



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

The ECOWAS Bank • La Banque de la CEDEAO • O Banco da CEDEAO

FINANCIAL STATEMENTS 2025

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CORPORATE PROFILE

I. BACKGROUND

The ECOWAS Bank for Investment and Development ('EBID'; 'the Bank') is the financial arm of the Economic Community of West African States (ECOWAS, Region) comprising fifteen (15) Member States namely, Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

EBID emerged as a banking group ('the EBID Group') after the transformation of the erstwhile Fund for Cooperation, Compensation and Development of the Economic Community of West African States (ECOWAS Fund) in 1999.

[The ECOWAS Fund was established in 1975 at the same time as the erstwhile Executive Secretariat of the Economic Community of West African States (the present ECOWAS Commission) and commenced operations in 1979].

ECOWAS Bank for Investment and Development (EBID) started operations in 1999 as a holding company with two specialized subsidiaries:

- ECOWAS Regional Development Fund (ERDF) for financing the public sector; and
- ECOWAS Regional Investment Bank (ERIB) for financing the private sector.

In 2006, the ECOWAS Authority of Heads of State and Government decided to reorganize the EBID Group into one unified entity with two windows: one for promoting the private sector and the other, for developing the public sector in order to extend the services of the Bank to a wider range of stakeholders involved in sustainable economic development activities and programmes at national and regional levels. The Bank has been operating under the new structure since January 2007.

The headquarters of the Bank is in Lomé, Togolese Republic.

II. VISION

The vision of the Bank is to be the leading regional investment and development finance bank in West Africa, a powerful financial institution for private sector promotion and financing in the Region and an effective instrument for poverty alleviation, wealth creation and job promotion for the well-being of the people of the Region.

III. MISSION AND OBJECTIVES

The mission of EBID is to contribute towards creating conditions that are capable of enhancing the emergence of an economically strong, industrialized and prosperous West Africa that is perfectly integrated both internally, and in the global economic system in order to benefit from, and also take advantage of the opportunities and prospects offered by globalization.

By virtue of its Articles of Association the Bank aims to:

- Contribute to the attainment of the objectives of the ECOWAS Community by supporting infrastructure projects relating to regional integration or any other development projects in the public and private sectors;
- Assist in the development of the Community by funding special programmes.

IV. CORPORATE OBJECT

The corporate object of the EBID is to:

- Grant loans and guarantees for financing investment projects and programmes for the economic and social development of Member States;
- Mobilize resources within and outside the Community for the financing of investment projects and programmes of the Bank;
- Provide the technical assistance necessary within the Community for the study, preparation, financing and execution of development projects and programmes;
- Receive and manage the portion of the Community Levy resources meant for financing of Community development projects;
- Manage any Community special funds relevant to its corporate object;
- Carry out any commercial, industrial or agricultural activity, in as much as such activity is secondary to its object.

Within the scope of its corporate object, the Bank cooperates with national and sub-regional development organizations operating within the Community. In the same vein, it cooperates with other international organizations with similar aims and other institutions involved in the development of the Community.

CORPORATE INFORMATION

Board of Governors	Position	Country
Mr. Romuald Wadagni	Minister of Economy and Finance	Benin
Mr. Aboubacar Nacanabo	Minister of Economy, Finance & Development	Burkina Faso
Mr. Olavo Avelino Garcia Correia	Vice-Prime Minister, Minister of Finance, Business Development and Digital Economy	Cape-Verde
Mrs. Nialé Kaba	Minister of Economy, Planning and Development	Côte d'Ivoire
Mr Seedy K. M. Keita	Minister of Finance and Economic Affairs	The Gambia
Dr Cassiel Ato Baah Forson	Minister for Finance	Ghana
M. Ismael Nabe	Minister of Economy, Finance and Budget	Guinea
M. Soares sambu	Minister of Finance	Guinea-Bissau
Mr. Augustine Kpehe Ngafuan	Minister of Finance and Development Planning	Liberia
Mr. Alousseni Sanou	Minister of Finance and Development Planning	Mali
H.E. Ali Lamine Zeine	Prime Minister, Minister of Economy and Finance	Niger
Hon. Adebayo Olawale Edun	Minister of Finance and Coordinating Minister for the Economy	Nigeria
Mr. Abdourahmane Sarr	Minister of Economy, Planning and Cooperation	Senegal
Mr. Sheku Ahmed Fantamadi Bangura	Minister of Finance	Sierra Leone
Mr. Essowè Georges Barcola	Minister of Finance	Togo

The Board of Governors

1. The Board of Governors is the supreme body of the Bank. In this respect, it is vested with all the powers of the Bank. In particular, the Board of Governors shall formulate general directives concerning the credit policy of the Bank.
2. The Board of Governors may delegate its powers to the Board of Directors, with the exception of the powers :
 - a. to reduce or increase the Bank's authorized capital ;
 - b. to establish special funds or to accept the management thereof;
 - c. to appoint, suspend or dismiss the President of the Bank and to determine his remuneration and terms of service as stipulated in his contract;
 - d. setting the remuneration of the directors and their deputies;
 - e. selecting the Institution's auditors to certify the Bank's financial statements and selecting any other experts whose services may be required to review and report on the general management of the Bank;
 - f. to approve the financial statements of the Bank;
 - g. to admit new members;
 - h. amend the Articles of Association.
3. The Board of Governors shall retain full power to exercise its authority in respect of any matters which it has delegated to the Board of Directors.

Board Of Directors	Country
Dr. George A. N. Donkor Chairman of the Board of Directors. Chairman of EBID.	Ghana
Mr. George Nyeso Stanley Director of International Economic Relations Department Federal Ministry of Finance, Budget and National Planning	Nigeria
Mr. Philip Duodu Fynn Debt Management Division Ministry of Finance and Economic Planning	Ghana
Mrs. Anicou-Annie Lecadou Kacou Technical Advisor, Ministry of Planning and Development	Côte D'Ivoire
Mr. Souahibou Diaby Project Mr Ministry of Economy and Finance	Mali (Group II) ¹
MR. SAYOUBA SAWADOGO Chief of staff Ministry of Economy and Finance	Burkina Faso (Group II)
MR. OSCAR LOKOSSOU Managing Director of Autonomous Amortization Fund	Benin (Group III) ²
Mr. Pedro Mendes de Barros Adviser to the Prime Minister Ministry of Finance and Economy	Cabo Verde (Group II)
Mr. Baba Malick BA Director of Partnerships Ministry of Finance and Economic Affairs	Senegal (Group I) ³
Sena Agbayissah Lawyer at the Paris Bar	Togo (Group III)
Secretary Moctar Coulibaly Secretary General of EBID	Registered Office Lomé 128 Boulevard Du 13 Janvier B-P 2704 Lome - Togo
Auditors Deloitte Togo 5082, Boulevard GNASSINGBE Eyadéma, Lomé II, CITE OUA 06 B.P. : 61 825 Lomé 06 – Togo Téléphones : (228) 22 23 21 00 98 88 77 08 tgcontact@deloitte.com	

¹ **Group 1:** Cabo Verde, Guinea, Guinea-Bissau, Senegal

² **Group 2:** Burkina Faso; Liberia, Mali, Niger

³ **Group 3:** Sierra Leone, The Gambia, Benin and Togo.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors has the pleasure in closing the financial statements of the ECOWAS Bank for Investment and Development (the Bank) for the year ended 31 December 2025. The financial statements have been drawn and presented in accordance with the International Financial Reporting Standards “IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB)”.

The Board of Directors has reviewed the Annual Report and the process by which the Bank believes that the Annual Report, taken as a whole, is fair, balanced, 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 to systematically and comprehensively discuss the Bank’s strategy and direction.

At the time of the closing of the 2025 annual financial statements on *30th March*, 2026, the Board was made up of nine (9) Non-Executive Directors. Below is the list of the nine-member Board:

Board members	Board of Directors	Board Audit Committee	Board Risk & Credit Committee	Board Remuneration & Human Resource Committee	Board Ethics and Governance Committee
Dr. George Agyekun Nana Donkor	X				
Mr. George Nyeso Stanley	X	X			X
Mr. Philip Duodu Fynn	X			X	X
Mrs. Anicou-Annie Lecadou Kacou	X		X		X
Mr. Sayouba Sawadogo	X				
Mr. Souahibou Diaby	X				
Mr. Oscar Lokossou	X	X			
Sena Agbayissah	X	X			
Pedros Mendes de Barros	X		X	X	
Mr. Baba Malick Ba	X		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 2025

Board members	Scheduled meetings : 4	Home consultation	Remarks
Dr. George Agyekun Nana Donkor (Chairman)	4	✓	
Mr. George Nyeso Stanley	4	✓	Represented by alternate at the 94th meeting
Mr. Philip Duodu Fynn	4	✓	Mr. Philip Fynn replaced Samuel Arkhust as from the 94th meeting
Mrs. Anicou-Annie Lecadou Kacou	4	✓	
Mr. Oscar Lokossou	4		Mr. Oscar Lokossou replaced Mr. Morie Momoh as from the 93rd meeting
Mr. Sayouba Sawadogo	0 (country under sanction)	✓ 0	
Mr. Souahibou Diaby	0 (country under sanction)	✓ 0	
Mr. Pedro Mendes de Barros	4	✓	
Mr. Baba Malick Ba	4		Mr. Baba Malick Ba replaced Mr. Mussa Sambi as from the 93rd meeting
Mr. Sena Agbayissah	4	✓	Mr. Sena Agbayissah replaced Mr. Lamin Bojang as from the 93rd meeting

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 Committee meeting throughout the reporting period.

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

Board 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 provides the Board with advice 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 2025

Board members	Number of scheduled meetings: 3	Remarks
Mr. George Nyeso Stanley (Chairman)	3	Attended all meetings
Mr. Sena Agbayissah	3	Mr. Sena Agbayissah replaced Mr. Lamin Bojang as from the 57th meeting
Mr. Oscar Lokossou	3	Mr. Oscar Lokossou replaced Mr. Mussa Sambu as from the 58th meeting

Board 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 2025

Board members	Scheduled meetings: 2	Remarks
Mrs. Anicou-Annie Lecadou Kacou (Chairman)	2	attended all meetings
Mr. Baba Malick Ba	2	Mr. Baba Malick Ba replaced Mr. Dehpue ZUO as from the 45th meeting
Mr. Sena Agbayissah	2	Mr. Sena Agbayissah replaced Mr. Morie Momoh as from the 45th meeting

Board Remuneration and Human Resource Committee

The role of the Remuneration and Human Resource Committee is to propose the level and structure of the remuneration 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 2025

Board members	Scheduled meetings: 4	Remarks
Mr. Philip Duodu Fynn (Chairman)	4	Mr. Philip Duodu Fynn replaced Mr. Samuel Arkhust as from the 46th meeting
Mr. Baba Malick Ba	4	Mr. Baba Malick Ba replaced Mr. Lamin Bojang as from the 45th meeting
Mr. Pedro Mendes de Barros	4	Mr. Pedro Mendes de Barros replaced Mr. Morie Momoh as from the 46th meeting

Ethics and Governance Committee

The role of the Ethics and Governance Committee is to ensure that standards are maintained that meet the best international standards of good governance, with a view to ensuring transparency, integrity, objectivity and the effectiveness of the decisions taken.

Number of board Ethics and Governance committee meetings held in 2025

Board members	Scheduled meetings: 1	Remarks
Mr. George Nyeso Stanley (Chairman)	0	1 meeting was chaired by the alternate director
Mr. Philip Duodu Fynn	N/A	Mr. Philip Duodu Fynn replaced Mr. Samuel Arkhust in the Ethics and Governance Committee
Mrs. Anicou-Annie Lecadou Kacou	1	attended the scheduled meeting

Going Concern

The Bank’s Management has assessed 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

Deloitte Togo has been appointed as a new Auditor since the 2024 fiscal year.

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.

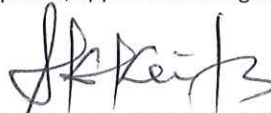
Business Performance


- Operating income increased by 17.12%
- Profit increased by 13.28%
- Total assets increased by 21.15%

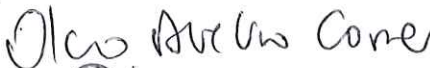
Approval of the Financial Statements

The Directors have taken all the necessary steps to make themselves and Deloitte Togo aware of any information needed in performing the 2025 audit. As far as each of the Directors is aware, there is no relevant audit information of which Deloitte Togo is unaware.

The financial statements of the Bank were issued by the Board of Directors, recommended to the Board of Governors for approval, approved and signed on **2026** on its behalf by:



 Governor




 Governor

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2025 (In thousand)

As at	2025	2024	2023	2022	2021
	UA	UA	UA	UA	UA
Total assets	1,792.49	1,479.57	1,396.37	1,191.32	870.96
Loans and advances	1,484.66	1,208.52	1,066.26	900.73	688.96
Financial assets at amortised cost	92.74	115.75	117.18	159.69	81.32
Borrowings	1,085.68	892.32	876.44	764.81	488.22
Other Liabilities	138.90	110.90	104.38	48.90	28.04
Net Assets	558.94	470.28	409.48	372.02	349.88
For the year ended 31 December	2025	2024	2023	2022	2021
Net Interest Income	34.30	32.76	21.25	16.02	14.73
Operating income	43.90	37.48	31.20	31.42	24,24
Profit for the year	7.28	6.43	5.70	5.04	3.48
Return on assets (%)	0.45	0.45	0.44	0.5	0.4
Return on equity (%)	1.42	1.46	1.07	1.40	1.1
Interests margin (%)	2.36	2.61	2.13	1.75	2.1
Cost-to- income (%)	66.40	67.00	64.25	59.20	64.2
NPL ratio: Non-Performing loans/Goss loans	5.81	4.11	5.78	4.28	5.78
Capital Adequacy Ratio %	36.06	37.41	36.68	41.18	50.60

ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT (EBID)

Statutory Auditor's report on the financial statements

Financial Year Ended as at, December 31, 2025

ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT

28, Boulevard Du 13 Janvier

Po Box : 2704, Lomé - Togo

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Financial Year ended as at, December 31, 2025

To the Shareholders of Ecowas Bank for Investment and Development**Opinion**

We have audited the financial statements of ECOWAS Bank for Investment and Development (the “Bank”) which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants including International Independence Standards issued by the International Ethics Standards Board for Accountants (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Togo, and we have fulfilled our other ethical responsibilities in accordance with 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 judgment, were of most significance in our audit of the annual financial statements. Key audit matters are selected from the matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the annual financial statements as a whole. Our opinion on the annual financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

Credit risk: Impairment of loans and advances

Credit risk is the risk of loss resulting from counterparties' failure to meet their financial obligations in respect of a financial instrument, in whole or in part, and may have a significant impact on the Bank's results. To cover this risk to which it is exposed, the Bank recognises impairment allowances on its exposures.

As part of our audit, we performed several procedures to assess the fairness of the impairment allowances recognised. We:

- obtained an understanding of the internal control framework governing the management of loans to customers;
- obtained an understanding of the impairment methodology relating to loans granted to customers and evaluated the design and operating effectiveness of the internal controls implemented by the Bank;
- examined the expected credit loss (ECL) model used as a basis for the measurement of impairment;
- assessed the underlying methodological principles of the ECL model, including the calibration of key risk parameters and the forward-looking approach, in order to evaluate the appropriateness of these parameters;
- assessed the appropriateness of the parameters used by the Bank in measuring expected credit losses;
- assessed the consistency of data from the risk management system with the accounting data;
- performed an independent recalculation of expected credit losses (ECL) to assess the level of impairment recognised by the Bank in accordance with IFRS 9;
- assessed the appropriateness of the disclosures relating to loans to customers and the associated impairment presented in the notes to the annual financial statements.

As at December 31, 2025, loans and advances to customers amount to a gross balance of UA 1533,490 million. The total impairment for loans are UA 48,8 million, including UA 8,014 million in impairment charges recognised during the 2025 financial year. Further details are disclosed in Notes "4.1: Financial risk management" and "17: Loans and advances" to the Bank's annual financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the document titled "Ecowas Bank for Investment and Development Annual Report 2025", which includes the Corporate Profile, Corporate Information, Report of the Board of Directors and Financial Highlights. 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 and will not express any form of assurance 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 auditors' 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 Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS[®] Accounting Standards as issued by the IASB 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 Board of Directors is 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.

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.

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 control 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.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the Bank as a basis for forming an opinion on the financial statements. We are

Deloitte.

responsible for the direction, supervision and review of the audit work performed for the purposes of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

The engagement partner on the audit resulting in this independent auditors' report are Maryse Adotevi (Onecca Togo 072.16.A1).

Lomé, April 08, 2026



Deloitte Togo (ONECCA TOGO 003.03.A2)
Independent Auditor

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 UA	2024 UA
Interest income calculated using effective interest method	8	90,358,405	87,535,925
Interest expense calculated using effective interest method	9	(56,060,902)	(54,780,739)
Net interest income		34,297,503	32,755,186
Fees and commission income	10.a	6,806,614	5,079,449
Fees and commission expense	11	(5,031,589)	(3,329,376)
Net fee and commission income		1,775,025	1,750,073
Trading income	10.b	544,228	451,924
Net (loss)/gain on financial assets at fair value through profit or loss	16.1	2,526,117	(569,496)
Other operating income and expenses	12	4,754,212	3,093,061
Total other income net		7,824,557	2,975,489
Net Operating income		43,897,085	37,480,748
Credit loss expense on financial assets	17.1	(7,465,515)	(5,939,589)
Operating income net of Credit loss expense on financial assets		36,431,570	31,541,159
Personnel expenses	27	(20,038,711)	(18,110,908)
Depreciation on property and equipment	19	(2,657,536)	(1,068,389)
Other expenses	13	(6,451,277)	(5,931,635)
Total operating expenses		(29,147,524)	(25,110,932)
Profit for the year		7,284,046	6,430,227
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Revaluation of property and equipment	25	-	-
Fair value gain /(loss) on unquoted instruments	26	5,191,594	(504,964)
Total other comprehensive income/(Expense)		5,191,594	(504,964)
Total Comprehensive income		12,475,640	5,925,263

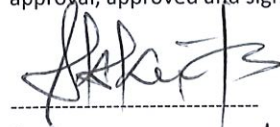
The accompanying notes to the financial statements are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

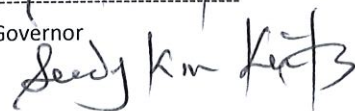
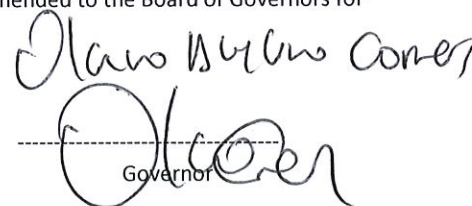
AS AT 31 DECEMBER 2025

	Note	31 December 2025 UA	31 December 2024 UA
Assets			
Cash and cash equivalents	14	85,728,142	50,296,851
Financial assets at amortised cost	15	92,739,542	115,752,326
Quoted equity instruments at fair value through profit or loss	16.1	6,034,447	3,508,330
Unquoted equity instruments at fair value through other comprehensive income	16.2	44,316,535	39,015,400
Debt instruments at amortised cost	16.3	29,820,836	11,845,291
Loans and advances	17	1,484,661,318	1,208,523,805
Other assets	18	14,294,195	14,489,699
Property and equipment	19	34,899,340	36,136,227
Total assets		1,792,494,356	1,479,567,929
Liabilities and Equity			
Liabilities			
Other liabilities	20	138,897,496	110,900,556
Net employee defined benefit liabilities	21	8,978,281	6,065,457
Borrowings	22	1,085,677,315	892,324,371
Total liabilities		1,233,553,092	1,009,290,384
Equity			
Stated capital	23	507,092,167	430,904,088
Retained earnings	24	21,262,500	13,978,454
Revaluation reserve	25	19,393,620	19,393,620
Other reserves	26	11,192,977	6,001,383
Total equity		558,941,264	470,277,545
Total liabilities and equity		1,792,494,356	1,479,567,929

The financial statements of the Bank were issued by the Board of Directors and recommended to the Board of Governors for approval, approved and signed on *08th April* 2026 on its behalf by:



Governor

Governor

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

Balance at 31 December 2025 (UA)	Note	Stated capital	Retained earnings	Revaluation reserve	Other reserves	Total equity
Balance at 1 January 2025		430,904,088	13,978,454	19,393,620	6,001,383	470,277,545
Profit for the year			7,284,046	-	-	7,284,046
Other Comprehensive Income	25&26	-	≡	≡	5,191,594	5,191,594
Total comprehensive income during of year		-	7,284,046	-	5,191,594	12,475,640
Additional Capital contribution	23	76,188,079	-			76,188,079
Balance at 31 December 2025		<u>507,092,167</u>	<u>21,262,500</u>	<u>19,393,620</u>	<u>11,192,977</u>	<u>558,941,264</u>

Balance at 31 December 2024 (UA)	Note	Stated capital	Retained earnings	Revaluation reserve	Other reserves	Total equity
Balance at 1 January 2024		373,884,347	9,691,101	19 393 620	6,506,347	409 475,414
Profit for the year			6,430,227	-	-	6,430,227
Other Comprehensive Expense	25&26	-	≡	≡	(504,964)	(504,964)
Total comprehensive income/(expense) during of year		-	6,430,227	-	(504,964)	5,925,263
Additional Capital contribution	23	57,019,741	-			57,019,741
Transfer to deferred income account (to be carried forward in income over the life of funded projects)			(2,142,874)			(2,142,874)
Balance at 31 December 2024		<u>430,904,088</u>	<u>13,978,454</u>	<u>19,393,620</u>	<u>6,001,383</u>	<u>470,277,545</u>

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 UA	2024 UA
Operating activities			
Profit for the year		7,284,046	6,430,227
Adjustments for			
Depreciation on property and equipment	19	2,657,536	1,068,389
Impairment charge on financial assets	15.2 & 17.1	7,465,515	5,939,589
Gain on foreign currency revaluation	12	(1,129,384)	(971,912)
Dividend income	12	(711,031)	(510,638)
Loss on disposal of property and equipment	19	10,734	72,962
Provision for long service award	21	4,318,734	2,950,000
Employee benefits-loans below market rate	17.2	(172,017)	700,371
Fair value (loss)/gain on investments at fair value through profit or loss	16	(2,526,117)	569,496
Operating cash flow before movement in working capital		17,198,017	16,248,484
Changes in operating activities			
Increase in loans and advances		(276,137,514)	(154,309,014)
Decrease in other assets		195,504	7,660,260
Decrease in provision for long service award	21	(1,405,910)	(2,957,103)
Increase in other liabilities		27,996,940	9,389,935
Net cash flows used in operating activities		(232,152,963)	(123,967,438)
Investing activities			
Proceeds from sale of property and equipment	19.1	1,381	12,968
Purchase of property and equipment	19	(1,432,765)	(1,394,032)
Acquisition of financial assets at amortised cost	15.1	(61,032,814)	(56,368,760)
Redemption of financial assets at amortised cost	15.1	84,486,192	57,765,581
Dividend income	12	711,031	510,638
Acquisition of Equity investments	16.2	(109,541)	(159,394)
Redemption of Equity investments	16.2	-	230,781
Purchase of debt instruments	16.3	(20,866,555)	(2,451,000)
Redemption of debt instruments	16.3	2,891,010	1,223,663
Net cash flows from/(used in) investing activities		4,647,939	(629,555)
Financing activities			
Additional stated capital contributions	23	76,188,079	57,019,741
Proceeds from borrowings	22.1	681,974,939	312,849,361
Repayment of principal portion of borrowings	22.1	(492,202,061)	(296,965,298)
Total cash flows from financing activities		265,960,957	72,903,804
Net increase in cash and cash equivalents		38,455,932	(51,693,189)
Net foreign exchange difference on cash and cash equivalents		(3,024,641)	1,399,973
Cash and cash equivalents as at 1 January 2024	14	50,296,851	100,590,067
Cash and cash equivalents as at 31 December 2025	14	85,728,143	50,296,851

	2025 UA	2024 UA
Additional information on operational cash flows from interest and dividends		
Interest paid	(39,883,281)	(41,058,797)
Interest received	59,192,264	63,695,725
Dividend received	711,031	510,638

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. Reporting entity

The ECOWAS Bank for Investment and Development (“EBID”; “the Bank”) 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 IFRS Accounting Standards 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: land and building, financial instruments at fair value through profit or loss and financial instruments at fair value through other comprehensive income.

2. Basis of preparation (continued)

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 assets and liabilities are translated into UA at rates prevailing at the reporting 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 2025 and 2024 respectively are below:

Year	USD	GBP	EURO	Franc CFA
2025	1.369500	1.017800	1.165530	764.537562
2024	1.304130	1.039520	1.254820	823.107963

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

In the current year, the group has applied the following amendment to IFRS Accounting Standards issued by the IASB which is mandatorily effective for an accounting period that begins on or after 1 January 2025. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> titled <i>Lack of Exchangeability</i>	The group has adopted the amendments to IAS 21 for the first time in the current year. The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.
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2.2. New and revised IFRS Accounting Standards in issue 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.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to IFRS Accounting Standards	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows
Amendments to IFRS 9 and IFRS 7 IFRS 18 IFRS 19	Contracts Referencing Nature-dependent Electricity Presentation and Disclosures in Financial Statements Subsidiaries without Public Accountability: Disclosures

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

Amendments to IFRS 9 and IFRS 7—Amendments to the Classification and Measurement of Financial Instruments.

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

Derecognition of a financial liability settled through electronic transfer

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

Classification of financial assets

- *Contractual terms that are consistent with a basic lending arrangement.*

The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

- *Assets with non-recourse features.*

The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- *Contractually linked instruments.*

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures

- *Investments in equity instruments designated at FVTOCI.*

The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

2.2 New and revised IFRS Accounting Standards in issue but not yet effective- (cont'd)

Classification of financial assets : Disclosures (Continued)

- *Contractual terms that could change the timing or amount of contractual cash flows.*

The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

Annual Improvements to IFRS Accounting Standards

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process.

IFRS 1 First-time Adoption of International Financial Reporting Standards—Hedge accounting by a first-time adopter

For consistency with the requirements in IFRS 9, IFRS 1: B5-B6 were amended to refer to the 'qualifying criteria' for hedge accounting (instead of the 'conditions') and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1

IFRS 7 Financial Instruments: Disclosures—Gain or loss on derecognition

The amendments remove an obsolete cross-reference in IFRS 7: B38 to a paragraph that had been deleted when IFRS 13 was issued and align the wording of this paragraph with the terms used in IFRS 13.

Guidance on implementing IFRS 7—Disclosure of deferred difference between fair value and transaction price

The amendments update IFRS 7: IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7: IG14.

Guidance on implementing IFRS 7—Introduction and credit risk disclosures

The amendments add a statement to IFRS 7: IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7: IG20B.

IFRS 9 Financial Instruments—Derecognition of lease liabilities

The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss.

IFRS 9 Financial Instruments—Transaction price

The amendments replace 'their transaction price (as defined in IFRS 15)' in IFRS 9.5.1.3 with 'the amount determined by applying IFRS 15' to address inconsistency between IFRS 9.5.1.3 and the requirements of IFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue.

Additionally, the reference to 'transaction price' (as defined in IFRS 15) is deleted from Appendix A of IFRS 9.

Amendments to IFRS 9 and IFRS 7—Contracts Referencing Nature-dependent Electricity

Amendments to IFRS 9 Financial Instruments

The following requirements of IFRS 9 are affected by the amendments:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - i. to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - ii. to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

2.2 New and revised IFRS Accounting Standards in issue but not yet effective- (cont'd)

Amendments to IFRS 7 Financial Instruments: Disclosures And IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments to the own use exemption are required to be applied retrospectively in accordance with IAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IAS 7 Statement of Cash Flows—Cost method

The amendment replaces the term 'cost method' with 'at cost' in IAS 7:37 in line with the removal of the definition of 'cost method' from the IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

IFRS 10 Consolidated Financial Statements—Determination of a 'de facto agent'

The amendments address concerns that the requirements in IFRS 10: B73-B74 might, in some situations, be contradictory.

IFRS 10: B73 refers to 'de facto agents' as parties acting on the investor's behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10: B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf. The amendments update IFRS 10: B74 to use less conclusive language and to clarify that the relationship described in IFRS 10: B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 *Earnings per Share*.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the entity do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

3. Summary of material accounting policies

The material 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.

- 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).

3. Summary of material accounting policies (continued)

3.1. Financial assets and liabilities – (cont'd)

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.

3. Summary of material accounting policies (continued)

3.1. Financial assets and liabilities – (cont'd)

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 operating 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 operating income' line item.
- 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;
- Fixed deposits;
- Loan commitments issued; and
- Financial guarantee contracts issued.

3. Summary of material accounting policies (continued)

3.1. Financial assets and liabilities – (cont'd)

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.

3. Summary of material accounting policies (continued)

3.1. Financial assets and liabilities – (cont'd)

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 unlikelihood 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.

3. Summary of material accounting policies (continued)

3.1. Financial assets and liabilities – (cont'd)

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.

3. Summary of material accounting policies - cont'd

3.1. Financial assets and liabilities – (cont'd)

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 paramount 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.

3. Summary of material accounting policies (continued)

3.1. Financial assets and liabilities – (cont'd)

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), after receiving approval from the Board of Directors of the Bank. 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'.

3. Summary of material accounting policies (continued)

3.1. Financial assets and liabilities – (cont'd)

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.

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.

3. Summary of material accounting policies (continued)

3.1. Financial assets and liabilities – (cont'd)

Derecognition of financial liabilities

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 Bank 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, except for equity instruments. 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.

3. Summary of material accounting policies (continued)

3.1. Financial assets and liabilities – (cont'd)

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 flows cash and cash equivalents comprise cash on hand, cash and balances with other banks and amounts due from banks and other financial institutions with an original maturity of three months or less.

3. Summary of material accounting policies (continued)

3.4. Property and equipment

Recognition and measurement

Land and buildings are measured at fair value, net of accumulated depreciation and impairment losses and other property and equipment are measured at amortized cost. 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 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.

Assets classified as Capital Work-In-Progress is held at cost. Assets in this class of property 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 depreciation rates applicable to property and equipment assets are follows

Land	-
Buildings	2%
Motor vehicles	20%
Furniture and fittings	20%
Furniture and fittings of residence	20%
Office equipment	20%
Electric Installations	20%
Office partitioning	25%
Computers and accessories'	33 1/3%

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

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. Summary of material accounting policies (continued)

3.5. 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).

3.6. 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 service award is a month's salary for staff for every 1 year worked and two months' salary for D category of staff. 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.

3.7. 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. Summary of material accounting policies (continued)

3.8. Fees and commissions

Fees and commission income and expenses that are an integral part of the effective interest rate on financial instruments are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement and arrangement fees and syndication fees are recognised as the related services are performed.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

3.9. Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at their fair value. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy in its normal course of business, the Bank does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the statement of financial position.

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

The preparation of financial statements in conformity with IFRS Accounting Standards 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 depend 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.

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

Significant increase of credit risk

Expected Credit Losses (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.

Creation of groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped 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.

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. Critical judgements and estimates in applying the Bank's accounting policies (continued)

4.1. Financial risk management

4.1.1. Introduction and Overview

The Bank has a risk appetite, approved by the Board of Directors, which expresses the level of risk the Bank is prepared to take. It plays a central role in the development of the Bank's strategic plans and policies. Its overall risk appetite has not changed. The Bank regularly assesses its overall risk profile, performs stress test and monitors concentrations to ensure that it is operating within its approved risk appetite.

The Bank reviews and adjusts its underwriting standards and limits in line with observed and anticipated changes in its environment and the evolving expectations of its stakeholders. It has maintained its general prudence while continuing to support its major customers.

Risk management is at the heart of its business. One of the main risks it incurs comes from granting credit to its customers through its trading and lending operations. Beyond credit risk, it is also exposed to a range of other types of risk, such as cross-border, market, liquidity, operational, pension, reputational and other risks inherent in its strategy and product range.

4.1.2. Risk Management Framework

The ultimate responsibility for setting our risk appetite and managing risk effectively 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 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.

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

4.1. Financial risk management - cont'd

4.1.2. Risk Management Framework - cont'd

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.

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.

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

4.1. Financial risk management - cont'd

4.1.2. Risk Management Framework - cont'd

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 PD-

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).

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

4.1. Financial risk management - cont'd

4.1.2. Risk Management Framework - cont'd

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 account for 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. Critical judgements and estimates in applying the Bank's accounting policies (continued)

4.1. Financial risk management - cont'd

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:

(a) 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.

(b) 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. Critical judgements and estimates in applying the Bank's accounting policies (continued)

4.1. Financial risk management - cont'd

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 89.07% of the total maximum exposure; 5.44% represent investments in short term and 5.49% 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 2025	Loans and advances to customers	Equity at FVTPL	Debt instruments at FVTOCI	Short term funds	Financial assets at amortised cost	Total
	UA	UA	UA	UA	UA	UA
Power / Energy	182,025,689	-	1,278,024	-	-	183,303,713
Communication	68,402,339	-	-	-	-	68,402,339
Infrastructure / Transport	470,855,754	-	22,074,795	-	-	492,930,549
Agriculture and Rural development	45,543,615	-	3,629,869	-	-	49,173,484
Water Supply and Sanitation	69,134,489	-	-	-	-	69,134,489
Finance & Industry	546,209,470	6,034,447	11,431,521	-	93,663,245	657,338,683
Multi-sector & Social/Health	151,318,649	-	35,723,162	-	-	187,041,811
Other assets	-	-	-	14,294,195	-	14,294,195
Total	1,533,490,005	6,034,447	74,137,371	14,294,195	93,663,245	1,721,619,263
Allowance for credit losses of Assets	-48,828,687	-	-	-	-923,703	-49,752,390
Net carrying amount	1,484,661,318	6,034,447	74,137,371	14,294,195	92,739,542	1,671,866,873

At 31 December 2024	Loans and advances to customers	Equity at FVTPL	Debt instruments at FVTOCI	Short term funds	Financial assets at amortised cost	Total
	UA	UA	UA	UA	UA	UA
Power / Energy	178,881,808	-	1,278,024	-	-	180,159,832
Communication	27,412,700	-	-	-	-	27,412,700
Infrastructure / Transport	310,433,168	-	22,074,795	-	-	332,507,963
Agriculture and Rural development	48,184,453	-	3,520,328	-	-	51,704,781
Water Supply and Sanitation	44,044,899	-	-	-	-	44,044,899
Finance & Industry	500,704,033	3,508,330	11,431,521	-	117,103,857	632,747,741
Multi-sector & Social/Health	139,848,494	-	710,732	-	11,845,291	152,404,517
Other assets	-	-	-	14,489,699	-	14,489,699
Total	1,249,509,556	3,508,330	39,015,400	14,489,699	128,949,148	1,435,472,133
Allowance for credit losses of Assets	(40,985,751)	-	-	-	(1,351,531)	(42,337,282)
Net carrying amount	1,208,523,805	3,508,330	39,015,400	14,489,699	127,597,617	1,393,134,851

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

4.1. Financial risk management - cont'd

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 from 1 to 8 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 9.

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 10.

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 four loans (BANQUE MALIENNE DE SOLIDARITE, CAPRO DE COTE D'IVOIRE, BAGRI Niger et BARAKA CARBURENT) with renegotiated terms as at 31 December 2025.

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.

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

4.1. Financial risk management - cont'd

4.1.5. Credit Quality - cont'd

Impairment assessment under IFRS 9 - cont'd

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.

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
At 31-December-2025	12-month ECL	Lifetime ECL	Lifetime ECL		
Grades 1-3: Low to fair risk	1,353,957,539	-	-	-	1,353,957,539
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8: Substandard	-	-	-	-	-
Grade 9: Doubtful	-	90,387,819	-	-	90,387,819
Grades 10: Impaired	-	-	89,144,648	-	89,144,648
Gross carrying amount	1,353,957,539	90,387,819	89,144,648	-	1,533,490,005
Loss allowance	(2,566,243)	(1,304,842)	(44,957,601)	-	(48,828,687)
Carrying amount	1,351,391,296	89,082,977	44,187,046	-	1,484,661,318

Fixed Deposit	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
At 31-December-2025	12-month ECL	Lifetime ECL	Lifetime ECL		
Grades 1-3: Low to fair risk	93,663,245	-	-	-	93,663,245
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8 : Substandard	-	-	-	-	-
Grade 9 : Doubtful	-	-	-	-	-
Grades 10 : Impaired	-	-	-	-	-
Gross carrying amount	93,663,245	-	-	-	93,663,245
Loss allowance	(923,703)	-	-	-	(923,703)
Carrying amount	92,739,542	-	-	-	92,739,542

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

4.1. Financial risk management - cont'd

4.1.5. Credit Quality - cont'd

Loans and advances At 31-December-2025	UA
Neither past due nor impaired	1,353,957,539
Past due but not impaired	90,387,819
Impaired	89,144,648
Gross amounts	1,533,490,005
Loss allowance	(48,828,687)
Net amounts	1,484,661,318

Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
At 31-December-2024	12-month ECL	Lifetime ECL	Lifetime ECL		
Grades 1-3: Low to fair risk	1,020,677,402	-	-	-	1,020,677,402
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8: Substandard	-	-	-	-	-
Grade 9: Doubtful	-	177,425,632	-	-	177,425,632
Grades 10: Impaired	-	-	51,406,522	-	51,406,522
Gross carrying amount	1,020,677,402	177,425,632	51,406,522	-	1,249,509,556
Loss allowance	(3,055,824)	(2,878,034)	(35,051,893)	-	(40,985,751)
Carrying amount	1,017,621,578	174,547,598	16,354,628	-	1,208,523,805

Fixed Deposit	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
At 31-December-2024	12-month ECL	Lifetime ECL	Lifetime ECL		
Grades 1-3: Low to fair risk	117,103,857	-	-	-	117,103,857
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8 : Substandard	-	-	-	-	-
Grade 9 : Doubtful	-	-	-	-	-
Grades 10 : Impaired	-	-	-	-	-
Gross carrying amount	117,103,857	-	-	-	117,103,857
Loss allowance	(1,351,531)	-	-	-	(1,351,531)
Carrying amount	115,752,326	-	-	-	115,752,326

Loans and advances At 31-December-2024	UA
Neither past due nor impaired	1,020,677,402
Past due but not impaired	177,425,632
Impaired	51,406,522
Gross amounts	1,249,506,556
Loss allowance	(40,985,751)
Net amounts	1,208,523,805

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

4.1. Financial risk management - cont'd

4.1.5. Credit Quality - cont'd

Credit Risk Exposure - cont'd

Loss allowance

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

- Transfers between stages 1, 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;
- 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;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- Model parameters updates and enhancements to key model inputs;
- 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 on loans and advances to customers at amortized cost.

2025	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
Loss allowance as at 1 January 2025	(3,055,823)	(2,878,033)	(35,051,892)	-	(40,985,748)
Movements with P&L impact:					
Transfers:					
Transfers from Stage 1 to Stage 2	12,196	(12,196)		-	-
Transfers from Stage 1 to Stage 3	7,910		(7,910)		
Transfers from Stage 2 to Stage 3		1,161,096	(1,161,096)		
Transfers from Stage 2 to Stage 1	(7,207)	7,207			
(Increases)/decreases					
Increases/(decreases) due to change in credit risk	304,661	417,088	(8,736,703)	-	(8,014,954)
Release of allowance for financial assets due to write-off	-				-
Written off due of waived of loan	-				-
Changes in model assumptions and methodologies					-
Foreign exchange and other movements	-	-	-	-	-
Total net P&L charge of Assets	317,560	1,573,195	(9,905,709)	-	(8,014,954)
Employee benefits-loans below market rate	172,017				172,017
Loss allowance of Assets at 31 December 2025	(2,566,247)	(1,304,838)	(44,957,601)	-	(48,828,687)
Loss allowance of undrawn commitments (off-balance sheet)		-	-	-	
Loss allowance as at 1 January 2025	(366,749)				(366,749)
Decreases/(Increases) due to change in credit risk	121,610				121,610
Loss allowance of undrawn commitments (off-balance sheet) at 31 December 2025	(245,139)	-	-	-	(245,139)
Loss allowance at 31 December 2025	(2,811,387)	(1,304,838)	(44,957,601)	-	(49,073,826)

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 2 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

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

4.1. Financial risk management - cont'd

4.1.5. Credit Quality - cont'd

The tables below analyse the movement of the loss allowance during 2024 on loans and advances to customers at amortized cost.

2024	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
Loss allowance as at 1 January 2024	(732,403)	(965,001)	(36,636,842)		(38,334,246)
Movements with P&L impact:					
Transfers:					
Transfers from Stage 1 to Stage 2	-	-	-	-	-
Transfers from Stage 2 to Stage 3					-
Transfers from Stage 2 to Stage 1					
Increases/(decreases)					
Increases/(decreases) due to change in credit risk	(1,623,049)	(1,913,032)	(2,067,096)	-	(5,603,177)
Release of allowance for financial assets due to write-off	-		3,652,046		3,652,046
Written off due of waived of loan	-		(3,807,666)		(3,807,666)
Changes in model assumptions and methodologies					-
Foreign exchange and other movements	-	-	-	-	-
Total net P&L charge of Assets	(1,623,049)	(1,913,032)	(2,222,716)	-	(5,758,797)
Written off due of waived of loan	-	-	3,807,666	-	3,807,666
Employee benefits-loans below market rate	(700,371)				(700,371)
Loss allowance of Assets at 31 December 2024	(3,055,823)	(2,878,033)	(35,051,892)	-	(40,985,748)
Loss allowance of undrawn commitments (off-balance sheet)			-	-	-
Loss allowance as at 1 January 2024	(366,749)				(366,749)
Increases/(decreases) due to change in credit risk	-				
Loss allowance of undrawn commitments (off-balance sheet) at 31 December 2024	(366,749)	-	-	-	(366,749)
Loss allowance at 31 December 2024	(3,422,572)	(2,878,033)	(35,051,892)	-	(41,352,497)

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.

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

4.1. Financial risk management - cont'd

4.1.5. Credit Quality - cont'd

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

Maturities of financial assets and financial liabilities undiscounted, includes interests.

2025					
	3-6 months UA	6-12 months UA	1- 5 Years UA	Over 5 Years UA	December 2025 UA
Assets					
Cash and bank balances	47,771,669	0	4,716,069	33,240,404	85,728,142
Financial assets measured at amortised cost	92,739,542		-	-	92,739,542
Equity and debt investments	6,034,447	0	74,137,371	0	80,171,818
Loans and advances	130,783,488	191,307,927	479,590,670	682,979,233	1,484,661,318
Other assets	14,225,551	0	68,644	0	14,294,195
Total assets	291,554,697	191,307,927	558,512,754	716,219,637	1,757,595,015
Liabilities					
Other liabilities	67,687,460	21,509,862	20,031,223	29,668,951	138,897,496
Borrowings	71,506,543	211,621,760	595,240,717	207,308,295	1,085,677,315
Total liabilities	139,194,003	233,131,622	615,271,940	236,977,246	1,224,574,811
Net gap	152,360,694	-41,823,695	-56,759,186	479,242,391	533,020,204

2024					
	3-6 months UA	6-12 months UA	1- 5 Years UA	Over 5 Years UA	December 2024 UA
Assets					
Cash and bank balances	32,639,545		3,128,736	14,528,570	50,296,851
Financial assets measured at amortised cost	115,752,326		-	-	115,752,326
Equity and debt investments	3,508,330		50,860,691		54,369,021
Loans and advances	102,036,568	174,664,215	591,646,542	402,518,923	1,270,866,248
Other assets	14,449,411		40,288		14,489,699
Total assets	268,386,180	174,664,215	645,676,257	417,047,493	1,505,774,145
Liabilities					
Other liabilities	49,313,859	25,227,901	9,356,725	27,002,071	110,900,556
Borrowings	85,947,587	102,424,508	538,713,054	169,238,229	896,323,378
Total liabilities	135,261,445	127,652,409	548,069,779	196,240,300	1,007,223,934
Net gap	133,124,735	47,011,806	97,606,478	220,807,193	498,550,211

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

4.1. Financial risk management - cont'd

Categories of financial assets and financial liabilities

2025						
	Fair Value through Profit or Loss	Amortized Cost	Fair Value through Other Comprehensive income	Total Carrying Amount	Total Fair value Amount	
Assets	UA	UA	UA	UA	UA	
Cash and bank balances	85,728,142	0	0	85,728,142	85,728,142	
Other assets		14,294,195	0	14,294,195	14,294,195	
Financial assets at amortised cost	0	92,739,542	0	92,739,542	92,739,542	
Equity investment and debt instruments	6,034,447	29,820,836	44,316,535	80,171,818	76,464,949	
Loans and advances	0	1,484,661,318	0	1,484,661,318	1,410,428,252	
Total assets	91,762,589	1,621,515,891	44,316,535	1,757,595,015	1,678,976,629	
Liabilities						
Other liabilities	0	138,897,496	0	138,897,496	131,952,621	
Borrowings	0	1,085,677,315	0	1,085,677,315	1,031,393,449	
Total liabilities	0	1,224,574,811	0	1,224,574,811	1,163,346,071	

2024

	Fair Value through Profit or Loss	Amortized Cost	Fair Value through Other Comprehensive income	Total Carrying Amount	Total Fair value Amount	
Assets	UA	UA	UA	UA	UA	
Cash and bank balances		50,296,851	-	50,296,851	50,296,851	
Other assets	-	14,489,699	-	14,489,699	14,489,699	
Financial assets at amortised cost	-	115,752,326	-	115,752,326	115,752,326	
Equity investment and debt instruments	3,508,330	11,845,291	39,015,400	54,369,021	53,158,340	
Loans and advances	-	1,208,523,805	-	1,208,523,805	1,087,671,424	
Total assets	3,508,330	1,400,907,972	39,015,400	1,443,431,702	1,321,368,641	
Liabilities						
Other liabilities	-	110,900,556	-	110,900,556	110,900,556	
Borrowings	-	892,324,371	-	892,324,371	847,708,152	
Total liabilities	-	1,003,224,927	-	1,003,224,927	958,608,708	

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.

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.

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

4.1. Financial risk management - cont'd

Management of Market risk – cont'd

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:

2025

	USD	GBP	EURO	CFA	Others	2025
Assets	UA	UA	UA	UA	UA	UA
Cash and bank balances	53,675,891		22,785,506	9,266,745		85,728,142
Financial assets at amortised cost	45,924,166		35,043,554	11,771,822		92,739,542
Equity investment	39,598,240		630,273	39,943,305		80,171,818
Loans and advances	627,796,039		295,404,229	561,461,050		1,484,661,318
Other assets	9,947,765		1,485,188	2,861,242		14,294,195
Total assets	776,942,101	0	355,348,750	625,304,164		1,757,595,015
Liabilities						
Other liabilities	21,914,350	1,622,754	44,131,836	71,228,556		138,897,496
Borrowings	554,676,057	-	277,216,911	253,784,347	-	1,085,677,315
Total liabilities	576,590,407	1,622,754	321,348,747	325,012,903		1,224,574,811

2024

	USD	GBP	EURO	CFA	Others	2024
Assets	UA	UA	UA	UA	UA	UA
Cash and bank balances	43,735,151		1,421,884	5,139,816		50,296,851
Financial assets at amortised cost	26,887,216		8,435,987	80,429,123		115,752,326
Equity investment	29,435,341		610,732	24,322,948		54,369,021
Loans and advances	500,107,209		292,773,575	415,643,021		1,208,523,805
Other assets	0		5,016,578	1,730,965	7,742,156	14,489,699
Total assets	600,164,917	0	308,258,756	527,265,873	7,742,156	1,443,431,702
Liabilities						
Other liabilities	20,131,854	1,588,848	34,924,732	54,255,122	0	110,900,556
Borrowings	379,211,480	-	227,877,147	285,235,744	-	892,324,371
Total liabilities	399,343,334	1,588,848	262,801,879	339,490,866	0	1,003,224,927

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

4.1. Financial risk management - cont'd

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:

2025	100 b p	100 b p
	Increase UA	Decrease UA
Exchange Gain	1,914,145	(1,914,145)
Exchange Loss	1,890,220	(1,890,220)
Net impact	23,926	(23,926)

2024	100 b p	100 b p
	Increase UA	Decrease UA
Exchange Gain	1,017,875	(1,017,875)
Exchange Loss	1,012,674	(1,012,674)
Net impact	5,201	(5,201)

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:

2025	100 b p	100 b p
	Increase UA	Decrease UA
Interest income impact	903,584	(903,584)
Interest expense impact	(560,609)	560,609
Net impact	342,975	(342,975)

2024	100 b p	100 b p
	Increase UA	Decrease UA
Interest income impact	870,940	(870,940)
Interest expense impact	(547,807)	547,807
Net impact	323,133	(323,133)

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:

	2025 UA	2024 UA
Stated Capital	507,092,167	430,904,088
Income surplus	21,262,500	13,978,454
Revaluation Reserve	8,727,129	8,727,129
Total Equity (Tiers 1)	537,081,796	453,609,671

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

	2025 UA	2024 UA
Credit risk	1,484,661,318	1,208,523,805
Market risk	-	-
Operational risk	4,822,847	4,097,557
Total risk-weighted assets	1,489,484,165	1,212,599,267
Total capital expressed as a percentage of total risk-weighted assets	36.06%	37.41%

6. Contingencies

a. Contingencies

	2025 UA	2024 UA
Undrawn commitments ⁴	815,969,106	753,752,546
Letters of credit	17,891,774	70,987,802
Total	833,860,876	824,740,348

b Provisions on contingencies

	2025 UA	2024 UA
Provisions on undrawn Commitments	(245,139)	(366,749)

7. Fair value categorisation of financial instruments⁵**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.

2025	Level 1 UA	Level 2 UA	Level 3 UA	Total UA
Debt and equity instruments	6,034,447	29,820,836	44,316,535	80,171,818
Total at 31 December 2025	6,034,447	29,820,836	44,316,535	80,171,818

2024	Level 1 UA	Level 2 UA	Level 3 UA	Total UA
Debt and equity instruments	3,508,330	11,845,291	39,015,400	54,369,021
Total at 31 December 2024	3,508,330	11,845,291	39,015,400	54,369,021

⁴These relate to undisbursed loan amounts held by the Bank on request by customer for disbursement

⁵Recognising that there have been no transfers in or out of Level 1/2/3

7. Fair value categorisation of financial instruments (Continued)

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 free rate adjusted by credit risk was used for discounting future cash flows.

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.

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 is presented above in note 4.1 related to "Categories of financial assets and financial liabilities".

8. Interest income

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

	2025 UA	2024 UA
Interest on loans and advances	79,585,784	77,913,819
Interest on fixed deposits	8,613,363	7,887,085
Interest on delayed loan repayments	837,098	1,293,138
Interest on Government bonds	1,322,160	441,883
Total	90,358,405	87,535,925

9. Interest expense

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

	2025 UA	2024 UA
Interest on borrowings	17,762,947	37,017,162
Interest on debentures	38,297,955	17,763,577
Total interest expense	56,060,902	54,780,739

10. a Fees and commission income⁶

	2025 UA	2024 UA
Commitment charges	3,856,674	2,700,465
Service charges	1,668,470	1,117,843
Commission fees	1,281,470	1,261,141
Total fee and commission income from contract with customers	6,806,614	5,079,449

b Trading income

⁶ Relates to processing fees charged on loans disbursed to customers

	2025 UA	2024 UA
Fees from letters on credit transactions	544,228	451,924

11. Fees and commissions expense

	2025 UA	2024 UA
Commission expense ⁷	5,031,589	3,329,376

12. Other income/ (expenses)

	2025 UA	2024 UA
Miscellaneous income ⁸	1,782,600	2,069,344
Dividend income	711,031	510,638
Loss on disposal of property and equipment	(10,734)	(72,962)
Rental operating income (Note 12.1)	79,717	65,948
Net foreign exchange (loss)/gain	1,062,215	(451,819)
Gain on foreign currency revaluation	1,129,384	971,912
Total	4,754,212	3,093,061

13. Other Operating Expenses

	2025 UA	2024 UA
General expenses ⁹	1,631,248	1,248,285
Official mission	927,204	979,135
Office repairs and maintenance	924,082	963,638
Studies and project evaluation	858,317	956,681
Conference expenses	692,663	641,530
Printing and office stationery	401,397	573,135
Post and telecommunication	220,228	183,362
Publicity and advertisement	618,418	226,108
Vehicle maintenance	77,724	97,261
Audit fees	99,996	62,500
Total	6,451,277	5,931,635

14. Cash and cash equivalents

	2025 UA	2024 UA
Balances with other banks	85,590,000	50,200,893
Cash in hand	138,142	95,958
Total	85,728,142	50,296,851

15. Financial assets at amortised cost

	2025 UA	2024 UA
Fixed deposits ¹⁰	92,739,542	115,752,326

⁷ Fees and commissions charged on borrowings.

⁸ Miscellaneous income relates to commissions on foreign transactions

⁹ General expenses relate to other expenses such as donations, end of year gifts, bank charges and annual subscriptions.

¹⁰ Fixed deposits represent time deposits with banks with a maturity longer than 6 months

15.1 Movement of financial assets at amortised cost

	2025 UA	2024 UA
As at 1 January	115,752,326	117,177,377
Acquisition of financial assets at amortised cost	61,032,814	56,368,760
Redemption) of financial assets at amortised cost	(84,486,192)	(57,765,581)
Accrued interest	12,766	1,302,168
Reversal of provision	427,828	(1,351,531)
At 31 December	92,739,542	115,752,326

15.2 Impairment allowance on financial assets at amortised cost

	2025 UA	2024 UA
As at 1 January	1,351,531	1,170,742
Reversal for the year	(427,828)	180,789
At 31 December	923,703	1,351,531

16. Equity Investments**16.1. Quoted equity instruments at fair value through profit or loss**

	2025 UA	2024 UA
As at 1 January	3,508,330	4,077,826
Gain (Iloss) on financial assets at fair value through profit or loss	2,526,117	(569,496)
At 31 December	6,034,447	3,508,330

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

	2025 UA	2024 UA
Quoted equity		
Ecobank Transnational Incorporated (ETI)	6,034,447	3,508,330
Total	6,034,447	3,508,330

Quoted equity instrument relates to the Bank's investment in Ecobank Transnational International.

16. Equity Investments (continued)

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

	2025 UA	2024 UA
As at 1 January	39,015,400	39,591,751
Net gains on financial assets at fair value through other comprehensive income.	5,191,594	(504,964)
Acquisition of Equity investments	109,541	159,394
Redemption of Equity investments		(230,781)
At 31 December	44,316,535	39,015,400

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

Unquoted	2025 UA	2024 UA
ASKY airlines	29,412,234	22,074,795
Oragroup	3,163,682	6,449,507
African Renewable Energy Fund (AREF)	901,011	1,278,024
Africa food security	2,039,026	3,312,302
Liberian Bank for Development and Investment (LBDI)	3,750,633	1,671,465
Caisse Regional de Refinancement Hypothecaire (CRRH)	1,778,158	1,242,495
Fidelis finance	2,463,028	2,068,054
West African Emerging Markets Growth Fund (WAEMGF)	630,273	610,732
Fonds africain d'agriculture	178,490	208,026
African Hospitality Limited	-	100,000
Total	44,316,535	39,015,400

16.3. Debt instruments at amortised cost

	2025 UA	2024 UA
As at 1 January	11,845,291	10,617,954
Acquisition	20,866,555	2,451,000
Redemption	(2,891,010)	(1,223,663)
At 31 December	29,820,836	11,845,291

Composition of debt instruments at amortised cost

Debentures Acquired	2025 UA	2024 UA
Togo debentures	29,275,408	8,200,569
Senegal debentures	545,428	3,644,722
Total	29,820,836	11,845,291

17. Loans and advances

	2025 UA	2024 UA
Loans granted to member states	2,871,780,191	2,356,492,161
Amounts not disbursed	(815,969,106)	(609,788,311)
Amounts disbursed	2,055,811,085	1,746,703,850
Repayments on principal	(541,280,809)	(514,982,011)
Subtotal	1,514,530,276	1,231,721,839
Accrued interests	18,959,729	17,787,717
Gross loans	1,533,490,005	1,249,509,556
Allowance for impairment (Note 17.2)	(48,828,687)	(40,985,751)
Total	1,484,661,318	1,208,523,805

17. Loans and advances (continued)

17.1. Credit loss expense on financial assets

	2025 UA	2024 UA
Charge for the year (Loans and advances) Note : 4.1.5 ¹¹	8,014,954	5,603,180
Written off due of waived of loan	-	3,807,666
Release of allowance for financial assets due of waived of loan : Note : 4.1.5 ¹²	-	(3,652,046)
Reversal of provision on fixed deposits (Note 15.2)	(427,828)	180,789
Reversal of provision on undrawn commitments (off balance sheet liabilities) (Note 6b)	(121,610)	-
Net credit loss expense on financial assets	7,465,515	5,939,589

17.2. Total Impairment on gross loans and advances

	2025 UA	2024 UA
As at 1 January	40,985,751	38,334,246
Employee benefits-loans below market rate	(172,017)	700,371
Release of allowance for financial assets due of waived of loan	-	(3,652,046)
Charge for the year	8,014,953	5,603,180
At 31 December	48,828,687	40,985,751

17.3. Maturity analysis of loans and advances

	2025 UA	2024 UA
PUBLIC SECTOR		
More than two years but less than three years	200,578,651	58,963,452
More than three years but less than five years	120,326,598	147,996,783
More than five years	444,398,199	387,363,228
TOTAL PUBLIC SECTOR	765,303,448	594,323,463
PRIVATE SECTOR		
More than two years but less than three years	486,700,850	375,052,298
More than three years but less than five years	23,164,606	232,364,277
More than five years	258,321,101	69,126,210
TOTAL PRIVATE SECTOR	768,186,557	676,542,785
TOTAL PUBLIC& PRIVATE SECTOR	1,533,490,005	1,270,866,248

¹¹ The tables below analyse the movement of the loss allowance during the year on loans and advances to customers at amortized cost.

¹² The tables below analyse the movement of the loss allowance during the year on loans and advances to customers at amortized cost.

17. Loans and advances (continued)

17.4. Economic sector analyses of loans

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

	2025	2024
	UA	UA
PUBLIC SECTOR		
Power / energy	125,769,672	134,711,513
Communication	12,119,969	14,924,339
Infrastructure / transport	434,738,361	264,951,601
Agriculture and rural development	45,543,615	48,761,013
Water supply and sanitation	69,134,489	45,727,636
Finance & industry	6,218,152	6,717,517
Multisector & social/health	71,779,191	78,529,845
TOTAL PUBLIC SECTOR	765,303,448	594,323,463
PRIVATE SECTOR		
Power / energy	56,256,017	44,354,945
Communication	56,282,370	18,462,144
Infrastructure / transport	36,117,393	48,427,503
Finance & industry	539,991,319	497,359,179
Multisector & social/health	79,539,458	67,939,014
TOTAL PRIVATE SECTOR	768,186,557	676,542,785
TOTAL PUBLIC & PRIVATE SECTORS	1,533,490,005	1,270,866,248

(iii) Key ratios on loans and advances:

- Loans loss ratio is 3.47% (2024: 3.23%)
- Non Performing loan ratio (NPL) is 5.81% (2024: 4.11%)
- Ratio of fifty (50) largest exposures (gross funded and nonfunded) to total exposures is 77.45% (2024: 75.41%)
- Loan/borrowing ratio 1.37 (2024: 1.35)

18. Other assets

	2025	2024
	UA	UA
Special fund for telecommunication	8,445,861	9,043,993
Sundry debtors	3,334,179	3,244,916
Prepayments	1,003,558	566,501
Staff receivables	593,172	272,478
Organisation de la francophone (OIF)	557,686	512,831
Suppliers (advance payments)	272,874	763,477
Stationnery and consumables	86,865	85,503
Total	14,294,195	14,489,699

19. Property and Equipment

	Land	Buildings	Vehicles	Furniture & fittings offices	Equipment & office machine	Electric installations	Furniture & fittings of residences	Office partitioning	IT equipment	Work in progress	Total
Cost	UA	UA	UA	UA	UA	UA	UA	UA	UA	UA	UA
At 1 January 2025	11,599,237	28,360,048	1,427,692	1,426,439	1,351,712	2,704,413	261,623	4,392,611	2,745,255	2,674,397	56,943,427
Additions	-	-	1,687	536,602	15,575	130,179	189,718	251,297	2 982,104	(2,674,397)	1,432,765
Disposals	-	-	-162,299	-	-	-	-38,539	-	-	-	(200,838)
Transfers	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2025	11,599,237	28,360 048	1,267,080	1,963,041	1,367,287	2,834,592	412,802	4,643,908	5,727,359	-	58,175 354
Depreciation											
At 1 January 2025	0	8,106,758	939,583	1,397,092	1,290,721	2,371,659	204,518	4,128,742	2,368,127	-	20,807,200
Charge for the year	-	567,327	138,642	90,178	29,956	72,976	53,790	91,924	1,612,744	-	2,657,536
Disposal	-	-	-162,299	-	-	-	-26,424	-	-	-	(188,723)
At 31 December 2025	-	8,674,085	915,926	1,487,294	1,320,676	2,442,052	234,442	4,220,666	3,980,872	-	23,276 014
Net book value											
At 31 December 2025	11,599,237	19,685 963	351,154	475,747	46,611	392,540	178,360	423,242	1,746,487	-	34,899 340

	Land	Buildings	Vehicles	Furniture & fittings offices	Equipment & office machine	Electric installations	Furniture & fittings of residences	Office partitioning	IT equipment	Work in progress	Total
Cost	UA	UA	UA	UA	UA	UA	UA	UA	UA	UA	UA
At 1 January 2024	11,599,237	28,288,299	1,197,093	1,403,415	1,317,044	2,392,777	314,248	4,142,512	2,660,302	2,600,882	55,915,809
Additions	-	71,750	475,803	23,024	35,063	311 636	23,963	250,099	129,179	73,515	1,394,032
Disposals	-	-	(245,204)	-	(395)	-	(76,588)	-	(44,226)	-	(366,413)
Transfers	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2024	11,599,237	28,360,048	1,427,692	1,426,439	1,351,712	2,704,413	261,623	4,392,611	2,745,255	2,674,397	56,943,427
Depreciation											
At 1 January 2024	-	7,540,368	996,386	1,371,554	1,240,302	2,360,230	224,785	4,075,138	2,210,531	-	20,019,294
Charge for the year	-	566,390	132,894	25,538	50,814	11,429	25,898	53,604	201,822	-	1,068,389
Disposal	-	-	(189,697)	-	(395)	-	(46,165)	-	(44,226)	-	(280,483)
At 31 December 2024	0	8,106,758	939,583	1,397,092	1,290,721	2,371,659	204,518	4,128,742	2,368,127	-	20,807,200
Net book value											
At 31 December 2024	11,599,237	20,253,290	488,109	29,347	60,991	332,754	57,105	263,869	377,128	2,674,397	36,136,227

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

19. Property and Equipment (continued)

19.1. Property and equipment cont'd

• Disposal of property and equipment

	2025 UA	2024 UA
Carrying amount	200,838	366,413
Accumulated depreciation	188,723	280,483
Net book value	12,115	85,930
Proceeds from disposal	(1,381)	(12,968)
Loss on disposal	10,734	72,962

20. Other liabilities

	2025 UA	2024 UA
Asky	57,687,460	37,660,612
Special Fund for Telecommunications	23,381,241	21,140,221
Sundry payables	28,812,634	19,802,709
OMNIBSIC	7,301,937	-
Caisse Régionale de Refinancement hypothécaire uemoa	6,574,535	18,439,317
West African Health Organization (WAHO)	5,579,822	5,109,630
Regional Fund for Agriculture and Food (FRAA)	2,844,553	3,034,141
Ecowas staff joint provident fund (ESJPF)	2,090,792	1,700,870
Compensation fund	1,586,501	1,666,025
Ecowas provident fund	1,854,121	1,159,152
Liaison account Organisation La Francophone (OIF)	831,556	772,561
Salary tax	107,205	48,569
Loss allowance of undrawn commitments (Offbalance sheet)	245,139	366,749
Total	138,897,496	110,900,556

21. Defined Benefit Obligation

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 149 staff in the year (2024: 151)

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 income (recognised in profit or loss)

	2025 UA	2024 UA
Current service cost	(839,100)	(1,801,818)
Interest cost on long service award	(311,727)	(803,324)
Past service cost	(3,167,907)	(344,858)
Net benefit income	(4,318,734)	(2,950,000)

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

	2025 UA	2024 UA
Provision at 1 January	6,065,457	6,072,560
Interest cost	311,727	(1,801,818)
Current service cost	839,100	(803,324)
Past service cost	3,167,907	(344,858)
Benefit paid	(1,405,910)	(2,957,103)
Provision for long service award as at 31 December	8,978,281	6,065,457

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

	2025	2024
Discount rate	6.20%	6.20%
Inflation	3.00%	5.50%
Salary increase	7.5%	10.0%
Mortality	10.0%	10.0%
Withdrawal	2%	2%
Early retirement Age	62	55

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

Employee Benefit Scheme	Base Scheme	Discount rate -1%	Discount rate +1%	Rate/Salary Increase -1%	Rate/Salary Increase +1%	CPI Rate Increase -1%	CPI Rate Increase +1%	Mortality Adjustment +1%	Withdrawal Rate (1+10%)
Actuarial Liabilities									
Long Service Awards	369,292	397,027	344,719	344,745	396,436	-	-	342,791	363,704
Death Benefit Scheme	35,752	37,823	33,890	-	-	33,806	37,884	64,776	35,328
Transport Scheme	444,073	475,646	416,122	-	-	415,027	476,378	460,823	450,131
Separation Allow Scheme	6,196,726	6,687,332	5,764,188	5,765,098	6,676,562	-	-	5,727,937	6,214,186
Home Return Allowance Scheme	738,530	775,128	705,264	-	-	704,368	775,503	702,648	731,037
Gratuity Reinstallation Allowance	1,193,908	1,290,651	1,109,059	1,109,101	1,288,668	-	-	1,134,302	1,198,155
Total Scheme	8,978,281	9,663,607	8,373,242	7,218,944	8,361,666	1,153,201	1,289,765	8,433,277	8,992,541
Percent Change		7.63%	-6.74%	-19.60%	-6.87%	-87.16%	-85.63%	-6.07%	0.16%

22. Borrowings

	2025 UA	2024 UA
1. INDIA EXIM LINE OF CREDIT \$1 billion	227,641,284	231,669,463
LIGNE DE CREDIT COMMERCIALE EXIM BANK INDE	-	645,265
EXIM BANK INDIA LINE OF CREDIT	-	6,219,403
EXIM BANK INDIA LINE OF CREDIT	9,784,593	-
2. DEBENTURE STOCK 2017 2027	8,501,871	11,845,348
DEBENTURE STOCK 2019 2026	9,809,851	13,667,709
DEBENTURE STOCK 2021 2028	32,699,505	42,521,761
DEBENTURE STOCK 2022 2029	109,870,337	131,210,006
DEBENTURE STOCK 2024 2031	91,558,615	85,043,522
3. AFRIEXIM BANK LINE OF CREDIT	26,811,832	34,865,553
4. BADEA LINE OF CREDIT	39,638,749	20,541,759
5 STANDARD CHARTERED BANK LONDON LINE OF CREDIT	-	1,049
6. AGENCE FRANÇAISE DE DEVELOPPEMENT	53,988,497	33,623,255
7. SOCIETE ISLAMIQUE DE DEVELOPPEMENT	17,104,051	19,715,687
8. CARGILL LOAN	158,817,086	53,867,328
9. AFRICA DEVELOPMENT BANK LOAN	101,314,403	101,189,914
10. AFRICA FINANCE CORPORATION (AFC) LOAN	127,603,603	59,103,464
11. COMMERZBANK LINE OF CREDIT	6,492,914	-
12. EMPRUNT KFW IPEX BANK	10,919,879	1,463,835
13. BORROWINGS E.I.B	21,449,469	19,923,176
14. AFRICA AGRICULTURE AND TRADE INVESTMENT FUND (AATIF)	9,831,007	12,451,984
15. ODDO BHF LIGNE DE CREDIT	8,536,768	3,031,955
ACCRUED INTEREST ON BORROWINGS	16,177,221	13,721,942
FEES AND COMMISSIONS TO BE SPREAD OUT	(2,874,220)	(3,999,007)
Total	1,085,677,315	892,324,371

22.1 Movement on borrowings

	2025 UA	2024 UA
Balance at 1 January	892,324,371	876,440,307
Additional borrowings received	681,974,939	312,355,261
Principal repayments	(492,202,061)	(296,965,298)
Net accrued interest	3,580,066	494,100
Closing balance	1,085,677,315	892,324,371

22. Borrowings (continued)

Terms and conditions on borrowings

1. India Exim line of Credit

- **Export-Import Bank of India 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 at an annual interest rate of 1.75% for a period of twenty (20) years. The purpose of the borrowing 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 by a charge on the uncalled capital of the Borrower to the extent of the aggregate amounts owed as principal and interest of the Individual Credit;

- **Export-Import Bank of India 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. The purpose of the borrowing 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 by a charge on the uncalled capital of the Borrower to the extent of the aggregate amounts owed as principal and interest of the Individual Credit;

- **Export-Import Bank of India 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, including moratorium period of 5 years. The purpose of the borrowing 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 by a charge on the uncalled capital of the Borrower to the extent of the aggregate amounts owed as principal and interest of the Individual Credit;

- **Export-Import Bank of India 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, including moratorium period of 5 years, including moratorium period of 5 years. The purpose of the borrowing 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 by a charge on the uncalled capital of the Borrower to the extent of the aggregate amounts owed as principal and interest of the Individual Credit;

- **Export-Import Bank of India line of Credit 2025-2037**

The Bank signed a UA 29,207,740 (40,000,000 USD) line of credit with the Indian Exim Bank in August 2025. The term is 12 years from the date of the first drawdown under the credit facility. The interest rate is SOFR plus 390 basis points per annum, payable half-yearly. This borrowing is secured by a pledge on the borrower's uncalled capital up to the limit of the amounts due in principal and interest under the Individual Loan and a cash margin equivalent to two instalments of interest and repayment of principal by means of an interest-bearing deposit with Exim Bank.

- **Exim Bank India line of credit 2020–2025**

The Bank signed a line of credit of UA 2,777,257 (USD 4,000,000) with Indian Exim Bank in 2020 at a rate of 1.5% for a term of 5 years, including a one-year grace period. The interest rate is SOFR (6 months) plus 340 basis points per annum, payable semi-annually. This borrowing is secured by maintaining a cash margin equivalent to one repayment installment of interest and principal for the duration of the facility, by means of an interest-bearing deposit with Exim Bank's London branch.

- **Exim Bank India line of credit 2022–2034**

The Bank signed a line of credit of UA 75,025,509 (USD 100,000,000) with Indian Exim Bank on 24 March 2022. The term is 5 years from the date of the first drawdown under the line of credit. The interest rate is SOFR plus 390 basis points per annum, payable semi-annually. This borrowing is secured by a first-rank exclusive pledge over the borrower's uncalled capital up to the amounts due in principal and interest under the Individual Loan, and by a cash margin equivalent to two installments of interest and principal repayment by means of an interest-bearing deposit with Exim Bank.

21. Borrowings (continued)

Terms and conditions on borrowings cont'd

2. Debenture stock

- **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 ten (10) 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.

- **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.

- **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.

- **Debenture stock 2022 – 2029**

The Bank issued a 144 346 374 UA (120,000,000,000 FCFA) debenture in 2022 at annual interest rate of 5.90% for a period of 7 years. The purpose of the borrowing is to finance the Bank's operations. Related transaction costs has been capitalized and amortized over the life of the debt issued.

- **Debenture stock 2024 – 2031**

The Bank issued a 85,043,522 UA (70,000,000,000 FCFA) debenture in 2024 at annual interest rate of 6.50% for a period of 7 years. The purpose of the borrowing is to finance the Bank's operations. Related transaction costs has been capitalized and amortized over the life of the debt issued.

3. AFRICAN EXPORT-IMPORT BANK (AFREXIM BANK) 2023 - 2027

The Bank signed a UA 42,898,939 (EUR 50,000,000.00) loan agreement with Afreximbank in 2023 at an annual interest rate of EURIBOR 6M +3.75% for a period of five (5) years. The purpose of the borrowing is to finance the Bank's operations.

4. THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA (BADEA)

- **BADEA Line of Credit 2017-2027**

The Bank signed a (UA 10,847,319) USD 15,000,000 line of credit with Badea in 2017 at an annual interest rate of 5% for a period of ten (10) years. The purpose of the borrowing is to finance the Bank's operations. Related transaction costs have been capitalized and amortized over the life of the loan.

- **BADEA Line of Credit 2025-2030**

The Bank signed a (UA 36,509,675) USD 50,000,000 line of credit with Badea in 2025 at an annual interest rate of 6.35% for a period of five (5) years. The purpose of the borrowing is to finance the Bank's operations.

22. Borrowings (continued)

Terms and conditions on borrowings cont'd

5. Standard Chartered Bank line of credit

The Bank entered into a credit facility with Standard Chartered in 2017. The purpose of this borrowing is to finance the Bank's operations. Related transaction costs were capitalised and amortised over the term of the borrowing. The security for this borrowing is the Bank's callable capital. There are no outstanding borrowings under this facility.

6. Agence Française de développement (AFD)

• AFD 2020 – 2030

The Bank signed a UA 42,898,939 (EUR 50,000,000) loan agreement with AFD in 2020, for a period of 10 years. Each disbursement corresponds to a fixed interest rate of 3.34 %. The purpose of the borrowing is to finance the Bank's operations.

• AFD EURO LINE 2024 – 2034

The Bank signed a UA 42,898,939 (EUR 50,000,000) (EURIBOR 6months + 4.15%) loan agreement with AFD in 2024, for a period of 10 years. The purpose of the borrowing is to finance the Bank's operations.

• AFD USD LINE 2024 – 2034

The Bank signed a UA 36,509,675 (USD 50,000,000) (Term SOFR 6 months +4.81%) loan agreement with AFD in 2024, for a period of 10 years. The purpose of the borrowing is to finance the Bank's operations.

7. Islamic Corporation for the Development of Private Sector (ICD)

The Bank signed a UA 17,159,576 (EUR 20,000,000) line of credit with ICD in 2024 at 12-month EURIBOR + 225bps (2.25%) for a period of one year renewable three times. The purpose of the borrowing is to finance the Bank's operations.

8. CARGILL FINANCIAL SERVICES INTERNATIONAL, INC. (CARGILL)

• CARGILL 2024 – 2027

The Bank signed in 2022 a UA 25,556,773 (USD 35,000,000) loan agreement with Cargill, for a period of 3 years at an annual interest rate of 4.9%+ SOFR. The purpose of the borrowing is to finance the Bank's operations.

• CARGILL 100 Millions USD line of credit (2025 – 2027)

- The Bank signed a UA 18,254,838 (USD 25,000,000) loan agreement with Cargill, on July 23, 2025, for a period of 2 years, at an annual interest rate of SOFR+ 4.80%. The purpose of the borrowing is to finance the Bank's operations.
- The Bank signed a UA 18,254,838 (USD 25,000,000) loan agreement with Cargill, on July 23, 2025, for a period of 2 years, at an annual interest rate of SOFR+ 4.80%. The purpose of the borrowing is to finance the Bank's operations.
- The Bank signed a UA 18,254,838 (USD 25,000,000) loan agreement with Cargill, on July 23, 2025, for a period of 2 years, at an annual interest rate of SOFR+ 4.80%. The purpose of the borrowing is to finance the Bank's operations.
- The Bank signed a UA 18,254,838 (USD 25,000,000) loan agreement with Cargill, on July 23, 2025, for a period of 2 years, at an annual interest rate of SOFR+ 4.80%. The purpose of the borrowing is to finance the Bank's operations.

22. Borrowings (continued)

Terms and conditions on borrowings cont'd

- **CARGILL 100 Millions USD line of credit (2025 – 2027)**

- The Bank signed a UA 14,603,870 (USD 20,000,000) loan agreement with Cargill, on November 25, 2025, for a period of 2 years, at an annual interest rate of SOFR+ 4.80%. The purpose of the borrowing is to finance the Bank's operations.
- The Bank signed a UA 14,603,870 (USD 20,000,000) loan agreement with Cargill, on November 25, 2025, for a period of 2 years, at an annual interest rate of SOFR+ 4.80%. The purpose of the borrowing is to finance the Bank's operations.
- The Bank signed a UA 14,603,870 (USD 20,000,000) loan agreement with Cargill, on November 25, 2025, for a period of 2 years, at an annual interest rate of SOFR+ 4.80%. The purpose of the borrowing is to finance the Bank's operations.
- The Bank signed a UA 14,603,870 (USD 20,000,000) loan agreement with Cargill, on November 25, 2025, for a period of 2 years, at an annual interest rate of SOFR+ 4.80%. The purpose of the borrowing is to finance the Bank's operations.
- The Bank signed a UA 14,603,870 (USD 20,000,000) loan agreement with Cargill, on November 25, 2025, for a period of 2 years, at an annual interest rate of SOFR+ 4.80%. The purpose of the borrowing is to finance the Bank's operations.

9. African Development Bank (AfDB) Line of credit

The Bank signed a UA 36,509,675 (USD 50,000,000) line of credit with AfDB in 2023 at a rate of 6 month Daily compounded SOFR + 370bps (SOFR+ 3.70%). The tenor of the credit lines is 3.5 years. The purpose of the loan is to finance the Bank's operations. Related transaction costs have been capitalised and amortised over the life of the loan.

The Bank signed a UA 42,898,939 (EUR 50,000,000) line of credit with AfDB in 2023 at a rate of EURIBOR + 325bps (EURIBOR+ 3.25%) . The tenor of the credit lines is 3.5 years. The purpose of the loan is to finance the Bank's operations. Related transaction costs have been capitalised and amortised over the life of the loan.

The Bank signed a UA 21,905,805 (USD 30,000,000) line of credit with AfDB acting as manager of the Africa Growing Together Fund (AGTF) in 2023 at a rate of 6 month Daily compounded SOFR + 370bps (SOFR+3.70%). The term of the credit lines is 3.5 years. The purpose of the loan is to finance the Bank's operations.

10. AFRICA FINANCE CORPORATION (AFC) 2022-2027

- **AFC 2022-2027**

The Bank signed in 2022 a UA 42,181,847 (EUR 49,164,208.46) loan agreement with AFC, for a period of 5 years at an annual interest rate of 6.9 per cent. The purpose of the loan is to finance the Bank's operations. The facility is secured by a charge over the investment account with the Eligible Collateral transferred to the Agent Bank.

- **AFC 2023-2026**

The Bank signed in 2023 a UA 21,449,469 (EUR 25,000,000) loan agreement with AFC, for a period of 3 years at an annual interest rate of EURIBOR 3M+ 5.35%. The purpose of the loan is to finance the Bank's operations. The facility is secured by a charge over the investment account with the Eligible Collateral transferred to the Agent Bank.

- **AFC 2025-2026**

The Bank signed in 2025 UA 64,348,408 (EUR 75,000,000) loan agreement with AFC, for a period of 1.5 years at an annual interest rate of EURIBOR 3M+ 5.35%. The purpose of the loan is to finance the Bank's operations. The facility is secured by a charge over the investment account with the Eligible Collateral transferred to the Agent Bank.

22. Borrowings (continued)

Terms and conditions on borrowings cont'd

11. COMMERZBANK 2024- 2034

- The Bank signed a UA 17,112,387 (EUR 19,945,000) ECA covered facility agreement with Commerzbank Aktiengesellschaft in 2024 for a period of 10 years at a rate of EURIBOR 6M + 1.4%. The purpose of the borrowing is to finance the Bank's operations.
- The Bank signed a UA 33,087,951 (EUR 38,565,000) ECA covered facility agreement with Commerzbank Aktiengesellschaft and AKA Ausfuhrkredit-Gesellschaft mbH in 2024 for a period of 10 years at a rate of EURIBOR 6M + 1.4% . The purpose of the borrowing is to finance the Bank's operations.

12. KFW IPEX BANK line of credit

The Bank signed a UA 16,215,799 (EUR 18,900,000) loan agreement with KFW IPEX BANK in 2022 for a period of 8 years at a rate of EURIBOR 6M + 1.33%. The purpose of the borrowing is to finance the Bank's operations.

13. European Investment Bank 2024 - 2036

The Bank signed a UA 85,797,877 (EUR 100,000,000) loan agreement with European Investment Bank in 2024, for a period of 12 years at a rate of EURIBOR 6M + 2.25%. The purpose of the borrowing is to finance the Bank's operations.

14. AATIF 2022-2028

The Bank signed in 2022 a UA 18,254,838 (USD 25,000,000) loan agreement with AATIF, for a period of 6 years at an annual interest rate of EURIBOR 3M + 3.70%. The purpose of the loan is to finance the Bank's operations.

15. ODDO BHF line of credit

The Bank signed in 2021 a 14 590 000 EUR loan agreement with ODDO BHF, for a period of nine years at an annual interest rate of Euribor 6M + 1.45%. The purpose of the loan is to finance the Bank's trade finance operations. The facility is secured by a guarantee on the Bank's callable shares.

23. Stated capital

The authorised capital of EBID is UA 2,500,000,000 of which the regional members have been allocated 70% and the balance of 30% is reserved for nonregional members. This 70% which is UA 1,750,000,000 is completely subscribed. As at the reporting date 40% of the UA 1,750,000,000 is called up. Details of the stated capital as at 31 December 2024 is disclosed below:

Stated capital	December 2025 UA	December 2024 UA
Authorised :		
2,500,000 ordinary shares of UA 1,000 each	2,500,000,000	2,500,000,000
Unsubscribed capital	(750,000,000)	(750,000,000)
Subscribed capital	1,750,000,000	1,750,000,000
Callable capital	(1,050,000,000)	(1,050,000,000)
Callup capital	700,000,000	700,000,000
Call in arrears	(192,907,833)	(269,095,912)
At 31 December 2025	507,092,167	430,904,088

Call in arrears

	2025 UA	2024 UA
Benin	4,184,521	8,778,882
Burkina	7,608,365	7,608,365
Cape Verde	4,381,213	4,381,213
Cote d'Ivoire	0	24,233,905
The Gambia	12,265,878	12,265,880
Ghana	274,959	5,103,597
Guinea	0	8,486,252
Guinea Bissau	8,839,881	8,849,198
Liberia	29,324,475	31,393,673
Mali	5,559,960	5,559,960
Niger	6,145,218	6,145,218
Nigeria	70,364,311	95,982,440
Senegal	21,799,057	23,105,979
Sierra Leone	22,159,994	22,915,166
Togo	0	4,286,183
	192,907,833	269,095,912

Movement on Capital

	2025 UA	2024 UA
Balance at 1 January	430,904,088	373,884,347
Additional capital contributions	76,188,079	57,019,741
Balance at 31 December	507,092,167	430,904,088

23. Stated capital – Continued

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	50,017,733	20,007,093	11,228,211	4,594,361	15,822,572
BURKINA FASO	43,356,870	17,342,748	9,734,383	0	9,734,383
CAP VERT	16,652,158	6,660,863	2,279,650	0	2,279,650
COTE D'IVOIRE	258,318,805	103,327,522	79,093,617	24,233,905	103,327,522
GAMBIE	43,356,870	17,342,748	5,076,868	0	5,076,868
GHANA	274,975,023	109,990,009	104,886,412	4,828,638	109,715,050
GUINEE	48,321,890	19,328,756	10,842,504	8,486,252	19,328,756
GUINEE BISSAU	25,008,870	10,003,548	1,154,350	9,317	1,163,667
LIBERIA	111,661,348	44,664,539	13,270,866	2,069,198	15,340,064
MALI	31,669,735	12,667,894	7,107,934	0	7,107,934
NIGER	35,000,165	14,000,066	7,854,848	0	7,854,848
NIGERIA	546,680,868	218,672,347	122,689,907	25,618,129	148,308,036
SENEGAL	131,639,883	52,655,953	29,549,974	1,306,922	30,856,896
SIERRA LEONE	73,330,760	29,332,304	6,417,138	755,172	7,172,310
TOGO	60,009,025	24,003,610	19,717,427	4,286,183	24,003,610
	1,750,000,000	700,000,000	430,904,089	76,188,079	507,092,167

24. Retained earnings

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

25. Revaluation reserve

The revaluation reserve relates to the revaluation of the Bank's Head Office Building at Lone Togo. Movement on revaluation reserve is shown in the Statement of changes in equity.

	2025 UA	2024 UA
As at 1 January	19,393,620	19,393,620
Revaluation of property and equipment	-	-
At 31 December	19,393,620	19,393,620

26. Other reserves

Other reserves are made up of fair value changes from the equity investments that are classified at fair value through other comprehensive income. Movement on other reserves are shown in the Statement of changes in equity.

	2025 UA	2024 UA
As at 1 January	6,001,383	6,506,347
Fair value gain on Unquoted instruments	5,191,594	(504,964)
At 31 December	11,192,977	6,001,383

27. Personnel expenses

	2025	2024
	UA	UA
Salaries professional staff	4,506,336	4,178,505
Long service allowance	4,318,734	2,950,000
Tuition fees	2,682,683	1,661,827
End of year Gratuity	2,608,275	3,058,912
Staff medical bills	948,405	652,086
Post adjustment for professional staff	837,931	857,281
Clothing allowance	706,416	737,071
Employers contribution Professional staff	678,633	683,890
Expatriation allowance	573,457	558,368
Housing allowance / professional staff	522,388	555,715
Responsibility allowance	335,052	316,997
Transport allowance professional staff	330,147	319,788
Leave allowance staff	204,246	123,830
Family allowance/ professional staff	200,012	187,264
Tax release	185,378	174,320
Social contributions	131,915	38,482
Out of Station Allowance (Fees)	57,514	36,049
Long service award	50,294	9,407
Recruitment cost	43,517	6,129
Education & development exp	32,230	22,927
Entertainment allowance	27,777	33,644
Duty allowance	16,501	11,236
Honorary in house doctor	15,481	11,144
Installation allowance	12,924	21,066
Salaries temporary staff	5,342	3,822
Transport and other trainings/travels	4,990	4,401
Perdiem and other Trainings	2,133	-
Staff insurance	-	196,376
Other Gratuity	-	700,371
TOTAL	20,038,711	18,110,908

28. 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.

Advances to related parties

	2025 UA	2024 UA
As at 1 January	2,196,410	1,332,076
Loans and advances during the year	1,155,421	1,155,421
Loan repayments received	(291,087)	(291,087)
At 31 December	3,060,744	2,196,410

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.

	2025 UA	2024 UA
Salaries	559,861	601,050
Other allowances	1,022,669	1,404,014
	1,582,530	2,005,064

Other allowances

	2025 UA	2024 UA
Gratuity	430,150	625,654
Clothing allowances	134,400	137,848
Other salary allowances	458,119	640,512
Total	1,022,669	1,404,014

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:

	2025 UA	2024 UA
Executives	676,835	956,254
Officers and other employees	10,361,717	7,518,366
Total	11,038,552	8,474,620

28. Related party transactions (continued)**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 annual interest rates 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)

	2025 UA	2024 UA
Executive	18,054	359,381
Officers and other employees	185,720	466,031
Total	203,774	825,412

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

29. Events after the reporting date

There are no events after the reporting date that require disclosure in these financial statements.

PROJECT PHOTOS



Hotel 2 Fevrier - Lome, Togo. Co-financed by the Bank



Cape Sierra Hotel Construction Project - Freetown, Sierra Leone. Co-financed by the Bank

PROJECT PHOTOS



Installation of Operation of an Intravenous Fluids Factory at Aveta by DO PHARMA - Togo.
Financed by the Bank



The MARIA GLETA project, which is partially funded by EBID is a thermal power station in Benin.

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