068,370	9,068,370	9,068,370
Total assets	2,699,652	637,513,112	37,290,384	677,503,148	677,503,148
Liabilities					
Creditors and accrual	-	3,573,155	-	3,573,155	3,573,155
Long service award	5,449,166	-		5,449,166	5,449,166
Borrowings	-	374,073,519	-	374,073,519	374,073,519
Managed funds	-	21,412,553	-	21,412,553	21,412,553
Total liabilities	5,449,166	399,059,227	-	404,508,394	404,508,394

The Bank discloses the contractual expiry by maturity of the Bank's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. However, there was no financial guarantees and letters of credit as at 31 December 2021 (2020: Nil)

Management of Market Risk

The Bank recognises market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates. The Bank is exposed to market risk arising principally from customer driven transactions.

Market risk is governed by the Bank's Department of Risk Analysis (DRA) which is supervised by ALCO, and which agrees with policies, procedures and levels of risk appetite in terms of Value at Risk ("VaR").The DRA provides market risk oversight and guidance on policy setting. Policies cover both the trading and non-trading books of the Bank. The non-trading book is defined as the Banking Book. Limits are proposed by the businesses within the terms of agreed policy.

The DRA also approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and currency concentrations where appropriate. Sensitivity measures are used in addition to VaR as risk management tools.

VaR models are back tested against actual results to ensure pre-determined levels of accuracy are maintained. The Bank's DRA complements the VaR measurement by regularly stress-testing Market Risk exposures to highlight potential risks that may arise from extreme market events that are rare but plausible. Stress-testing is an integral part of the Market Risk Management framework and considers both historical market events and forward-looking scenarios. Ad hoc scenarios are also prepared reflecting specific market conditions. A consistent stress-testing methodology is applied to trading and non-trading books.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. The DRA has responsibility for reviewing stress exposures and, where necessary, enforcing reductions in overall market risk exposure. It also considers stress-testing results as part of its supervision of risk appetite. The stress- testing methodology assumes that management action would be limited during a stress event, reflecting the decrease in liquidity that often occurs. Contingency plans are in place and can be relied on in place of any liquidity crisis. The Bank also has a Liquidity Crisis Management Committee which also monitors the application of its policies.

Foreign Exchange Exposure

The Bank's foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange exposures are principally derived from transactions. Concentration of UA's equivalence of foreign currency denominated assets and liabilities and off-statement of financial position items are disclosed below:

2021	USD	GBP	EURO	CFA	Others	2021
Assets	UA	UA	UA	UA	UA	UA
Cash and bank balances	1,021,4167	-	71,472	10,950,771	-	21,236,410
Financial assets at amortised cost	2,345,6945	-	2,426,848	51,468,597	3,968,049	81,320,439
Equity investment	18,513,962	-	69,4726	13,258,191	-	32,466,879
Loans and advances	321,592,855	-	85,102,143	282,262,347		688,957,344
Contribution to managed funds	8,264,283	-	525,261	-	-	8,789,544
Total assets	38,2042,212	-	88,820,450	357,939,905	3,968,049	832,770,616
Liabilities						
Creditors and accrual	2,716,555	-	755,901	928,044	(739)	4,399,760
Borrowings	249 310 576	-	55,164,938	183,742,384	-	488,217,898
Managed funds	(8,382,166)	1,585,325	4,748,771	22,437,395	98,935	2,048,8260
Inter-institutional accounts liabilities	1,332,552	1,277,586	(26,173)	559,892	2,598	3,146,455
Total liabilities	244,977,517	2,862,911	60,643,437	207,667,715	100,794	516,252,374

2020	USD	GBP	EURO	CFA	Others	2020
Assets	UA	UA	UA	UA	UA	UA
Cash and bank balances	7,609,147	(4)	7,166,621	9,104,640	355,525	24,235,929
Financial assets at amortised cost	26,096,759	708,920	8,456,777	22,251,010	2,880,763	60,394,229
Equity investment	17,718,117	-	642,544	12,561,005	-	30,921,666
Loans and advances	271,027,330	-	46,481,409	230,130,416	3,185,407	550,824,562
Contribution to managed funds	8,507,861	-	560,509	-	-	9,068,370
Total assets	330,959,214	708,916	63,307,860	274,047,071	6,421,695	675,444,756
Liabilities						
Creditors and accrual	2,330,577	-	851,251	396,669	(5,341)	3,573,156
Borrowings	239,147,742	-	40,611,385	94,314,392	-	374,073,519
Managed funds	(8,159,649)	1,538,943	4,963,896	22,965,945	103,418	21,412,553
Inter-institutional accounts liabilities	1,276,796	1,240,207	(27,285)	457,078	2,598	2,949,394
Total liabilities	234,595,466	2,779,150	46,399,247	118,134,084	100,675	402,008,621

A change of a 100 basis points in foreign currency rates at the reporting date would have impacted equity and profit or loss by the amounts shown below:

2021	100 b p Increase UA	100 b p Decrease UA
Exchange Gain	**33,483**	**(33,483)**
Exchange Loss	**28,270**	**(28,270)**
Net impact	**5,213**	**(5,213)**

2020	100 b p Increase UA	100 b p Decrease UA
Exchange Gain	280,934	(280,934
Exchange Loss	311,597	(311,597)
Net impact	(30,663)	30,663

Interest rate exposure

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by the Bank's DRA in its day-to-day monitoring activities.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in market interest rates.

A change of a 100 basis points in interest rates at the reporting date would have impacted equity and profit or loss by the amounts shown below:

2021	100 b p Increase UA	100 b p Decrease UA
Interest income impact	**303,524**	**(303,524)**
Interest expense impact	**156,208**	**(156,208)**
Net impact	**147,316**	**(147,316)**

2020	100 b p Increase UA	100 b p Decrease UA
Interest income impact	240,993	(240,993)
Interest expense impact	140,953	(140,953)
Net impact	100,004	(100,004)

5. Capital Management

Stated capital

The Bank's capital is analysed into two tiers:

- Tier 1 capital, which includes Member States' capital contribution, other stakeholders' contribution, income surplus/retained earnings, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities.

The Bank did not have any tier 2 capital during the period under review.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the bank or Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank's capital position at 31 December was as follows:

	2021	2020
	UA	UA
Stated Capital	**345,018,167**	301,114,684
Income surplus	**(1,050,943)**	(4,530,017)
Other reserves	**5,914,124**	1,493,122
Total Equity	**349,881,348**	298,077,789

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes.

The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, and is subject to review by the Bank's ALCO.

The Board of Directors reviews the Bank's policies in respect of capital management and allocation regularly.

Risk-weighted assets

	2021	2020
	UA	UA
Credit risk	**688,957,344**	550,824,562
Market risk	**-**	-
Operational risk	**2,509,159**	2,262,648
Total risk-weighted assets	**691,466,503**	553,087,210
Total capital expressed as a percentage of total risk-weighted assets	**50.60%**	53.89%

6. Contingencies and commitments

6.a Commitments on loans

	2021	2020
	UA	UA
Commitments	**507,321,698**	387,159,879
Pending Legal Suits	**-**	-

These relate to undisbursed loan amounts held by the Bank on request by customer for disbursement.

(ii) Commitments for capital expenditure

There were no commitments for capital expenditure at the statement of financial position date (2020 Nil)

6.b Unsecured contingent liabilities

	2021	2020
	UA	UA
This relates to contingent liabilities for trade letters of credit and guarantees. (Net of margin deposits)	52,721,512	81,786,967

7. Fair value categorisation of financial instruments

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

Valuation governance

The Bank's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Bank including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.

Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions. The independent price verification process for financial reporting is ultimately the responsibility of the Treasury Division within Finance which reports to the Director of Finance.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in fair value hierarchy, into which the fair value measurement is categorised.

2021	Level 1	Level 2	Level 3	Total
	UA	UA	UA	UA
Debt and equity instruments	3,821,837	28,645,042	-	32,466,879
Total at 31 December 2021	3,821,837	28,645,042	-	32,466,879

2020	Level 1	Level 2	Level 3	Total
	UA	UA	UA	UA
Debt and equity instruments	2,699,652	28,222,014	-	30,921,666
Total at 31 December 2020	2,699,652	28,222,014	-	30,921,666

Valuation techniques

Equity instruments

The fair value of the instrument classified as Level 1 (see above) was derived from quoted prices for that financial instrument. The fair value of the instruments classified as Level 2 (see above) was calculated using the discounted cash flow method. Risk fee rate adjusted by credit risk was used for discounting future cash flows. There are currently no investments classified under Level 3.

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and consists mainly of long-term bonds with either fixed or floating rate interest payments. When active market prices are not available, the Bank uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yield outside the range of active market trading, in which instances the Bank classifies those securities as Level 2.

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Bank's financial instruments that are not carried at fair value in the financial statements. This table does not include the value of non-financial assets and non-financial liabilities.

31 December 2021	Carrying amount	Fair value			
Financial assets:		Level 1	Level 2	Level 3	Total
Cash and bank balances	21,236,410	-	21,236,410	-	21,236,410
Financial assets at amortised cost	81,320,439	-	81,320,439	-	81,320,439
Loans and advances	688,957,344	-	-	688,957,344	688,957,344
Total financial assets not carried at fair value	791,514,193	-	102,556,849	688,957,344	791,514,193
Financial liabilities					
Borrowings	488,217,898	-	488,217,898	-	488,217,898
Managed funds	20,488,260	-	20,488,260	-	20,488,260
Total financial liabilities not carried at fair value	508,706,158	-	508,706,158	-	508,706,158

8. Interest income

The total interest income calculated using the Effective Interest Rate method is as below

	2021	2020
	UA	UA
Interest on loans	27,185,149	20,564,083
Interest on delayed loan payments	235,433	592,077
Interest on fixed deposits	1,323,194	1,279,402
Interest on Government bond	1,608,603	1,663,726
Total	30,352,379	24,099,288

9. Interest expense

The total interest expense is calculated using the EIR method for financial liabilities measured at amortised cost.

	2021	2020
	UA	UA
Interest on borrowings	7,891,338	7,702,608
Interest on debentures	7,377,999	6,042,727
Debentures fees	351,441	349,947
Total Interest expense	15,620,778	14,095,282

10.a Fees and commission income

	2021	2020
	UA	UA
Commission fees[1]	3,339,366	1,000,512
Commitment charges	1,544,517	1,375,308
Service charges	135,752	83,835
Commission on guarantees	13,680	-
Total fee and commission income from contract with customers	5,033,315	2,459,655

[1] Relates to processing fees charged on loans disbursed to customers.

10.b Trading income

	2021	2020
	UA	UA
Fees on LC transactions	1,014,856	217,036
Total Trading income	1,014,856	217,036

11. Fees and commissions expense

	2021	2020
	UA	UA
Commission expense[2]	335,959	233,341

[2] Fees and commissions charged on borrowings

12. Other income/(expenses)

	2021	2020
	UA	UA
Net foreign exchange gain/(loss)	951,037	(3,066,300)
Recovery of fully impaired Loans	1,336,849	4,989,512
Past service cost	-	3,070,693
Net movement in long service award	91,490	(914,366)
Miscellaneous income	129,066	1,139,917
Dividend income	78,140	151,142
Rental operating income (Note 12.1)	86,070	51,904
Loss on Disposal of property, plant and equipment	-	(64,946)
	2,672,652	5,357, 557

Miscellaneous income relates to commissions on foreign transactions.

12.1. Rental income

The Bank leases an insignificant portion of its premises. The rental income relates to the various rentals earned during the year. The lease is for a one-year period, and there are no future minimum rental receivables as at the reporting date.

13. Other Operating Expenses

	2021	2020
	UA	UA
Office repairs and maintenance	753,237	729,84
Studies and project evaluation	748,354	476,587
General expenses[3]	644,638	1,284,755
Conference expenses	452,551	285,901
Official mission	421,428	199,331
Printing and office stationery	250,836	293,209
Post and telecommunication	175,586	153,1
Audit fees	67,250	64,373
Publicity and advertisement	169,426	51,304
Vehicle maintenance	67,870	53,841
	3,751,176	3,592,241

[3] General expenses relate to other expenses such as donations, end of year gifts, bank charges and annual subscriptions.

14. Cash and Cash Equivalents

	2021	2020
	UA	UA
Cash in hand	29,535	7,529,737
Balances with other banks	19,484 ,517	16,576,229
Call deposits	1,722,358	129,963
	21,236,410	24,235,929

15. Financial Assets at Amortised cost

	2021	2020
	UA	UA
Fixed deposits	81,320,439	60,394,229

15.1 Movement of financial assets at amortised cost

	2021	2020
	UA	UA
Balance at 1 January	60,394,229	90,832,305
Additions/payments	21,011,674	(30,139,100)
Impairment allowance	(819 433)	(610,043)
Accrued interest/ Fixed deposits	733,969	311,067
Balance at 31 December	81,320,439	60,394,229

15.2 Impairment on fixed deposit

	2021	2020
	UA	UA
Balance at 1 January	610,043	-
Charge/(reversal) for the year	209,390	610,043
Balance at 31 December	819,433	610,043

16. Equity Investments

16.1. Quoted equity instruments at fair value through profit or loss

	2021	2020
	UA	UA
Balance at 1 January	2,699,652	3,587,182
Fair value through profit or loss	1,122,185	(887,530)
Balance as at 31 December	3,821,837	2,699,652

Composition of quoted equity instruments at fair value through profit or loss

	2021	2020
	UA	UA
Quoted equity		
Ecobank Transnational Incorporated (ETI)	3,821,837	2,699,652
	3,821 ,837	2,699,652

Quoted equity instrument relates to the Bank's investment in Ecobank Transnational International. Movement was from appreciation in value of shares on the active market.

16.2. Unquoted equity instruments at fair value through other comprehensive income

	2021	2020
	UA	UA
Balance at 1 January	**25,646,535**	28,084,276
Change in fair value of financial instruments at other comprehensive income	**4,421,002**	(2,591,529)
Additions	**1,052,056**	153.788
Balance as at 31 December	**31,119,593**	25,646,535

Composition of unquoted equity instruments at fair value through other comprehensive income

	2021	2020
Unquoted	UA	UA
Africa food security	**3,246,199**	1,160,834
AHL Mariott African	**100, 000**	100, 000
African Renewable Energy Fund (AREF)	**8,513,458**	8,014,036
Banque Nationale d'Investissement Gestion	**51,121**	51,121
Fidelis Finance	**571,403**	946,659
Caisse Regional de Refinancement Hipothecaire (CRRH)	**1,316,501**	901,419
Liberian Bank for Development and Investment (LBDI)	**2,552,430**	1,645,255
Oragroup	**6,449,507**	7,263,868
ASKY Airlines	**6,557,849**	3,952,037
Fonds Africain d'Agriculture	**817,826**	946,152
West African Emerging Markets Growth Fund (WAEMGF)	**943,299**	665,154
	31,119,593	25,646,535

16.3. Debt instruments at FVOCI

	2021	2020
	UA	UA
Balance at 1 January	**2,575,479**	3,114,653
Redemption	**(535,315)**	(651,978)
Fair valuation gain/(loss)	**-**	-
Exchange gain/(loss)	**(93,713)**	112,804
Balance as at 31 December	**1,946,451**	2,575,479

Composition of Debt instruments at FVOCI

Debentures Acquired	2021	2020
	UA	UA
Togo debentures	**1,946,451**	2,575,479
	1,946,451	2,575,479

17. Loans and advances

	2021	2020
	UA	UA
Loans granted to member states	1,400,065,702	1,111,450,432
Amounts not disbursed	(507,321,702)	(387,159,882)
Amounts disbursed	892,744,000	724,290,550
Repayments on principal	(193,140,406)	(164,513,845)
Gross loans	699,603,594	559,776,705
Loan interests	16,035,758	1,2667,373
Gross loans	715,639,352	572,444,078
Allowance for impairment (Note 17.1)	(26,682,008)	(21,619,516)
	688,957,344	550,824,562

17.1. Impairment on gross loans and advances

	2021	2020
	UA	UA
Balance at 1 January	21,619,516	21,286,826
Staff loan FV adjustment	85,337	192,938
Charge for the year	4,977,155	139,752
Balance at 31 December	26,682,008	21,619,516

17.2. Maturity analyses of loans

	2021	2020
PUBLIC SECTOR	UA	UA
More than two years but less than three years	41,674,190	21,765,758
More than three years but less than four years	36,329,481	49,737,853
More than four years but less than five years	75,677,379	58,919,854
More than five years	222,416,768	209,919,880
TOTAL PUBLIC SECTOR	376,097,819	340,343,346
PRIVATE SECTOR		
More than two years but less than three years	93,126,754	57,025,950
More than three years but less than four years	48,068,808	71,371,368
More than four years but less than five years	97,022,829	53,861,342
More than five years	101,323,141	49,842,072
TOTAL PRIVATE SECTOR	339,541,532	232,100,732
TOTAL PUBLIC & PRIVATE SECTOR	715,639,352	572,444,078

17.3. Economic sector analyses of loans

The distribution of outstanding loans at 31 December 2021 and 2020 were as follows:

	2021	2020
PUBLIC SECTOR	UA	UA
Power / Energy	**138,697,320**	140,208,062
Communication	**18,422,964**	19,739,501
Infrastructure / Transport	**156,386,304**	125,484,616
Agriculture and Rural Development	**24,400,396**	23,688,242
Water Supply and Sanitation	**8,896,035**	9,611,369
Finance & Industry	**7,453,083**	11,362
Multi-sector & Social/Health	**21,841,717**	21,600,194
TOTAL PUBLIC SECTOR	**376,097,819**	340,343,346
PRIVATE SECTOR		
Power / Energy	**13,824,819**	2,426,030
Communication	**13,344,524**	15,432,635
Infrastructure / Transport	**36,047,858**	8,736,668
Water Supply and Sanitation	**3,993,303**	18,116,788
Finance & Industry	**213,875,522**	128,372,037
Multi-sector & Social/Health	**58,455,507**	59,016,574
TOTAL PRIVATE SECTOR	**339,541,532**	232,100,732
TOTAL PUBLIC & PRIVATE SECTORS	**715,639,352**	572,444,078

iii. Key ratios on loans and advances

a. Loan loss provision ratio is 63.82% (2020: 53.62%)

b. Non-Performing loan ratio excluding loss category is 5.78% (2020: 7.12%)

c. Ratio of fifty (50) largest exposures (gross funded and non-funded) to total exposures is 78.86% (2020: 79.88%)

d. Loan/borrowing ratio 1.41 (2020: 1.47)

18. Inter-institutional accounts

Inter Institutional accounts represents amount receivable and payable to other ECOWAS organisations. These funds are used for various activities on behalf of the respective organisation.

18.1. Inter-institutional accounts receivable

	2021	2020
	UA	UA
COMMUNITY COMPUTER CENTER	**739**	-
	739	-

18.2. Inter-institutional accounts payable

	2021	2020
	UA	UA
ECOWAS Provident Fund	550,165	434,318
Executive Secretariat Special Envoy	30,633	73,623
FAPA BAD/BIDC ASSISTANCE	45,087	40,410
Community Computer Centre	-	810
Compensation Fund	1,539,296	1,445,153
Projet BIDC/FRAA	979,547	952,542
Compte liaison - Organisation La Francophone (OIF)	2,466	2,538
	3,147,194	2,949,394

19. Managed Fund

This represents the contribution of ECOWAS Bank for Investment and Development and other ECOWAS Organisations towards joint projects within the ECOWAS region.

19.1. Contributions into Managed Funds

	2021	2020
	UA	UA
Special Fund for Telecommunication	8,264,283	8,507,861
Organisation La Francophone (OIF)	525,261	560,509
	8,789,544	9,068,370

19.2. Counterparty Managed Funds

	2021	2020
	UA	UA
Special Fund for Telecommunications	20,488,260	21,412,553

20. Other assets

	2021	2020
	UA	UA
Prepayments	3,478,217	-
Stock of debentures fees	1,662,707	1,223,625
Debtors	312,987	251,638
Staff receivables	192,829	250,277
Suppliers (Advance payments)	103,826	247,805
Stock of consumables	103,609	85,047
	5,854,176	2,058,392

21. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture & Fittings	Office equipment	Electric Installations	Furniture & Fittings: residences	Office partitioning	IT equipment	Work in progress	Total
Cost	UA	UA	UA	UA	UA	UA	UA	UA	UA	UA	UA
At 1 January 2021	9,990,925	20,676,490	1,153,015	1 401,247	1,246 ,226	2,350,045	252,220	4,051,141	2,146,161	601,177	43,868,647
Additions			44,078	7,391	13,204	15,454	14,036	37,597	50,790	1,750,897	1,933,447
At 31 December 2021	9,990,925	20,676,490	1,197,093	1,408,638	1,259,430	2,365,499	266,256	4,088,738	2,196,951	2,352,074	45,802,094
Accumulated depreciation											
At 1 January 2021	-	6,285,485	484,442	1,292,888	1,067,629	1,698,071	113,149	3,224,852	1,669,702	-	15,836,218
Charge for the year	-	413,574	177,475	37,053	48,304	335,804	38,824	708,952	289,044		2,049,030
At 31 December 2021	-	6,699,059	661,917	1,329,941	1,115,933	2,033,875	151,973	3,933,804	1,958,746	-	17,885,248
Net book value											
At 31 December 2021	9,990,925	13,977,431	535,176	78,697	143,497	331,624	114,283	154,934	238,205	2,352,074	27,916,846
Net book value of revalued assets under cost model	4,769,583	12,977,758	535,176	78,796	143,497	331,624	114,934	154,934	238,205	2,352,074	21,696,581

Work in progress relates to costs incurred by the Bank in developing their Information Technology infrastructure. None of the assets procured are pledged.

21. Property, Plant and Equipment (cont'd)

	Land	Buildings	Motor vehicles	Furniture & Fittings: Offices	Office equipment & machine	Electric Installations	Furniture & Fittings: residences	Office partitioning	IT Equipment	Work-in-progress	Total
Cost	UA	UA	UA	UA	UA	UA	UA	UA	UA	UA	UA
At 1 January 2020	9,990,925	20,676,490	982,688	1,329,492	1,136,399	2,349,614	234,233	3,918,237	2,092,983	486,922	43,197,983
Additions			555,471	79,973	109,827	431	113,695	132,904	53,178	114,255	1,159,734
Disposals	-	-	(385,144)	(8,218)	-	-	(95,708)	-	-	-	(489,070)
At 31 December 2020	9,990,925	20,676,490	1,153,015	1,401,247	1,246,226	2,350,045	252,220	4,051,141	2,146,161	601,177	43,868,647
Accumulated depreciation											
At 1 January 2020	-	5,871,917	690,235	1,259,380	1,038,881	1,412,565	155,494	2,504,034	1,411,888	-	14,344,394
Charge for the year	-	413,568	116,819	44,626	28,816	285,506	12,511	720,818	257,814		1,880,478
Disposal	-	-	(322,612)	(8,218)	-	-	(57,824)	-	-	-	(388,654)
At 31 December 2020	-	6,285,485	484,442	1,295,788	1,067,697	1,698,071	110,181	3,224,852	1,669,702	-	15,836,218
Net book value at 31 December 2020	9,990,925	14,391,005	668,573	105,459	178,529	651,974	142,039	826,289	476,459	601,177	28,032,429

Work in progress relates to cost incurred by the Bank in developing their Information Technology infrastructure. None of the assets procured are pledged.

21.1. Disposal of property, plant and equipment

	2021	2020
	UA	UA
Carrying amount	-	489,070
Accumulated depreciation	-	388,654
Net book value	-	100,416
Proceeds from disposal	-	35,470
(Loss) on disposal	-	(64,946)

22. Creditors and accruals

	2021	2020
	UA	UA
Managed funds	**2,596,653**	2,543,517
Sundry creditors and provisions	**1,803,107**	1,029,638
	4,399,760	3,573,155

23. Provision for Long Service award

These consist of long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, bonuses are accounted for as deferred compensation. These benefits were available to 148 staff in the year (2020: 145)

The following table summarizes the components of net benefit expense recognised in the statement of profit or loss and the unfunded status and amounts recognised in the statement of financial position for the respective plans:

Net benefit expense (recognised in profit or loss)

	2021	2020
	UA	UA
Current service cost	-	544,012
Interest cost on long service award	**91,490**	370,354
Past service cost	-	(3,070,693)
Net benefit (income)/ benefit	**91,490**	(2,156,327)

Changes in the present value of the provision for long service award:

	2021	2020
	UA	UA
Provision as at 1 January	**5,449,166**	9,319,935
Interest cost	-	544,012
Current service cost	-	370,353
Past service cost	-	(3,070,693)
Benefit paid	**(711,738)**	(1,714,441)
Provision for long service award as at 31 December	**4,828,918**	5,449,166

The principal assumptions used in determining pension and post-employment medical benefit obligations for the Bank's plans are shown below:

	2021	2020
Discount rate	**5.90%**	4.00%
Inflation	**3 .5%**	1.4%
Salary increase	**5.5%**	1.8%
Mortality	**10.0%**	10.0%
Withdrawal	**2.6%**	2.6%
Staff turnover	**-**	-
Retirement age	**62**	60
Average cost air ticket	**UA 3,939**	UA 3,939
Average cost shipping	**UA 7,429**	UA 7,429

The disclosure of the Sensitivity Analysis on the provision for long service award is below:

As at 31st December 2021									
Employee Benefit Scheme	Base Scheme	Discount rate -1%	Discount rate +1%	Rate of Salary Increase -1%	Rate of Salary Increase +1%	Mortality Adjustment -10%	Mortality Adjustment +10%	Withdrawal -1%	Withdrawal +1%
Actuarial Liabilities									
Long Service Awards	118,163	126,205	110,978	111,689	125,255	117,563	118,768	126,858	110,318
Death Benefit Scheme	64,029	67,115	61,224	64,036	64,036	68,858	58,937	67,305	61,014
Transport Scheme	191,106	205,127	178,679	191,108	191,108	189,771	192,459	173,164	207,805
Resettlement Allowance	192,214	206,530	179,480	180,428	205,166	190,758	193,685	179,934	203,702
Separation Allowance Scheme	1,936,763	2,095,322	1,797,100	1,806,131	2,081,796	1,920,792	1,952,908	1,894,941	1,975,470
Home Return Allowance Scheme	99,631	105,903	93,963	99,634	99,634	99,634	99,634	99,634	99,634
Gratuity Scheme	277,803	298,674	259,278	260,630	296,727	275,680	279,947	274,558	281,692
Total Scheme	**2,879,709**	**3,104,877**	**2,680,703**	**2,713,657**	**3,063,722**	**2,863,055**	**2,896,339**	**2,816,394**	**2,939,636**
Percent Change		7.82%	-6.91%	-5.77%	6.39%	-0.58%	0.58%	-2.20%	2.08%

24. Borrowings

	2021	2020
	UA	UA
1. India Exim Line of Credit $500 millions	**204,403,484**	200,260,550
2. Debenture stock 2014 - 2021	**-**	4,292,464
3. Debenture stock 2017 - 2027	**24,022,658**	29,296,069
4. Debenture stock 2019 - 2026	**46,197,419**	57,948,269
5. Debenture stock 2021 - 2028	**61,596,558**	-
6. Afriexim Bank 2018 - 2024	**13,808,115**	17,890,812
7. Badea Line of Credit	**10,889,720**	19,763,471
8. Standard Chartered Bank London line of credit	**397,731**	994,777
9. Agence Française de Developpement	**39,776,796**	21,117,540
10. SID 2018 – 2023	**14,170,548**	18,048,832
11. EMPRUNT CARGILL	**19,291,364**	-
12. EMPRUNT BANK OF AFRICA	**49,277,246**	-
Accrued interest on borrowings	**4,386,259**	4,460,735
Total	**488,217,898**	374,073,519

Movement on borrowings

	2021	2020
	UA	UA
Balance at 1 January	**374,073,519**	377,615,682
Additional borrowings received	**191,906,742**	45,494,188
Principal repayment	**(76,078,549)**	(43,912,783)
Forex revaluation gains	**(1,609,338)**	(5,130,075)
Net Accrued interest	**(74,476)**	6,507
Closing balance	**488,217,898**	374,073,519

Terms and conditions on borrowings

1. India Exim line of Credit

a) India Exim line of Credit 2006 – 2026

The Bank signed a 180,788,673 UA (250,000,000 USD) line of credit with the Indian Exim Bank in 2006 for at an annual interest rate of 1.75% for a period of twenty (20) years, including moratorium period of 5 years. The purpose of the loan is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the loan. This facility is secured as follows:

- a first exclusive charge on the uncalled capital of the Borrower to the extent of the aggregate amounts owed as principal and interest of the Individual Credit;
- place a deposit of a sum of US Dollars 17,000,000 (Dollars Seventeen Million) with Standard Chartered Bank (SCB), London Branch ("Escrow Bank") in the account opened by the Borrower ("Escrow Account") in favor of Exim Bank throughout the tenor of the Credit.

b) India Exim line of Credit 2010 – 2030

The Bank signed a 72,315,469 UA (100,000,000 USD) line of credit with the Indian Exim Bank in 2010 at an annual interest rate of 1.75% for a period of twenty (20) years, including moratorium period of 5 years. The purpose of the loan is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the loan. This facility is secured as follows:

- a first exclusive charge on the uncalled capital of the Borrower to the extent of the aggregate amounts owed as principal and interest of the Individual Credit;
- placing deposit equivalent to two semi-annual instalments of each contract to be approved for coverage under the LOC in EXIM Bank's London Branch account.

c) India Exim line of Credit 2011 - 2031

The Bank signed a 108,473,204 UA (150,000,000 USD) line of credit with the Indian Exim Bank in 2011 at an annual interest rate of 1.75% for a period of 20 years. The purpose of the loan is to finance the bank's operations. Related transaction costs have been capitalized and amortized over the life of the loan. This facility is secured as follows:

- a first exclusive charge on the uncalled capital of the Borrower to the extent of the aggregate amounts owed as principal and interest of the Individual Credit;
- placing deposit equivalent to two semi-annual instalments of each contract to be approved for coverage under the LOC in EXIM Bank's London Branch account.

d) India Exim line of Credit 2018 - 2043

The Bank signed a 359,507,906 UA (500,000,000 USD) line of credit with the Indian Exim Bank in 2018 at an annual interest rate of 1.50% for a period of 25 years. The purpose of the loan is to finance the bank's operations. Related transaction costs have been capitalized and amortized over the life of the loan. This facility is secured as follows:

- a first exclusive charge on the uncalled capital of the Borrower to the extent of the aggregate amounts owed as principal and interest of the Individual Credit;
- placing deposit equivalent to two semi-annual instalments of each contract to be approved for coverage under the LOC in EXIM Bank's London Branch account.

e) India Exim line of Credit 2020

The Bank signed a 2,777,257 UA (4,000,000 USD) line of credit with the Indian Exim Bank in 2020. The tenor is 5 years including one year of moratorium. The rate of interest is a LIBOR [6 months] plus 300 bps p.a., payable half yearly. This facility is secured by a Cash deposit equivalent to One instalment of

interest and One instalment of principal repayment throughout the tenor of the Credit by way of an interest-bearing deposit with Exim Bank, London Branch. In case of utilization of part or whole of the cash margin towards debt servicing on any due date, the amount so utilized shall be topped up immediately, and in any case latest by one month before the subsequent due date.

2.a Debenture stock 2014 - 2021

The Bank issued a 49,341,042 UA (40,000,000,000 FCFA) debenture in February 2014 at an annual interest rate of 6.50% for a period of seven (7) years. The purpose of the debt issued is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the debt issued. The purpose of the debt issued is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the debt issued. The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility.

2.b Debenture stock 2017 - 2027

The Bank issued a 32,071,677 UA (26,000,000,000 FCFA) debenture in 2017 at an annual interest rate of 6.10% for a period of seven (7) years. The purpose of the debt issued is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the debt issued. The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility.

2.c Debenture stock 2019 - 2026

The Bank issued a 55,508,672 UA (45,000,000,000 FCFA) debenture in 2019 at an annual interest rate of 6.40% for a period of seven (7) years. The purpose of the debt issued is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the debt issued. The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility.

2.d Debenture stock 2021 – 2028

The Bank issued a 64 510 662 UA (50,000,000,000 FCFA) debenture in 2021 at an annual interest rate of 6.50% for a period of seven (7) years. The purpose of the debt issued is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the debt issued. The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility.

3. Afriexim Bank 2018 - 2024

The Bank signed a (31,274,396 UA) 38,651,400 Euro loan agreement with Afriexim Bank in 2018 at an annual interest rate of Libor +6.5% for a period of six (6) years. The purpose of the loan is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the loan.

As at the end of the year, funds in the Escrow account are unutilised.

4. Badea Line of Credit 2010 - 2035

The Bank signed a (3,615,773 UA) 5,000,000 USD line of credit with Badea in 2010 at an annual interest rate of 1.75% for a period of twenty (20) years. The purpose of the loan is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the loan. The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility: During the term of the credit line EBID undertakes to:

a. maintain the liquidity ratio at 100% or higher; (2021: 162.13%)

b. maintain a risk coverage ratio equal to or higher than 12%; (2021:43.62%)

c. maintain a net financial position which shall in no case be less than UA 150 million (UA349.8million)

There have been no breaches to these requirements in the year or as at the end of the year.

5. Standard Chartered Bank line of credit

The Bank signed a line of credit with Standard Chartered Bank London in 2020. The purpose of the loan is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the loan. The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility.

6. Islamic Development Bank (SID) 2018 – 2023

The Bank signed a (20,228,501 UA) 25,000,000 Euro loan agreement with the Islamic Development Bank in 2018 at an annual interest rate of Euribor +3% for a period of five (5) years. The purpose of the loan is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the loan. The facility is secured by a guarantee on the Bank's callable shares. There is no effect on the outstanding exposure of UA14,170,548 as a result of the IBOR transition. The following financial covenants (Article 8.7 of the agreement) are attached to this facility:

a. Equity/Total Assets ratio: Not less than 35% (2021: 40.17%)
b. Liquidity Coverage Ratio: Not less than 100% (2021: 162.13%)
c. Liquid Assets/Total Assets: Not less than 10% (2021: 11.78%)
d. Non-performing loan ratio: Below or equal to 10% (2021: 9%)
e. Net Non-Performing Loan Not Impaired: Below or equal to 10% (2021: 5.78%)
f. Cost/Income ratio: Less than 70% (2021: 64.2%)
g. Single obligor limit: Less than 20% (2021: 15%)

7. French Development Agency 2020 – 2030

The Bank signed a 50,000,000 Euro loan agreement with French Development Agency in 2020, for a period of 10 years. Each disbursement corresponds to a fixed interest rate. The purpose of the loan is to finance the Bank's operations. The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility.

a. Cost/income ratio less than 75% (2021: 64.2%)
b. Capital adequacy ratio greater than or equal to 20% (2021: 50.6%).
c. Leverage ratio less than or equal to 300%. (2021: 59.27%)
d. Liquidity Cover Ratio greater than or equal to 100%. (2021: 162.13%)
e. Structural long-term liquidity ratio greater than or equal to 100%. (2021: 141.58%)
f. Ratio of doubtful loans to equity less than or equal to 15%. (2021: 11.8%)

8. Cargill 2021 – 2023

The Bank signed a 27,000,000-dollar US loan agreement with Cargill, for a period of 2 years at an annual interest rate of 3.75%+ Libor. The purpose of the loan is to finance the Bank's operations.

The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility.

9. Bank of Africa 2021 – 2022

The Bank signed a 40 000,000,000 FCFA loan agreement with Bank of Africa, for a period of 1 year at an annual interest rate of 4.5%. The purpose of the loan is to finance the Bank's operations.

The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility.

25. Stated capital

The authorised capital of EBID is UA1,000,000,000 of which the regional members have subscribed 70% and the balance is to be subscribed by the non-regional members. This 70% which is UA700,000,000 is completely subscribed. As at the reporting date, 56% of the 700,000,000 is called up. Details of the stated capital as at 2021 are disclosed below:

Stated capital	**2021**	2020
	UA	UA
Authorised:		
1,000,000 ordinary shares of UA1,000 each	**1000,000,000**	1,000,000,000
Unsubscribed capital	**(300,000,000)**	(300,000,000)
Subscribed capital	**700,000,000**	700,000,000
Callable capital	**(307,258,669)**	(307,258,669)
Call-up capital:	**392,741,331**	392,741,331
Call in arrears	**(47,723,164)**	(91,926,647)
At 31 December	**345,018,167**	301,114,684

Call in arrears	**2021**	2020
	UA	UA
Cape Verde	**1,454,920**	1,454,920
Cote d'Ivoire	**26,675**	14,733,787
The Gambia	**4,657,515**	6,174,475
Guinea Bissau	**4,459,756**	4,817,318
Liberia	**14,894,482**	15,878,546
Nigeria	**1,029,936**	21,239,219
Senegal	**10,785,396**	16,913,898
Sierra Leone	**10,414,484**	10,414,484
	47,723,164	91,626,647

Movement in capital contribution

	2021	2020
	UA	UA
Balance at 1 January	301,114,684	299,381,523
Additional capital contribution	43,903,483	1,733,161
Balance at 31 December	345, 018,167	301,114,684

Capital structure by country shareholders

Member country	Subscribed capital by allocated voting rights	Called-up capital allocated	Paid up capital beginning balance	Additional contribution	Paid up capital-ending balance
	UA	UA	UA	UA	UA
Benin	20,000,142	11,228,211	11,228,211	-	11,228,211
Burkina Faso	17,333,457	9,734,383	9,734,383	-	9,734,383
Cape Verde	6,666,713	3,734,570	2,279,650	-	2,279,650
Cote D'Ivoire	103,331,572	57,971,063	43,237,276	14,707,112	57,944,388
Gambia	17,333,457	9,734,383	3,559,908	1,516,960	5,076,868
Ghana	110,000,787	61,706,160	6,1706,160		6,1706,160
Guinea	19,333,472	10,842,504	1,0842,504		1,0842,504
Guinea Bissau	10,000,073	5,614,106	796,788	357,562	1,154,350
Liberia	44,666,984	25,058,371	9,179,825	984,064	10,163,889
Mali	12,666,759	7,107,934	7,107,934		7,107,934
Niger	14,000,102	7,854,848	7,854,848		7,854,848
Nigeria	218,668,225	122,689,907	101,450,688	20,209,283	121,659,971
Senegal	52,664,542	29,539,328	12,625,430	6,128,502	18,753,932
Sierra Leone	29,333,545	16,456,610	6,042,126		6,042,126
Togo	24,000,170	13,468,953	13,468,953	-	13,468,953
	700,000,000	392,741,331	301,114,684	43,903,483	345,018,167

26. Income surplus/(accumulated losses)

This represents the residual of cumulative annual profits. Details of Retained Earnings are shown in the Statement of Changes in Equity.

27. Other equity reserves

Other equity reserves are made up of fair value changes from the Equity investments that are classified at fair value through other comprehensive income, and a Revaluation gain from revaluing the land and buildings of the Bank. Movement on other reserves are shown in the Statement of Changes in Equity.

	2021	2020
	UA	UA
Balance at 1 January	1,493,122	4,084,651
Fair value gain/ loss on Unquoted instruments	4,424,002	(2,591,529)
Balance at 31 December	5,914,124	1,493,122

28. Personnel expenses

	2021	2020
	UA	UA
Salaries Professional Staff	**2,755,780**	2,486,138
Tuition Fees	**1,300,508**	1,115,723
End Of Year Gratuity	**2,045,809**	1,017,237
Post Adjust.All Prof..Staff	**602,626**	530,516
Housing Allowance /Profess. Staff	**490,588**	437,523
Employers Contribution Prof Staff	**491,539**	436,793
Medical Bills	**464,286**	312,141
Expatriation Allowance	**379,575**	303,181
Transport Allowance Prof. Staff	**246,072**	216,293
Responsibility Allowance	**226,952**	195,870
Staff Fair value adjustment	**85,337**	0
Leave Allowance (Prof Staff)	**123,980**	134,968
Family Allowance/Prof.Staff	**134,273**	111,985
Tax Releave	**110,062**	105,243
Social Contributions	**66,114**	79,469
Installation Allowance	**28,352**	73,912
Out of Station Allowance (Fees)	**28,910**	64080
Staff Insurance	**86,559**	57,787
Entertainment Allowance	**23,961**	37,046
Staff Training	**29,589**	29,348
Recruitment Cost	**14,449**	23,521
Long Service Award	**9,785**	19,439
Honorary In House Doctor	**11,335**	10,255
Duty Allowance	**7,962**	10,233
Salaries Temporary Staff	**4,233**	2,921
Per Diem Lang.&Oth. Training	**2,308**	2,212
Sal Contractual Staff	**0**	933
Overtime	**0**	636
Transport Lang.&Other Training/Travel	**1,881**	495
TOTAL	**9,772,825**	7,815,898

29. Related party transactions

Transactions with Directors and Key Management Personnel

Directors and key management personnel refer to those personnel with authority and responsibility for planning, directing and controlling the business activities of the Bank. These personnel are the Executive Management of the Bank.

Interest income from loans granted to staff are included in the interest income calculated using effective interest rate. The Bank made provision for impairment in respect of loans to Directors and key management members during the period under review.

	2021	2020
	UA	UA
At 1 January	844,042	164,504
Loans advanced during the year	1,871,643	1,241,632
Loan repayments received	(1,674,575)	(562,094)
At 31 December	1,041,110	844,042

Key management compensation

IAS 24 "Related party disclosures" requires the following information for key management compensation. Key management comprises members of the Executive Management, which includes all executive directors.

	2021	2020
	UA	UA
Salaries	250,584	152,331
Other allowances	605,580	78,487
	856,164	230,818

Transactions with Directors, Officers, and other employees

During the year, the Bank granted loans and advances to the key management personnel. The following are loan Balances due from key related parties:

	2021	2020
	UA	UA
Executives	628,077	497,148
Officers and other employees	6,797,036	2 471,358
	7,425,113	2,968,506

Terms and conditions

The loan and advances from directors, officers and employees relate to salary advances, personal loans, vehicle loan and mortgage loans. These loans attract interest at 0%, 3.2%, 2% and 2.8% and are payable within 12 month, 4 years, 5 years and 15 years respectfully.

Amounts due from related parties (Excluding Loans)

	2021	2020
	UA	UA
Executive	732	90,888
Officers and other employees	(43,444)	75,570
	(42,712)	166,458

These are accountable imprest given to staff for various assignment on behalf of the Bank. The staff is required to retire the imprest after the assignments.

30. Events after the reporting period

There are no events after the Statement of Financial Position date that require adjustments in the financial statements. Management has assessed the impact of the COVID-19 on the going concern of company and has concluded that the use of going concern is appropriate and that the company will be able to recover its assets and discharge its liabilities in the foreseeable future for at least the next twelve (12) months. Management however has noted COVID-19 has strategic and operational risks. These are being monitored closely to ensure their impact is mitigated appropriately.

The Bank being a development, finance institution, does most of its business with member states and promoters who trade and interact with counter parties across the world who may be affected by the coronavirus.

Funding and Liquidity

The pandemic is expected to impact liquidity risk, exchange rate risk and interest rate risk faced by the Bank. The trend of capital flows from emerging markets is expected to exert pressure on the local currency as well as reduce foreign currency liquidity in the economy. The Bank has a robust liquidity management framework and contingency funding plan that build in adequate buffers to support liquidity run-off in a stress scenario. The liquidity ratio of the Bank as at December 31 was over 100% and projects that it will remain above the internal limit of 40%.

Analysis of Statement of Financial Position

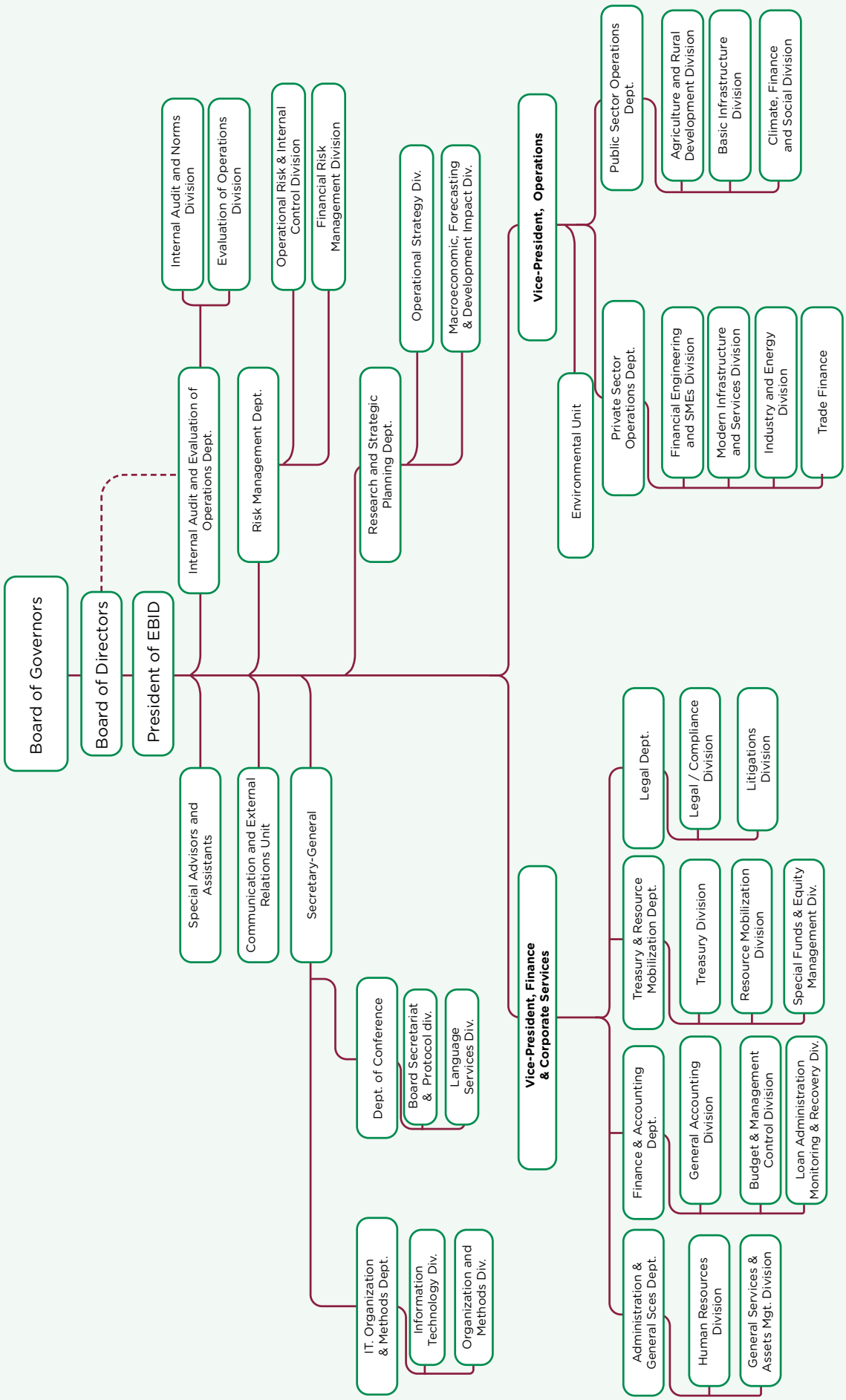
The Bank has performed a line-by-line analysis of the Statement of Financial Position and has done an assessment of whether the current uncertainty may impact any of the amounts presented at 31 December 2021 The Bank has assessed that the coronavirus may affect the business of the Bank's borrowing customers. The Bank has performed an analysis and reviewed the portfolio and the impact the spread of the virus would have on the Bank's credit portfolio.

	2021			2020		
	Within 12 months	Over 12 Months	Total	Within 12 months	Over 12 Months	Total
Assets	UA	UA	UA	UA	UA	UA
Cash and bank balances	21,236,410	-	21,236,410	24,235,929	-	24,235,929
Financial assets measured at amortised cost	81,320,439	-	81,320,439	60,394,229	-	60,394,229
Equity investment	-	32,466,879	32,466,879	-	30,921,666	30,921,666
Loans and advances	-	688,957,344	688,957,344	-	550,824,562	550,824,562
Contribution to managed funds	8,789,544	-	8,789,544	9,068,370	-	9,068,370
Inter-institutional accounts assets	-	-	-	-	-	-
Other assets	5,854,176	-	5,854,176	2,058,392	-	2,058,392
Property, plant and equipment	-	27,916,846	27,916,846	-	28,032,429	28,032,429
Total assets	117,200,569	749,341,069	866,541,638	95,756,920	609,778,657	705,535,577
Liabilities						
Creditors and accruals	4,399,760	-	4,399,760	3,573,155	-	3,573,155
Long service award	-	4,828,918	4,828,918	-	5,449,166	5,449,166
Borrowings	-	488,217,898	488,217,898	-	374,073,519	374,073,519
Managed funds	-	20,488,260	20,488,260	-	21,412,553	21,412,553
Inter-institutional accounts liabilities	-	3,147,194	3,147,194	-	2,949,394	2,949,394
Total liabilities	4,399,760	516,682,271	521,082,031	3,573,155	403,884,632	407,457,787

CHAPTER VI

ANNEXES

Annex 1: Organizational chart of EBID



Annex 2: List of projects appraised in 2021

	N°	Projects	Country	Sectors	Instruments	Request (in UA)
Public	1.	Project for the rehabilitation of the Dakar - Bamako corridor, national road N°7 (Mako - Kedogou - Moussala section)	Senegal	Transport infrastructure	Loan	40,447,463
	2.	Project for the construction of 1500 positive boreholes equipped with 1500 mixed solar and manual pumps in the Republic of Côte d'Ivoire	Côte d'Ivoire	Water supply	Loan	40,169,801
	3.	Project for the installation of 1000 solar pumping and water treatment units in the Republic of Côte d'Ivoire	Côte d'Ivoire	Water supply	Loan	32,720,635
	4.	FERA Road Maintenance Programme 2021 in the Republic of Senegal	Senegal	Transport infrastructure	Loan	31,599,581
	5.	Project for the rehabilitation of the slaughterhouse in Ouagadougou, the construction of a new slaughterhouse in Bobo-Dioulasso and modern slaughter units for ruminants and monogastrics	Burkina Faso	Industry	Loan	17,193,665
	6.	Project to equip the operating theatres of the HG and CHR in Côte d'Ivoire	Senegal	Social / Health	Loan	33,364,284
	7.	Drinking water supply project for three towns without water supply (Fria, Beyla and Koubia)	Guinea	Water supply	Loan	12,210,276
	8.	Construction of 150 water boreholes equipped with hand pumps and 100 drinking water supply systems in Upper Guinea and Guinea Forestière	Guinea	Water supply	Loan	19,466,668
	9.	Project for the construction of a regional hospital	Togo	Social / Health	Loan	8,442,534
	10.	Agricultural component of the Northern Agroindustrial Pole Project	Côte d'Ivoire	Agriculture and rural development	Loan	35,014,574
	11.	Project for the construction of a water retention dam and the development of the downstream perimeter, and the installation of a solar field for the pumping and irrigation of rice plots on the Sangola site in M'Bengué	Côte d'Ivoire	Agriculture and rural development	Loan	6,352,980
	12.	Additional financing of the Dakar - Bamako Corridor rehabilitation project, national road no.7 section: Mako - Kédougou - Saraya - Moussala	Senegal	Transport Infrastructure	Loan	13,341,258
	Total - Public					**290,323,719**
Private	1.	Project for the construction and operation of a new flour mill in Cotonou by the company Atlantic Moulin Benin (AMB)	Benin	Agribusiness	Loan	6,763,439
	2.	Project to grant a line of credit to finance the import and delivery of fertilisers to agricultural producers' companies in favour of Agro West Africa Abidjan (AW2A) SA	Côte d'Ivoire	Import / Export Service	Trade Finance	25,212,305
	3.	Project for the construction and operation of a cocoa processing plant in San Pedro in favour of Atlantic Cocoa Corporation CI SA	Côte d'Ivoire	Agribusiness	Loan	23,927,621
	4.	Project for the granting of a line of credit to finance the import and delivery of fertilisers to agricultural producers' companies in favour of Doukoure Partenaire Agro-industries (DPA)	Mali	Import / Export Service	Trade Finance	29,414 ,356

N°	Projects	Country	Sectors	Instruments	Request (in UA)
5	Project of granting a line of credit intended for the financing of operations of importation and delivery of fertilisers to companies of agricultural producers in favour of Gnoumani SA	Mali	Import / Export Service	Trade Finance	42 ,47,807
6	Project for granting a line of credit to finance the import and delivery of fertilisers to agricultural producers' companies in favour of Sangoye Mali Sarl	Mali	Import / Export Service	Trade Finance	4,214,781
7	Project of exploitation of Coltan deposit located in Issia in favour of BRI COLTAN SARL	Côte d'Ivoire	Industries / Mining & Quarrying	Loan	3,462,855
8	Project of granting a line of financing intended for the financing of operation(s) of importation and delivery(s) of fertilisers to companies and agricultural producers in favour of GLOFERT Limited	Ghana	Import / Export Service	Trade Finance	7,018,184
9	Project of granting a line of financing intended for the financing of operation(s) of importation and delivery(s) of fertilisers to companies and agricultural producers in favour of the Group DEC SA	Niger	Import / Export Service	Trade Finance	11,271,972
10	Granting of a line of credit dedicated to the financing of fertilisers for the agricultural sector in Niger in favour of the Agricultural Bank of Niger (BAGRI)	Niger	Finance	Loan	8,817,689
11	Project to participate in a USD 50 million syndication in favour of First City Monument Bank (FCMB) Limited	Nigeria	Finance	Loan	16,199,807
12	Project for the granting of a line of credit in favour of Universal Merchant Bank (UMB)	Ghana	Finance	Loan	20,931,901
13	Proposed granting of a line of credit in favour of Banque Nationale pour le Développement Economique (BNDE) SA	Senegal	Finance	Loan	12,596,698
14	Project to renew the facility for the import and supply of petroleum products to markers in favour of SOYATT SA	Mali	Import / Export Service	Trade Finance	7,928,265
15	Project for the granting of a line of credit in favour of Banque pour le Commerce et l'Industrie (BCI) SA	Mali	Finance	Loan	8,894,172
16	Project of participation of the Bank in the syndication of a line in favour of FIDELITY Bank Plc	Nigeria	Finance	Equity Participation	35,014,574
Total - Private					**263,816,427**
TOTAL PROJECTS APPRAISED					**554,140,146**

Annex 3: List of supervised projects in 2021

	N°	Projects	Country	Sector	Instrument	Supervision Mode
Private	1	Project for the construction of the evacuation network associated with the CIPREL 5 and AZITO 4 thermal power plants in favour of CI-ENERGIES	Côte d'Ivoire	Infrastructure / Energy	Loan	Physical supervision
	2	Project for the construction of a cashew nut processing unit with a capacity of 30,000 tonnes/year in Tiébissou (CAPRO Industries SA), Republic of Côte d'Ivoire	Côte d'Ivoire	Industry	Loan	Physical supervision
	3	Financing line for the import and delivery of fertiliser to agricultural companies and producers in favour of GLOFERT Limited	Ghana	Service (Import/ Export)	Trade Finance	Physical supervision
	4	Road construction project by East International Group, Inc	Liberia	Infrastructure / Road	Loan	Physical supervision
	5	Facilitation project in favour of the Sahel Bank for Investment and Trade (BSIC-SA Mali)	Mali	Service (Finance)	Loan	Physical supervision
	6	Project to grant a line of credit to Banque Malienne de Solidarité (BMS) SA	Mali	Service (Finance)	Loan	Physical supervision
Public	1	Project to equip and rehabilitate health facilities	Benin	Social (Health)	Loan	Supervision by Videoconference
	2	Construction and rehabilitation of 19 village water supply systems	Benin	Rural Development	Loan	Supervision by Videoconference
	3	Electrification project for 100 localities	Benin	Infrastructure / Energy	Loan	Supervision by Videoconference
	4	Project for the acquisition of buses by the Burkinabe government for the benefit of universities and colleges	Burkina Faso	Infrastructure / Transport	Loan	Supervision by Videoconference
	5	Project for the construction of the Donsin-Ouagadougou airport	Burkina Faso	Infrastructure / Airport	Loan	Supervision by Video Conference
	6	Project for the construction of twenty-seven (27) new drinking water supply systems (AEP) in the regions of the Mouhoun loop and the high basins	Burkina Faso	Rural development	Loan	Supervision by Video Conferencing
	7	Project to equip and rehabilitate health structures	Côte d'Ivoire	Social (Health)	Loan	Supervision by Videoconference & Physical
	8	Project to reinforce the drinking water supply systems in the locality of Guéyo and surrounding villages	Côte d'Ivoire	Rural development	Loan	Physical Supervision
	9	Autonomous electrification project [SHEP-4] in the Ashanti and Brong Ahafo regions	Ghana	Infrastructure / Energy	Loan	Supervision by Videoconference
	10	Rehabilitation and Extension of the Electricity Distribution Networks of the Regional Capital and the Interconnected System, Phase II	Guinea	Infrastructure / Energy	Loan	Supervision by Videoconference
	11	Guinea-Mali 225 kV Power Interconnection Project (Phase I)	Guinea	Infrastructure / Energy	Loan	Supervision by Videoconference

	N°	Projects	Country	Sector	Instrument	Supervision Mode
Public	12	Barclayville - Klowne - Sasstown Road Construction Project	Liberia	Infrastructure / Road	Loan	Supervision by Videoconference
	13	Sikasso-Bamako 225 kV link construction project	Mali	Infrastructure / Energy	Loan	Supervision by Videoconference and Physical
	14	Bani Basin and Selingue Irrigation Development Project	Mali	Rural development	Loan	Supervision by Videoconference and Physical
	15	Construction of the bridge linking the AIBD TER station and the Blaise Diagne International Airport (AIBD); Liberia: Barclayville - Klowne - Sasstown Road Construction Project	Senegal	Infrastructure / Road	Loan	Supervision by Videoconference and Physical
	16	Rehabilitation project of the Dakar - Bamao corridor, the national road N°7 (Mako - Kedogou - Moussala section)	Senegal	Infrastructure / Road	Loan	Supervision by Videoconference and Physical
	17	Road Maintenance Programme 2021 by FERA in the Republic of Senegal	Senegal	Transport infrastructure	Loan	Supervision by Videoconference
	18	Katchamba - Sadori Road Construction Project	Togo	Infrastructure / Road	Loan	Supervision by Videoconference and Physical
	19	Togo Agricultural Development Support Project (PADAT)	Togo	Rural development	Loan	Supervision by Videoconference
	20	Partial financing of the CU9 community road rehabilitation and transport facilitation project on the Lome-Ouagadougou corridor: Blitta - Aouda section	Togo	Infrastructure / Road	Loan	Physical Supervision
	21	Project to strengthen electricity distribution capacity in the major towns in the interior of the country (CEET) - Phase II	Togo	Infrastructure / Energy	Loan	Supervision by Videoconference

Annex 4: List of approved projects in 2021

	N°	Projects	Country	Sectors	Instruments	Request (in UA)
Public	1	Project for the installation of 1500 positive boreholes equipped with 1500 mixed solar and manual pumps in the Republic of Côte d'Ivoire	Côte d'Ivoire	Water supply	Loan	40,169,801
	2	Project for the installation of 1000 solar pumping and water treatment units in the Republic of Côte d'Ivoire	Côte d'Ivoire	Water supply	Loan	32,720,635
	3	Rehabilitation project of the Dakar - Bamako corridor, the national road N°7 (Mako - Kedogou - Moussala section)	Senegal	Transport infrastructure	Loan	40,447,463
	4	FERA Road Maintenance Programme 2021 in the Republic of Senegal	Senegal	Transport infrastructure	Loan	31,599,581
	5	Project for the rehabilitation of the Ouagadougou slaughterhouse, construction of a new slaughterhouse in Bobo-Dioulasso and modern slaughter units for ruminants and monogastrics	Burkina Faso	Industry	Loan	17,193,665
	6	Project to build a regional hospital	Togo	Social / Health	Loan	8,442,534
	7	Agricultural component of the Northern Agroindustrial Pole Project	Côte d'Ivoire	Agriculture and rural development	Loan	35,014,574
	8	Project for the construction of a water retention dam and the development of the downstream perimeter, and the installation of a solar field for pumping and irrigating rice plots on the Sangola site in M'Bengué	Côte d'Ivoire	Agriculture and rural development	Loan	6,352,980
	Total - Public					**211,941,233**
Private	1	Project of granting a line of credit intended for the financing of operations of importation and delivery of fertilisers to companies of agricultural producers in favour of Agro West Africa Abidjan (AW2A) SA	Côte d'Ivoire	Import / Export Service	Trade Finance	25,212,305
	2	Project of granting a line of credit intended for the financing of operations of importation and delivery of fertilisers to companies of agricultural producers in favour of Doukoure Partenaire Agro-industries (DPA)	Mali	Import / Export Service	Trade Finance	29,414,356
	3	Project of granting a line of credit intended for the financing of operations of importation and delivery of fertilisers to companies of agricultural producers in favour of Gnoumani SA	Mali	Import / Export Service	Trade Finance	42,147,807
	4	Project to grant a line of credit to finance the import and delivery of fertilisers to agricultural producers' companies in favour of Sangoye Mali Sarl	Mali	Import / Export Service	Trade Finance	4,214,781
	5	Project to participate in a USD 50 million syndication in favour of First City Monument Bank (FCMB) Limited	Nigeria	Finance	Loan	16,199,807
	6	Project for partial financing of Planet Solar Energy Ltd. in Sierra Leone (II)	Sierra Leone	Energy	Loan	16,011,082

	N°	Projects	Country	Sectors	Instruments	Request (in UA)
Private	5	Project to participate in a USD 50 million syndication in favour of First City Monument Bank (FCMB) Limited	Nigeria	Finance	Loan	16,199,807
	6	Project for partial financing of Planet Solar Energy Ltd. in Sierra Leone (II)	Sierra Leone	Energy	Loan	16,011,082
	7	Project for the construction and operation of a new flour mill in Cotonou by Atlantic Moulin Benin (AMB)	Bénin	Agro-industry	Loan	6,763,439
	8	Project for the construction and operation of a cocoa processing plant in San Pedro in favour of Atlantic Cocoa Corporation CI SA	Côte d'Ivoire	Agribusiness	Loan	23,927,621
	9	Project for the granting of a line of credit to finance the import and delivery of fertilisers to agricultural companies and producers in favour of GLOFERT Limited	Ghana	Import / Export Service	Trade Finance	7,018 ,84
	10	Granting of a line of credit dedicated to the financing of fertilisers for the agricultural sector in Niger in favour of Banque Agricole du Niger (BAGRI)	Niger	Finance	Loan	8,817,689
	11	Project of exploitation of Coltan deposit located in Issia in favour of BRI COLTAN SARL	Côte d'Ivoire	Industry / Mining & Quarrying	Loan	3,462,855
	12	Project for the granting of a line of credit in favour of Universal Merchant Bank (UMB)	Ghana	Service / Finance	Loan	20,931,901
	13	Project to grant a line of credit in favour of Banque Nationale pour le Développement Economique (BNDE) SA	Senegal	Service / Finance	Loan	12,596,698
	14	Project to renew the facility for the import and supply of petroleum products to markers in favour of SOYATT SA	Mali	Import / Export Department	Trade Finance	7,928,265
	15	Project for the participation of the Bank in the syndication of a line in favour of FIDELITY Bank Plc	Nigeria	Service / Finance	Equity Participation	35,014,574
	16	Project to finance the reinforcement and development of the Kanawolo-Korhogo road in Côte d'Ivoire	Côte d'Ivoire	Road Infrastructure	Loan	25,003,692
	Total - Private					**284,665,056**
TOTAL PROJECTS APPROVED						**496,606,289**

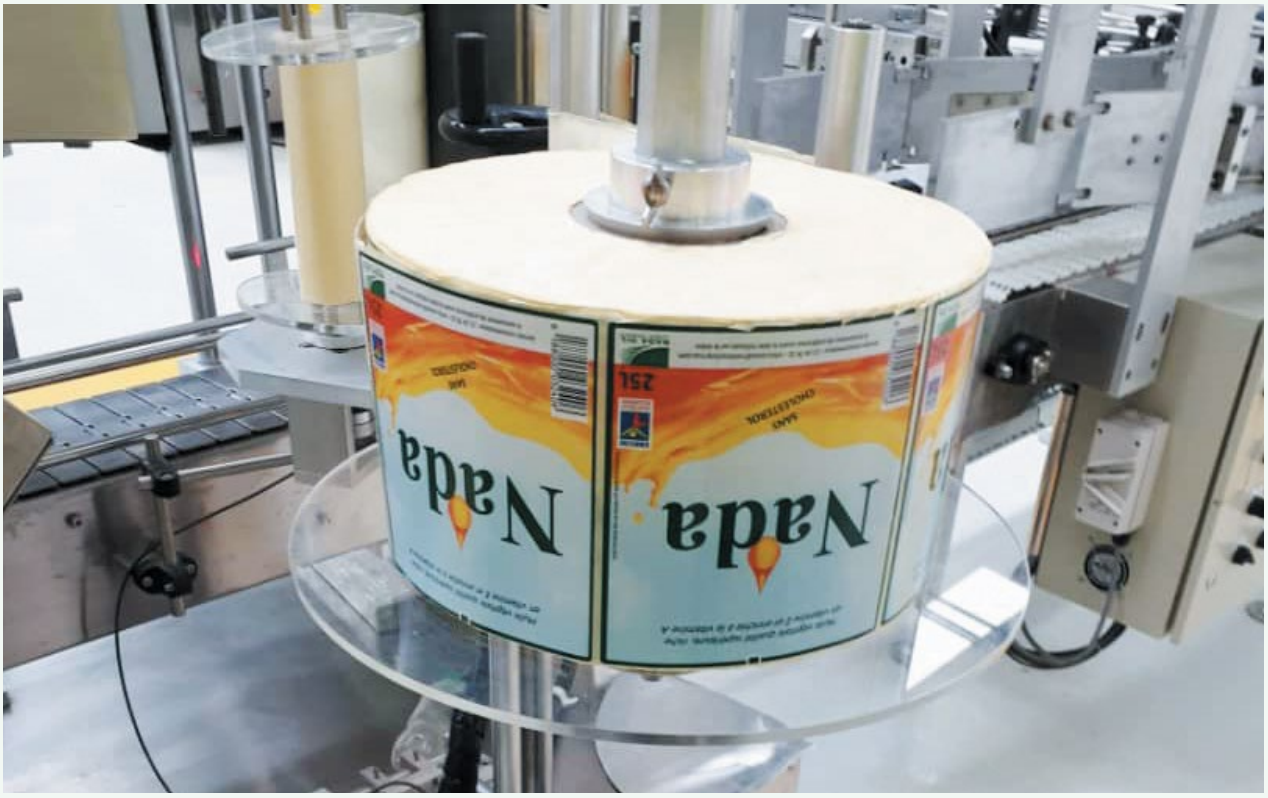
Annex 5: List of signed projects in 2021

	N°	Projects	Country	Sector	Instrument	Date of signature	Request (in UA)
Public	1	Rehabilitation of the hydroelectric schemes of Sélingué and Sotuba	Mali	Infrastructure / Energy	Loan / Debenture	15/06/2021	8,300,873
	2	Rehabilitation of the Dakar - Bamako Corridor, National Road No. 7 (Section: Mako - Kedougou - Moussala)	Senegal	Transport infrastructure	Loan / Debenture	25/06/2021	40,447,463
	3	Road maintenance programme 2021 by FERA	Senegal	Transport infrastructure	Loan / Debenture	25/06/2021	31,599,581
	4	Project for the construction of a bridge linking the AIBD TER station and Blaise Diagne Airport (AIBD)	Senegal	Transport infrastructure	Loan / Debenture	25/06/2021	10,743,857
	5	Electrification project of the resettlement sites of the second wave of the Resettlement Action Plan (RAP 2A) of the Kandadji Programme for the regeneration of ecosystems and development of the Niger Valley (P-KRESMIN)	Niger	Energy	Loan	06/07/2021	7,372,457
	6	Project to extend and strengthen the drinking water supply systems of three regional capitals (Maradi, Dosso and Diffa Maradi)	Niger	Rural development / Water	Loan	06/07/2021	39,811,265
	7	Project to electrify 250 localities with solar photovoltaic systems	Niger	Energy	Loan	06/07/2021	27,874,907
	8	Project for hydro-agricultural development of resettlement sites of the resettlement action plan (Phase 2A) of the Kandadji Programme	Niger	Rural development / Agriculture Rural / Agriculture	Loan	06/07/2021	10,251,226
	9	Project to acquire two (02) King Air 350 ER aircraft equipped for maritime surveillance, intelligence, reconnaissance, search and rescue missions	Côte d'Ivoire	Transport Infrastructure	Loan	12/10/2021	10,665,256
	Total - Public						**187,066,885**
Private	1	Project for the granting of a line of credit to Vista Bank Group, in the Republic of Guinea	Guinea	Service / Finance	Loan	20/01/2021	8,401,455
	2	Project for the granting of a line of credit for the financing of SME/SMI in favour of ORAGROUP SA	Togo	Service / Finance	Loan	01/06/2021	29,591,552
	3	Project for the granting of a line of credit to finance the import and delivery of fertilisers to agricultural companies and producers in favour of Agro West Africa Abidjan (AW2A) SA	Côte d'Ivoire	Service (Import/ Export)	Trade Finance	06/04/2021	25,212,305

	N°	Projects	Country	Sector	Instrument	Date of signature	Request (in UA)
Private	4	Project of granting a line of credit intended for the financing of operations of importation and delivery of fertilisers to companies of agricultural producers in favour of Doukoure Partenaire Agro industries (DPA)	Mali	Service (Import/ Export)	Trade Finance	06/04/2021	29,414,356
	5	Project of granting a line of credit intended for the financing of operations of importation and delivery of fertilisers to companies of agricultural producers in favour of Gnoumani SA	Mali	Service (Import/ Export)	Trade Finance	10/05/2021	42,147,807
	6	Project of granting a line of credit intended for the financing of operations of importation and delivery of fertilisers to companies of agricultural producers in favour of Sangoye Mali Sarl	Mali	Service (Import/ Export)	Trade Finance	10/05/2021	4,214,781
	7	Project of granting a line of credit dedicated to the financing of priority infrastructure projects in the form of PPP within the framework of the government programme «year of roads» in favour of CONSOLIDATED Bank Ghana Limited	Ghana	Service / Finance	Loan	17/05/2021	34,695,959
	8	Proposed participation in a USD 50 million syndication to First City Monument Bank (FCMB) Limited	Nigeria	Finance	Loan	30/07/2021	16,199,807
	9	Project of granting a line of credit for the financing of fertiliser import and delivery operations to agricultural companies and producers in favour of GLOFERT Limited	Ghana	Import / Export Service	Trade Finance	13/07/2021	7,018,184
	10	Project for the partial financing of Planet Solar Energy Ltd. in Sierra Leone (II)	Sierra Leone	Energy	Loan	24/08/2021	16,011,082
	11	Project for the granting of a credit line dedicated to the financing of fertilisers for the agricultural sector in Niger in favour of Banque Agricole du Niger (BAGRI)	Niger	Finance	Loan	22/09/2021	8,817,689
	12	Project for the renewal of the facility for the import and supply of petroleum products to markers in favour of SOYATT SA	Mali	Service (Import/ Export)	Trade Finance	13/10/2021	7,928,265
	13	Project for the granting of a line of credit in favour of Banque Nationale pour le Développement Economique (BNDE) SA	Senegal	Service / Finance	Prêt	16/11/2021	12,596,698
	Total - Private						**242,249,940**
	TOTAL PROJECTS SIGNED						**429,316,825**

PROJECT GALLERY

DIAMOND CEMENT GUINEA, a cement manufacturing plant, Guinea



NADA OIL, a palm oil refinery plant, Côte d'Ivoire

PROJECT GALLERY

DO PHARMA, a pharmaceutical company, Togo

Maria Gleta - Thermal Power Station, Benin

PROJECT GALLERY

DO PHARMA, a pharmaceutical company, Togo

PROJECT GALLERY

Kempinski Hotel, Accra, Ghana

TONKOLILI IRON ORE LIMITED, an iron ore mining company, Tonkolili, Sierra Leone

PROJECT GALLERY

TOGUNA AGRO-INDUSTRIE, a fertilizer processing plant, Mali

PROJECT GALLERY

TOGUNA AGRO-INDUSTRIE,
a fertilizer processing plant, Mali

ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT (EBID)

Transforming ECOWAS Communities

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