BIDC EBID

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

Annual Report 2022

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Annual Report 2022

ECOWAS Bank for Investment and Development
Transforming ECOWAS Communities

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List of Abbreviations

	AFD	Agence Française de Développement
	BADEA	Arab Bank for Economic Development in Africa
	DOSP1	Public Sector Operations
	EBID	ECOWAS Bank for Investment and Development
	ECA	Export Credit Agencies
	ECOWAS	Economic Community of West African States
	EU	European Union
	GDP	Gross Domestic Product
09	IFC	International Finance Corporation
	IMF	International Monetary Fund
	OeEB	Austrian Development Bank
	SDGs	Sustainable Development Goals
	SSA	Sub-Saharan African
	UA	Unit of Account
	US	United States
	VPFCS	Vice-President for Finance and Corporate Services
	VPO	Vice-President for Operations
	WAEMU	West African Economic and Monetary Union
	WEO	World Economic Outlook

Exchange Rates

(Average for the Year)

	1 Unit of Account (UA)	=	1	SDR of the IMF
	1 UA	=	1.344346	US Dollar
	1 UA	=	1.080397	Pounds Sterling
	1 UA	=	1.739504	Canadian Dollar
	1 UA	=	1.269765	Euro
10	1 UA	=	832.911165	francs CFA
	1 UA	=	564.757799	NGR-Naira
	1 UA	=	10.528735	Ghana Cedis
	1 UA	=	140.001606	CPV-Escudo
	1 UA	=	73.615867	GAMB-Dalasi
	1 UA	=	11780.650660	Guinean Francs
	1 UA	=	11124.223390	Leone-SLL
	1 UA	=	204.236683	Liberian Dollar

Corporate Profile

Background

The ECOWAS Bank for Investment and Development (EBID) is a development finance institution, owned by the fifteen (15) ECOWAS 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 specialised subsidiaries:

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

In 2006, the ECOWAS Authority of Heads of State and Government decided to reorganise 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.

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.

Mission and Objectives

The mission of EBID is to contribute towards creating conditions that are capable of enhancing the emergence of an economically strong, industrualised 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 globalisation.

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

- Contribute to the attainment of the objectives of the 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.

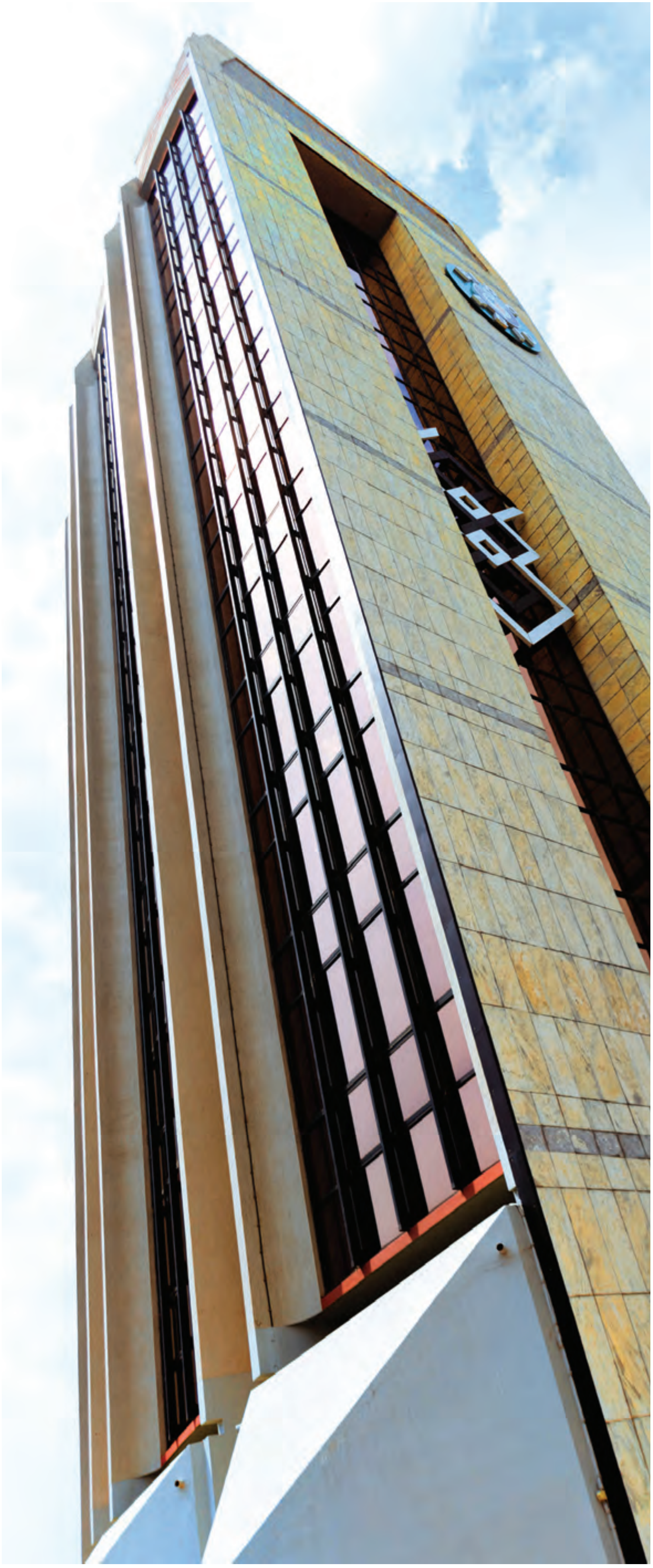
Corporate Object

The corporate object of the EBID is to:

- Grant loans and guarantees for financing investment projects and programmes for the economic and social develop ment of Member States;
- Mobilise 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 organisations operating within the Community.

In the same vein, it cooperates with other international organisations with similar aims and other institutions involved in the development of the Community.




BIDC
EBID

Chairman’s Statement

“Resource mobilisation aside, the Bank grew its loan book by 30.7 per cent and its balance sheet by 36.8 per cent, thus, overshooting the Strategy 2025 projections. Project approvals grew by 3.9 per cent, with new commitments growing by 26.5 per cent. Projects appraised in 2022 were 8.4 per cent higher than in 2021, with net disbursements growing by 74.3 per cent over the 2021 level.”

His Excellency
Dr. Olavo Avelino Garcia Correia

Chairman's Statement

On the back of the early signs of economic recovery in 2021, many economists were upbeat about the performance of economic activity in 2022. The IMF projected global GDP growth at 4.9 per cent. However, provisional global GDP is estimated at 3.4 per cent, a much better outcome compared to the growing fears of a recession in-year.

The slow growth occurred in a high inflation environment, triggered by food and energy price increases, caused primarily by the supply chains disruptions heightened by the Russia-Ukraine war, which started on February 24. The high price regime was a nightmare for fiscal and monetary authorities in our sub-region. While central banks hiked monetary policy rates to levels not seen in the recent past, the fiscal authorities accommodated part of the food and energy import bill to cushion the citizenry from the rising costs of living.

This led to countries compromising fiscal consolidation goals, a situation that was worsened by depreciating domestic currencies. While some countries managed to consolidate, the fiscal deficits of Côte d'Ivoire, Guinea, Liberia, Niger, Nigeria and Togo deteriorated. This had an adverse effect on the national debt, which has been rising markedly since the emergence of the pandemic.

The challenges notwithstanding, the Bank managed to post some decent performances, relative to Strategy 2025 and its performance in 2021. At the end of 2022, 91.9 per cent of the Bank's capital had been paid-in by shareholders, which together with the need to recapitalise, led the Board of Governors to increase its authorised capital from UA 1.0 billion to UA 2.5 billion. The Bank also raised XOF 120 billion on the WAEMU capital market, the largest by a non-sovereign in the history of that market, in addition a USD 100 million private sector line of credit from India Exim Bank, among others.

His Excellency
Dr. Olavo Avelino Garcia Correia
Vice-Prime Minister, Minister for Finance, Business Development and Digital Economy (Cabo Verde)

Resource mobilisation aside, the Bank grew its loan book by 30.7 per cent and its balance sheet by 36.8 per cent, thus, overshooting the Strategy 2025 projections. Project approvals grew by 3.9 per cent, with new commitments growing by 26.5 per cent. Projects appraised in 2022 were 8.4 per cent higher than in 2021, with net disbursements growing by 74.3 per cent over the 2021 level. In addition to the key operational milestones achieved in 2022, Fitch Ratings revised the Bank's credit rating outlook to Stable and affirmed same at 'B', with Moody's also affirming at B2, with a stable outlook.

On a personal note, let me take this opportunity to congratulate the President and Chairman of the Board of Directors, Dr. George Agyekum Donkor, on receiving the prestigious Prix de la Fondation award from the Crans Montana Forum (CMF) in Geneva, Switzerland, on 18 November 2022. I believe that this award will motivate him to continue to offer quality leadership to drive the Bank to making meaningful impacts in the sub-region.

On our part, the Board of Governors will endeavour to support the Bank with resources and guidance in this volatile environment, to ensure that it achieves its mandate.

Board of Governors

Dr. Olavo Avelino Garcia Correia
Vice-Prime Minister, Minister for Finance, Business Development and Digital Economy
(Cabo Verde)

Mr. Romuald Wadagni
Minister for Economy and Finance
(Benin)

Mr. Aboubacar Nacanabo
Minister for Economy, Finance and Development
(Burkina Faso)

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

Mr. Seedy K. M. Keita
Minister for Finance and Economic Affairs
(The Gambia)

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

Mr. Moussa Cissé
Minister for Economy and Finance
(Guinea)

Mr. José Carlos Varela Casimiro
Minister for Economy, Planning and Regional Integration
(Guinea-Bissau)

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Board of Governors

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

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

Mr. Ahmat Jidoud
Minister for Finance (Niger)

Mrs. Zainab Shamsuna Ahmed
Federal Minister for Finance (Nigeria)

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

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

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President's Message

Member States were generally buffeted by high inflation and low growth in 2022, on account of elevated food and energy prices that were precipitated by the war in Ukraine. The volatile and uncertain economic environment raised fears of a global recession, as Western countries imposed economic sanctions on Russia, with the country responding by constraining gas supplies to Europe, sparking a wave of energy crisis in Europe and around the world.

The significance of the war and the subsequent sanctions on the global economy stems from the fact that before the war Russia:

- supplied about 40 per cent of Europe's natural gas;
- was the second largest global exporter of crude oil;
- supplied almost a fifth of global non-organic fertilisers; and
- together with Ukraine, accounted for a sizeable share of certain food exports (i.e. 75 per cent of sunflower oil, 28 per cent of wheat and 18 per cent of maize).

The ramifications of these global events were quite telling on West African states, with the energy budget going through the roof, as governments raced to bring relief to the citizenry by providing subsidies on petroleum products. In spite of these measures, citizens ultimately bore the brunt of the high inflation environment, as real incomes dwindled, with nominal wage increments lagging behind the upsurge in the prices of food and non-food items households needed.

As already indicated, the fallouts from the war (and the zero COVID-19 policy in China) exerted a downward pressure on economic activity. Global GDP growth is provisionally estimated at 3.4 per cent, down from 6 per cent in 2021, with Advanced Economies growing by 2.7 per cent, while Emerging Market and Developing Economies grew by 3.9 per cent. China, whose growth plays a key role in the global growth in economic activity, grew by 3 per cent, in contrast to the 8.4 per cent registered in 2021, mainly as a result of the non-relaxation of COVID-19 era protocols. Global inflation, on the other hand, increased to 8.8 per cent in 2022, from 4.7 per cent in 2021, as a result of the factors already enumerated above.

George Agyekum Donkor,
PhD, DBA
President and Chairman
of the Board of Directors

In West Africa, GDP grew by 3.7 per cent, down from 4.4 per cent in 2021, with the WAEMU zone driving growth with 4.9 per cent. Average inflation increased to 21.1 per cent in 2022, compared to 12.9 per cent in 2021, with the WAMZ countries recording an inflation rate of 25.1 per cent in 2022, compared with 15.1 per cent in 2022.

The spiralling inflation in 2022 forced many central banks to hike key rates, in a bid to contain general price levels. The US Fed's action in this direction led to a strengthening of the dollar and an increase in interest costs across the globe. This increased financial sector cost as well as overheads of other private sector players. The Bank experienced increased interest expense as a result.

In spite of the rather difficult economic environment, the Bank worked assiduously towards the achievement of its Strategy 2025 objectives, which is undergirded by two broad pillars, as follows:

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

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

A lot of effort was aimed at resource mobilisation, to enable the Bank to intervene in Member States that needed such interventions in critical areas of their economies. The Bank mobilised a total of UA 371.10 million (USD 498.88 million), including a XOF 120 billion (UA 144.43 million, USD 194.16 million) on the WAEMU capital market, and a UA 12.64 million (USD 16.99 million) capital recovery from Member States. The total resources mobilised exceeded the Strategy 2025 target by 111.7 per cent.

A total of twenty-four (24) projects, valued at UA 600.82 million (USD 807.70 million), were appraised, with approvals amounting to UA 484.91 million (USD 651.89 million) for sixteen (16) projects.

New commitments reached UA 543.24 million (USD 730.30 million) for 19 projects, compared to UA 429.32 million (USD 613.05 million) for twenty-two (22) projects in 2021, while net disbursements increased to UA 287.53 million (USD 386.54 million).

These operations enabled the Bank to achieve all eleven (11) Sustainable Development Goals (SDGs) to which its strategic orientations, as outlined in Strategy 2025, are aligned. The Bank will strive to be consistently guided by the SDGs.

In line with this objective, the Bank will continue to be mindful of Environmental, Social, and Governance (ESG) issues. This is evident by the publication of our inaugural ESG Financing Framework in the first quarter of 2023, an indication of our commitment to sustainable development and green financing of key projects in priority sectors.

In a bid to increase the Bank's capacity to intervene meaningfully in Member States, the Board of Governors graciously increased the Bank's authorised capital from UA 1.0 billion to UA 2.5 billion and called the third tranche of the Bank's capital in the amount of UA 307.26 million (USD 409 million). We are of the firm belief that this singular action will contribute immensely to the Bank's ability to bring increased value to Member States, as we work together to target investments at growth poles, while assisting in the fight to eradicate extreme poverty.

The Bank will strive to build on the achievements of 2022 in 2023. We are committed to implementing Strategy 2025, which is themed, "Towards a restored, enabled and resilient ECOWAS", even under unfavourable conditions, as we did in 2021 and 2022.

We are aware of the challenges in our sub-region. While there are many uncertainties in the global economy right now, what is not in doubt is our unwavering commitment to help mitigate the challenges of the times, working with our Member States.

EBID Fact Sheet

Established: 1975, commenced operations in 1979.

Headquarters: Lomé, Togolese Republic.

Scope of Business: The Bank, which is the financial arm of the 15-member Economic Community of West African States (ECOWAS), is mandated to operate within the ECOWAS Region.

Mission: To contribute towards creating the conditions capable of enhancing the emergence of an economically strong, industrialised and prosperous West Africa that is perfectly integrated both internally, and in the global economic system in order to benefit from the opportunities offered by globalisation.

Vision: 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.

Established
1975

Operational
1979

Credit Score
B, Stable Outlook (Fitch)
B2, Stable Outlook (Moody's)

155 Staff strength

Cumulative approvals
UA 3.36 bn

Balance sheet size
UA 1.19 bn

Cumulative net disbursements
UA 1.21 bn

Cumulative commitments
UA 2.09 bn

Capital Structure as at 31 December 2022 and 2022 Highlights

- Authorised Capital: UA 1.0B
- Subscribed: UA 700M
- Callable: UA 307.26M
- Paid-up: UA 357.68M

Projects appraised in 2022, an 8.4per cent growth over 2021	UA 600.82M
Projects approved in 2022, a 3.9per cent growth over 2021	UA 484.91M
Commitments in 2022, a 26.5per cent growth over 2021	UA 543.24M
Disbursements in 2022, a 74.3per cent growth over 2021	UA 287.53M

Spotlight on Progress Towards the Achievement of Strategy 2025 and the SDGs

"Strategy 2025: Towards a restored, enabled and resilient ECOWAS"

1. ECOWAS Growth Poles

- Agriculture: UA 35.14M approved, UA 77.14M committed
- Financial sector: UA 142.52M approved, UA 142.39M committed
- Energy sector: UA 135M approved, UA 89.63M committed
- Industry: UA 5.6M committed

2. Economic Integration

- 48.5 per cent of approvals were towards financing integration infrastruture
- Transport infrastructure: UA 90.36M approved, UA 113.38M committed
- Disbursement to airport project
- Disbursement towards inter-connecting electricity networks

3. Healthcare Delivery

- Construction and refurbishment of hospitals: UA 43.49M approved and committed

4. Social Protection & Climate Resilience

- Water: UA 33.25M committed
- Disbursement toward a solar power project
- Disbursement to rural electrification project

5. Education

- Education infrastructure construction UA 38.39M approved, UA 46.83M committed

All eleven (11) aligned SDGs achieved in 2022

Member States and Shareholders


Benin


Burkina Faso


Cabo Verde


Côte d'Ivoire


The Gambia


Ghana


Guinea


Guinea-Bissau


Liberia


Mali


Niger


Nigeria


Senegal


Sierra Leone


Togo

Key Achievements in 2022

March 24
EBID secures a USD100M private sector line of credit from India Exim Bank

April 4
Board of Directors approves USD53M for projects in 3 Member States

April 6
His Excellency Dr. Olavo Avelino Garcia Correia assumes the Chairmanship position of the Board of Governors

April 20
Fitch affirms EBID's credit rating at B, stable

June 5
EBID raises XOF 120 billion on the WAEMU market, the largest by a non-sovereign

August 30
EBID commits to finance healthcare projects to the tune of XOF 67.13B in Côte d'Ivoire

October 12
Board of Directors approve USD 250M for interventions in five Member States

October 18
EBID extends a USD 60M loan facility to Ghana Grid Company Limited (GRIDCo)

October 27
Board of Governors increase the Bank's authorised capital by UA 1.5B and call the third tranche in the amount of UA 307M

01 GOVERNANCE AND OVERSIGHT

Governance and Oversight

01

The governance structure of the Bank, as stipulated in the Articles of Association, is as follows:

- The Board of Governors;
- The Board of Directors; and
- The President supported by the two Vice Presidents.

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

1.1 Board of Governors

The texts establishing the Bank establish the Board of Governors as the supreme decision-making body. The Board of Governors is composed of the Ministers of Economy and Finance or Regional Integration of the Member States (Table 1). The Board meets at least once a year to review the Bank's operations and provide the strategic guidance necessary to achieve the Bank's objectives.

Table 1: Members of the Board of Governors

Member State	Governors
Cabo-Verde	Dr. Olavo Avelino Garcia Correia (Chairman)
Benin	Mr. Romuald Wadagni
Burkina Faso	Mr. Aboubacar Nacanabo
Côte d'Ivoire	Mrs. Nialé Kaba
The Gambia	Mr. Seedy K. M. Keita
Ghana	Mr. Ken Ofori-Atta
Guinea	Mr. Moussa Cissé
Guinea-Bissau	Mr. José Carlos Varela Casimiro
Liberia	Mr. Samuel Tweah
Mali	Mr. Alousseni Sanou
Niger	Mr. Ahmat Jidoud
Nigeria	Mrs. Zainab Shamsuna Ahmed
Senegal	Mrs. Oulimata Sarr
Sierra Leone	Mr. Dennis Vandy
Togo	Mr. Sani Yaya

1.1.1 Changes in the Board of Governors

The following were the changes in the composition of the Board of Governors in 2022:

- In Burkina Faso, Mr. Aboubacar Nacanabo replaced Seglaro Abel Some as Minister for Economy, Finance and Forecasting;
- In The Gambia, Mr. Seedy K. M. Keita replaced Mr. Mambury Njie as Minister for Finance and Economic Planning;
- In the Republic of Guinea, Mr. Moussa Cissé replaced Mr. Mamadi Camara as Minister for Economy and Finance;
- In Guinea-Bissau, Mr. José Carlos Varela Casimiro replaced Mr. Victor Luis P. Fernandes Mandiga as Minister for Economy, Planning and Regional Integration; and
- In the Republic of Senegal, Mrs. Oulimata Sarr replaced Mr. Amadou Hott as Minister for Economy, Planning and Cooperation.

1.2 Board of Directors

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

During the period under review, the Republic of Niger replaced Mr. Maman Laouali Abdou Rafa with Mr. Mani Abdou Salam as its Director, while Ghana replaced Dr. Mawuli Gaddah with Mr. Enoch Obeng-Darko as its Alternate Director.

As at 31 December 2022, the Board of Directors was composed of nine (9) non-executive directors, as indicated in Table 2.

Table 2: Composition of the Board of Directors

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

1.2.1 Other Activities Carried Out by the Board of Directors

On the sidelines of its 79th Board of Directors' meeting, the Bank organised a training programme for its Board of Directors on 04 October 2022, at EBID's headquarters in Lomé, Togolese Republic.

This programme was organised to enable the members of the Board of Directors to explore areas of higher value-added performance, to identify and communicate areas where performance improvements are needed and to assist the members of the various Committees of the Board of Directors to improve these potential areas of governance for the growth and development of the Bank. Similarly, the workshop was intended to provide Board members with an honest and objective internal assessment of their performance during the period under review.

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

- Evaluate both internally and externally the Board's compliance performance;
- Evaluate the Board's compliance with applicable laws and regulations combined with the Board's purpose (mission and vision), values, tasks, talents, and programmeto ensure focus and performance;
- Conduct an annual evaluation of the Board of Directors;
- Develop an action plan, in accordance with best practices, for monitoring the activities of the Board of Directors and the disclosure of same in the Bank's Annual Report; and,
- Adopt an evaluation methodology that allows for self-evaluation, peer-to-peer evaluation, and external evaluation questionnaires.

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

To assist the Board of Directors in the performance of its duties, the Board has four (4) standing committees, as follows:

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

Audit Committee

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

Risk and Credit Committee

The Risk and Credit Committee oversees the management of the Bank's credit portfolio as well as the measures taken by the Bank to counter trends in credit risk, credit concentration and asset quality. In addition, it ensures the adequacy of infrastructure, resources and systems in order to maintain appropriate risk management discipline. It is also responsible for reviewing the procedures applicable to senior management and professionals with respect to compensation policies, pension plans and human resource practices.

Ethics and Governance Committee

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

Table 3 shows the composition of the committees of the Board of Directors as of December 31, 2022.

1.3 Management Team

The Bank's Management Team consists of the President, two Vice-Presidents and the Directors of the various Departments. The President is responsible for the day-to-day management of the Bank. He is assisted by two (2) Vice-Presidents: one in charge of Finance and Corporate Services and the other in charge of Operations.

During the year 2022, the Bank did not experience any changes in its management team. Management ensured that performance objectives for the year were set for each of the Bank's staff, consistent with the main thrusts of the Bank's Strategic Plan 2021-2025.

Table 3: Composition of the Committees of the Board of Directors

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

Board of Directors

Mrs. Aishatu Shehu Omar
(Nigeria)

Mr. Samuel Danquah Arkhurst
(Ghana)

Mrs. Anicou-Annie Lecadou Kacou
(Côte d'Ivoire)

Dr. George Agyekum Donkor
President and Chairman
of Board of Directors

H. E. Dr. Omar Alieu Touray
Chairman, ECOWAS Commission
(Observer)

GROUP 1

Mr. Mussa Sambi
(Guinea-Bissau)

Mrs. Kourouma Emilie Bernadette Leno
(Guinea)

GROUP 2

Mr. Mani Abdoul Salam
(Niger)

Mr. Augustus J. Flomo
(Liberia)

GROUP 3

Mr. Abdulie Jallow
(The Gambia)

Mr. Sam Morris Aruna
(Sierra Leone)

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The Conference Hall “The Dome”, one of the iconic features of the EBID Headquarters.

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Management Team

Dr. George Agyekum Donkor
President of EBID

Previously Vice-President in charge of Finance and Corporate Services of EBID. He also held the position of Head of Legal and Compliance at EBID

2. Dr. Mabouba Diagne
Vice-President in charge of Finance and Corporate Services (VPFCS)

Previously worked at Trade & Development Bank, Kenya, as Regional Manager. He also worked at Barclays Bank, Credit Suisse, London, Dresdner Bank, London

3. Dr. Olagunju M. Ashimolowo
Vice-President in charge of Operations

Previously Director of Internal Audit and Operations Evaluation at EBID. He has also worked at Ecobank Group and Ecobank Nigeria

4. Mr. Moctar Coulibaly
Secretary General

Previously worked at the Bank of Africa-Mali, Hassane Barry Law firm and Sory Makanguilé tax consultancy

5. Mr. MacDonald Saye Goanue
Director for Research and Strategic Planning

Previously worked at the World Bank, the Central Bank of Liberia, the University of Liberia and the Ministry of Finance of Liberia

6. Mr. Manzamesso Tchalla-Pali
Director for Private Sector Operations

Previously served as Head of Portfolio Development Division, Head of Financial Engineering and SME Support Division at EBID

7. Mrs. Euphrasie Akouetey
Acting Director for Conference Department

Graduate of the University of Toulouse Jean-Jaurès in France and previously Head of the Language Services Division at EBID, and Senior Interpreter/ Translator, in charge of the Language Services Unit at BOAD

8. Dr. Francis G. Ezin
Director for Administration and General Services

Previously worked at the Ecobank Group, Ecobank Togo and Ecobank Benin

9. Dr. Sydney O. Vanderpuye
Director for Finance and Accounting

Previously worked at Société Générale, Ernst & Young (Ghana) and the London Borough of Barking and Dagenham

10. Mr. Mamadou Saidou Camara
Director for Legal Affairs

Previously worked at the Ecobank Group, Agetipe-Guinea and as a former Professor of Corporate and Banking Law

11. Mr. Hugues Goa
Director for Public Sector Operations

Agro-economist engineer by training, previously Head of the Agriculture and Rural Development Division and Coordinator for the Department of Private Sector at EBID

12. Mr. Anthony Ehimare
Director for Risk Management

Previously worked at Citigroup Nigeria, Citigroup US, Ecobank Group (ETI), Ecobank Nigeria and HSBC US

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02 ECONOMIC ENVIRONMENT

Economic Environment 02

2.1. Developments in the Global Economy

The global economy was projected to continue on the path to recovery in 2022 after the debilitating impact of the COVID-19 pandemic in 2020 and the initial recovery that began in 2021. However, Russia's invasion of Ukraine on 24 February 2022 set the stage for a difficult year. The West imposed economic sanctions on Russia, in response to the invasion, invoking fears of a widespread recession.

The fears of a widespread recession stemmed from the following reasons, amongst others (2022 edition of the West African Development Outlook):

- Russia was the third largest producer and second largest exporter of crude oil pre-war;
- Russia supplied 15-20 per cent of global non-organic fertilisers pre-war; and
- Russia and Ukraine jointly accounted for more than 75 per cent of sunflower oil, 28 per cent of wheat and 18 per cent of maize exports pre-war.

The sanctions imposed on Russia, combined with Ukraine's weakened capacity due to Russia's blockage of access to the Black Sea Port, resulted in a food and energy crisis. This crisis, in turn, triggered a global rise in commodity prices, causing many countries to experience double digit inflation.

As the supplier of about 40 per cent of its natural gas, Russia responded to the sanctions by restricting pipe-line gas supplies to Europe, a situation that repressed output growth in many countries, even evoking power rationing in others. The situation was worsened when under-sea gas pipeline infrastructure was vandalised, further raising fears of supply challenges, and eliciting price increases across Europe.

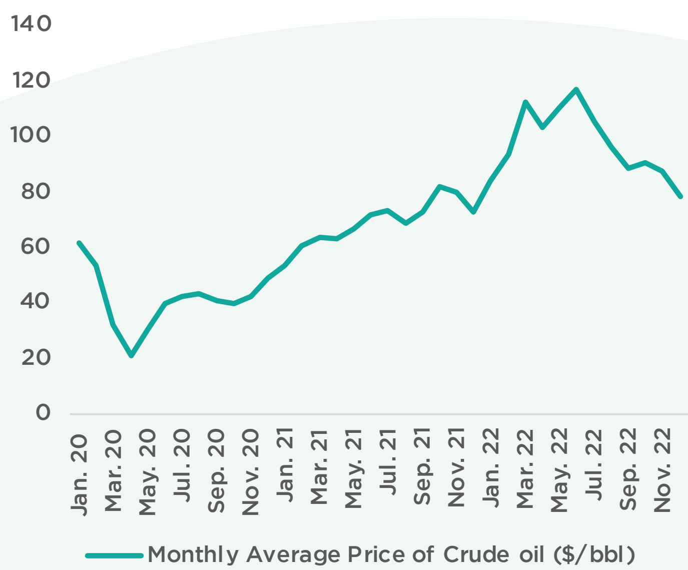
In addition to this, the continuous implementation of China's zero COVID-19 policy, even though many other countries had relaxed COVID-19 protocols, adversely affected global economic performance, given how China's GDP has helped to sustain global economic activity over the past four decades.

2.2. Commodity Prices

In March 2022, the energy price index rose by 25 per cent, compared to February 2022, a testament of the adverse impact of the Russia-Ukraine war. Figure 1 shows that the increase in the monthly price of crude oil was more pronounced in 2022 than in previous years, a clear indication that the war had taken a toll.

During the peak of the COVID-19 pandemic in 2020, the average monthly price of crude oil did not rise by as much as it did in 2022. There was an overall average increase of 43 per cent in monthly oil prices in 2022, relative to 2021. This compares to a 158 per cent increase in overall average monthly prices in 2022, compared to 2020.

Figure 1: Monthly crude oil price trends between 2020 and 2022



Source: EBID staff based on World Bank data

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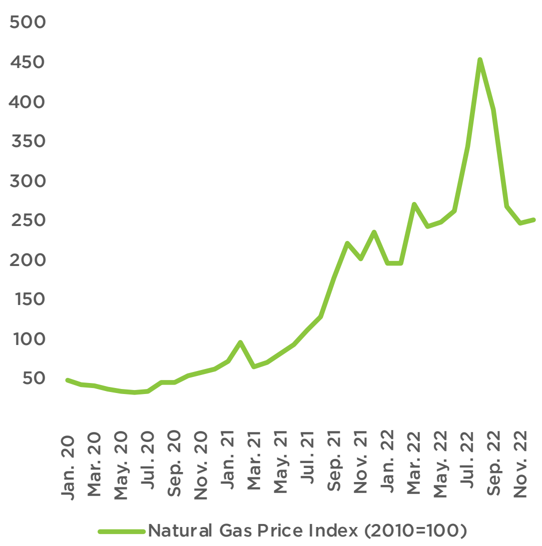
Like oil, natural gas prices also rose sharply in 2022, compared to previous years (Figure 2).

Figure 2: Natural gas price index developments between 2020 and 2022

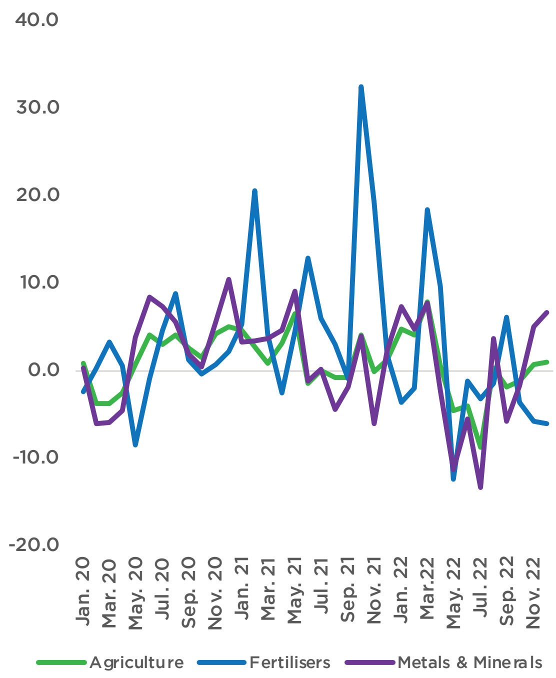


Source: EBID staff based on World Bank data

The natural gas price index trend in 2022 shows that the gas price index experienced its highest monthly increase at the end of March, i.e., one month after the Russian invasion of Ukraine, with a 37 per cent increase, compared to February. However, the monthly natural gas price index peaked at 454 in August 2022, a 250 per cent increase over its August 2021 value, as fears grew over Russia's propensity to cut gas supplies to Europe.

In addition to energy, other non-energy commodities experienced significant price fluctuations. The fertiliser price index increased markedly by 18.4 per cent in March 2022 (Figure 3). While the rate of increase declined in the ensuing months, it was not until the last month of the year that the fertiliser price index fell below the pre-Russia-Ukraine war level. pre-Russia-Ukraine war level.

Figure 3: Monthly growth rate of the non-energy commodity price index



Source: EBID staff based on World Bank data

These developments in energy (oil products and natural gas) and non-energy (fertilisers) commodity prices affected all sectors of the global economy, including the real sector, the monetary sector, the fiscal sector and the external balance.

2.3. Global Output Growth

Prior to the outbreak of the war in Ukraine, the IMF projected that global GDP would grow at 4.9 per cent in the October 2021 edition of the World Economic Output. However, in the aftermath of the war, the 2022 global GDP growth has been pegged at 3.4 per cent, compared to 6.3 per cent in 2021 (Figure 4).

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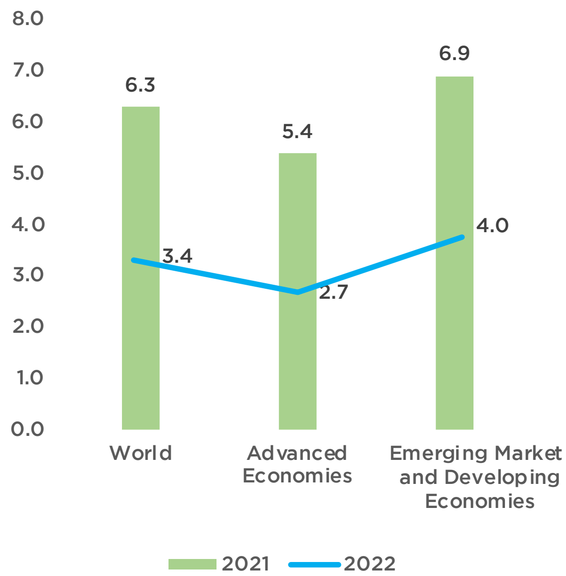
Figure 4: Global economic growth rate developments

Source: EBID staff based on IMF data

In 2022, Advanced Economies grew by 2.7 per cent, 2.7 percentage points lower than in 2021, while Emerging Market and Developing Economies grew by 4 per cent, which is 2.9 percentage points lower than that of 2021 (Figure 5).

Figure 5: Economic growth, 2021-2022



Source: EBID staff based on IMF data

2.3.1 United States of America

The United States economy ended 2022 with an average inflation rate of 8 per cent. Over the course of the year, inflation moved from 7.5 per cent in January 2022 to 6.5 per cent in December 2022, having peaked at 9.1 per cent in June (Figure 6). United States' inflation was mostly driven by energy inflation, which recorded a peak of 41.6 per cent in June, while food inflation was around 12.2 per cent and non-energy and food inflation of around 5.9 per cent.

Figure 6: United States' inflation

Source: EBID staff based on OECD data

The US economy recorded a GDP growth rate of 2.1 per cent in 2022, a reduction of 3.9 percentage points from the previous year.

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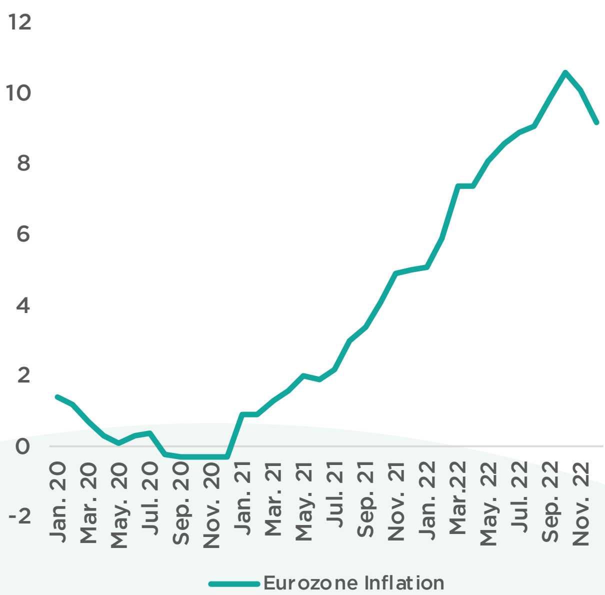
2.3.2 Euro Zone

The Euro zone battled with inflation in 2022. Inflation increased from 5.1 per cent in January 2022 to 9.2 per cent in December 2022, having peaked at 10.6 per cent in October (Figure 7).

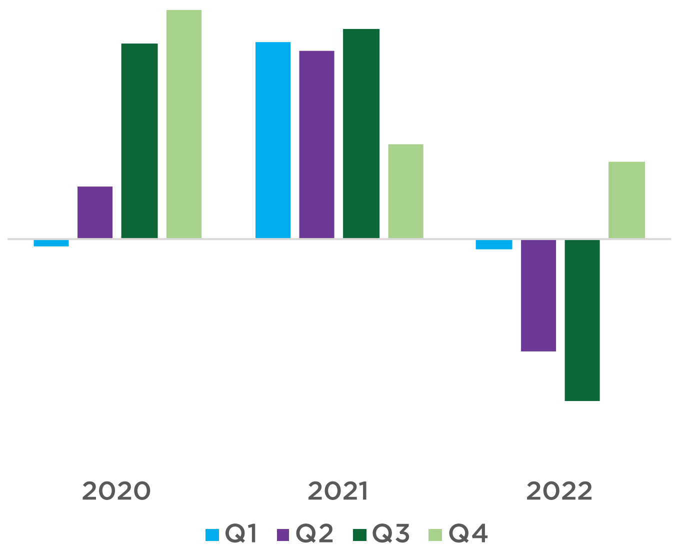
Figure 7: Inflation in the Euro zone



Source: EBID staff based on data from the European Central Bank

During the year, the euro depreciated sharply against the dollar (with the dollar strengthening on the back of the Fed rate hikes). The energy crisis and the need to procure gas and oil from sources other than Russia led to a deterioration in the current account. Despite the difficulties experienced during the year, the euro area was able to achieve a current account surplus in the fourth quarter of 2022, equivalent to 1.05 per cent of GDP. (Figure 8).

Figure 8: Euro area current account balance over the last three years



Source: EBID staff based on data from the European Central Bank

2.3.3 Sub-Saharan Africa

Economic activity in sub-Saharan Africa declined by 0.9 percentage points in 2022, recording a growth of 3.9 per cent. The two largest economies in sub-Saharan Africa, Nigeria and South Africa, each experienced a lower growth, relative to 2021. Nigeria's economy grew by 3.3 per cent in 2022 (compared to 3.6 per cent in 2021), while South Africa's grew by 2 per cent (compared to 4.9 per cent in 2021).

2.4. Global Finance

The global financial sector evolved in an unprecedented environment of uncertainty in 2022. Inflationary pressures and other shocks forced monetary authorities in both advanced as well as emerging and developing economies to tighten monetary policy.

According to the October Global Financial Stability Report (IMF, 2022) financial conditions tightened rapidly in 2022 in advanced economies, with rising interest rates and falling corporate valuations identified as the main drivers. Financial conditions were tighter in some emerging markets. In Central, Eastern and Southern Europe, as well as in the Middle East and Africa, financial conditions were at levels not seen at the height of the COVID-19 crisis. Currency depreciation and widening spreads on dollar funding increased the cost of external borrowing. In contrast, conditions eased slightly in China, where policymakers provided additional support to offset rising corporate borrowing costs.

Interest rates and the prices of risky assets (such as equities, corporate bonds, commodities and currencies) were quite volatile since April 2022. Risk assets sold off sharply throughout June 2022 due to fears that central banks would be forced to accelerate the pace of interest rate hikes to address high inflation and prevent inflation expectations from becoming distorted. Markets pivoted for a time in the middle of the year as investors became increasingly concerned about the growing risks of recession. Stimulated by hopes that the monetary cycle in advanced economies might end sooner than expected, risk assets rallied, long-term interest rates fell and financial conditions eased somewhat in July 2022.

Equity prices fell sharply and credit spreads widened considerably as investors moved away from risk taking. Market liquidity deteriorated sharply, including in the benchmark sovereign bond markets. Currency-based swap spreads also widened to their highest level since March 2020, particularly for the euro and the yen, reflecting the premium investors had to pay to access dollar funding.

The crypto-currency markets experienced extreme volatility, forcing Bitcoin to lose more than 50 per cent of its value at a point. Other, riskier crypto currencies simply collapsed.

2.5. Economic Developments in ECOWAS

2.5.1 Socio-Political and Security Context

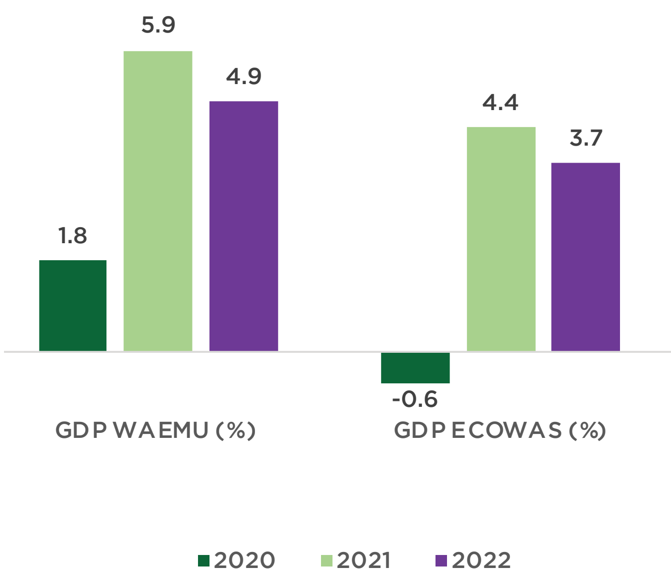
The ECOWAS Region has had its fair share of political instability in the recent past. In 2022, Burkina Faso experienced another military takeover, eight months after the first. There was also an attempted military takeover in Guinea-Bissau.

These military takeovers came within the context of growing insecurity and terrorist attacks in the Sahel region and their spread to the northern parts of some coastal countries in West Africa. In a move to deter further military takeovers in the sub-region, the Authority of Heads of State and Governments of ECOWAS imposed economic and financial sanctions on Mali on 9 January 2022. These sanctions were subsequently lifted at the 61st Ordinary Summit of ECOWAS Heads of State and Government held on 3 July 2022.

2.5.2 The Real Sector

The economic performance of 2021 presaged a brighter economic environment in 2022 in the sub-region. However, the multi-sectoral shocks that the global economy faced in 2022 slowed down economic activity in the sub-region. The sub-region's economy grew by 3.7 per cent, 0.7 percentage points lower than that of 2021. For the WAEMU, economic activity grew by 4.9 per cent (Figure 9).

Figure 9: GDP growth rates in ECOWAS and WAEMU



Source: EBID staff based on IMF World Economic Outlook data

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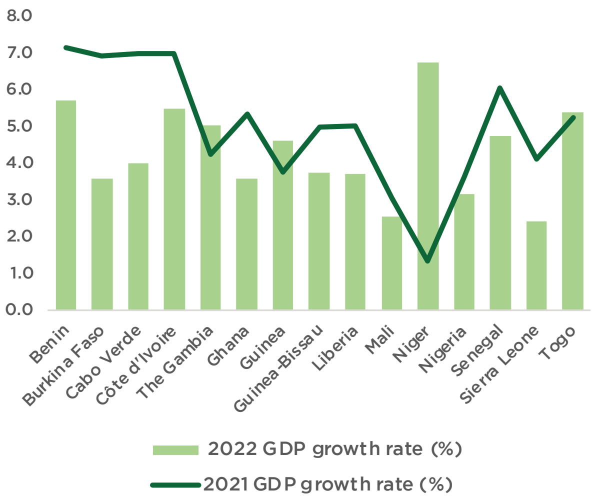
Despite the complex global and sub-regional environment in which countries operated in 2022, some economies in the sub-region recorded better economic performances in 2022, compared to 2021. These are Niger, Guinea, The Gambia, and Togo (Figure 10). Niger's economic performance in 2022 was driven by various factors. These include services, an estimated 20.6 per cent growth in oil exports in 2022 (from to the development of and production from new oil wells), increased output in uranium mining and agriculture growth [the 3N (Nigeriens feed Nigeriens) initiative led to a 71 per cent increase in rain-fed cultivation capacity and a 360 per cent increase in irrigated cultivation].

Figure 10: GDP growth rate of ECOWAS Member States, 2021-2022



Source: EBID staff based on IMF World Economic Outlook data

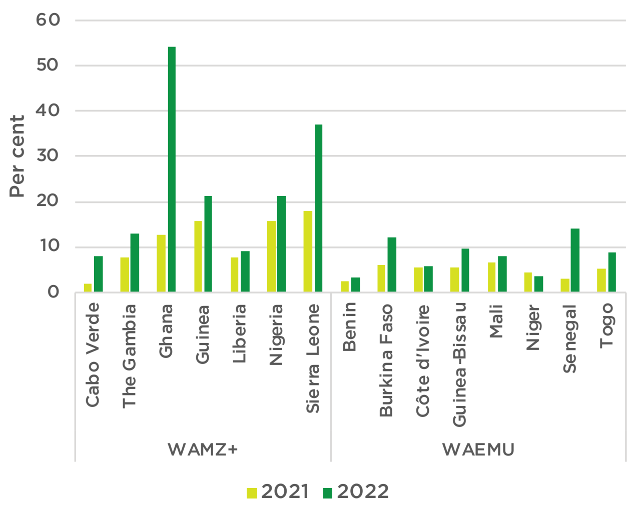
2.5.3 Evolution of the General Price Level

Inflation reached 21.1 per cent in 2022, against 12.9 per cent in 2021. The inflation rate in the sub-region was driven by the inflation recorded by the WAMZ countries, whose inflation reached 25.1 per cent in 2022, against 15.1 per cent in 2021. The WAEMU, which has historically had low levels of inflation, also suffered from this inflationary surge with an inflation rate of 7.3 per cent in 2022, against 3.5 per cent in 2021.

Among the factors that contributed to this inflationary surge were supply chains disruptions, energy price increases and the depreciation of several national currencies in the sub-region against the euro and the dollar. Ghana recorded an inflation rate of 54.1 per cent in December 2022. Year-on-year inflation rate for food and non-alcoholic beverages reached 59.7 per cent in December 2022, while that for non-food items reached 49.9 per cent over the same period.

Average inflation in the WAEMU was around 7 per cent in 2022 (Figure 11), with Burkina Faso recording the highest inflation rate of 14.1 per cent. This rare price development in Burkina Faso was induced mainly by insecurity, which has led to a drastic drop in agricultural production and crop losses, and the two coups d'état that took place in 2022. In addition to these internal reasons, the general price increases, occasioned by the Russia-Ukraine war, impacted inflation.

Figure 11: Inflation rate trends in some ECOWAS Member States



Source: EBID staff based on country data

2.5.4 Fiscal Balance

In 2022, eight ECOWAS Member States recorded a reduction in their budget deficit, compared to 2021. These were Benin, Cabo Verde, Ghana, Guinea, Guinea-Bissau, Mali, Nigeria, and Senegal (Figure 12). Cabo Verde had the biggest reduction of 2.8 percentage points, enabling the country to reduce its budget deficit from 7.3 per cent of GDP to 4.5 per cent of GDP.

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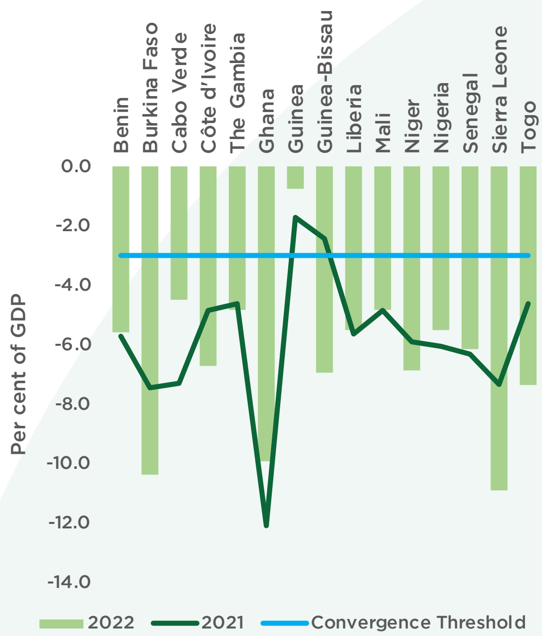
This result shows that the Cabo Verde government's ambition to implement measures to bring the fiscal situation back on a sustainable path has borne fruit. Government revenues increased by 24 per cent in nominal terms in 2022, compared to the previous year, outpacing the increase in government expenditure, which rose by 11 per cent in nominal terms, compared to the previous year.

Sierra Leone stands out as the ECOWAS Member State with the highest budget deficit as a percentage of GDP in 2022, i.e. 10.9 per cent of GDP. The factors that explain this result are the low growth in overall revenue in nominal terms (15 per cent), compared to a 33 per cent growth in overall government expenditure in nominal terms at a time when GDP grew by only 3 per cent in nominal terms in 2022.

On the other hand, Burkina Faso, Côte d'Ivoire, The Gambia, Guinea, Liberia, Niger, Sierra Leone and Togo experienced a deterioration in their fiscal deficit. Figure 12 shows that no ECOWAS Member State was able to meet the Monetary Convergence Criterion on fiscal deficit.

Figure 12: Fiscal deficit of ECOWAS Member States

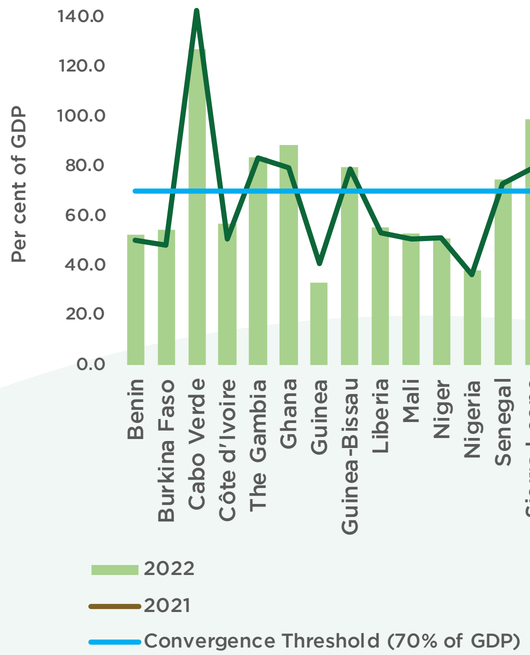


Source: EBID staff based on IMF World Economic Outlook data

2.5.5 Public Debt

The ECOWAS debt level reached 48.4 per cent of GDP, an increase of 1.2 percentage points, compared to 2021. WAEMU's debt reached 60.4 per cent in 2022, an increase of 4.5 percentage points. The WAMZ had a debt-to-GDP of 31.4 per cent in 2022, an increase of 3.5 percentage points, compared to 2021.

Figure 13: Debt of ECOWAS Member States



Source: EBID staff based on IMF World Economic Outlook data

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Data analysis at the level of each ECOWAS Member State shows that Cabo Verde, which had the highest debt-to-GDP ratio in the sub-region in 2021, has maintained this position by posting a debt of 127.4 per cent of GDP in 2022. This situation prevents the country from meeting the Monetary Convergence Criterion of a 70 per cent debt-to-GDP ratio. In addition to Cabo Verde, five other countries (The Gambia, Ghana, Guinea-Bissau, Senegal and Sierra Leone) were unable to meet the convergence criterion in 2022.

Table 4: Overview of debt sustainability analysis

Country	Risk of external debt distress	Risk of overall debt distress	Date of Publication
Benin	Moderate	Moderate	July 22
Cabo Verde	Moderate	High	June 22
Côte d'Ivoire	Moderate	Moderate	June 22
The Gambia	High	High	June 22
Ghana	High	High	July 22
Guinea-Bissau	High	High	June 22
Liberia	Moderate	High	August 22
Senegal	Moderate	Moderate	June 22
Sierra Leone	High	High	June 22

Source: World Bank


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03 ORGANISATIONAL EFFECTIVENESS

Organisational Effectiveness 03

3.1 Boards of Governors and Directors

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

3.1.1 Board of Governors

The Board of Governors of the Bank held its 20th Ordinary Meeting by videoconference on 8 April 2022, and its 10th Extraordinary Session on 27 October 2022, in Praia, Republic of Cabo Verde.

i. 20th Ordinary Meeting of 8 April 2022

At the end of this meeting, the main resolutions adopted were the following:

- Adoption of the minutes of the 19th Ordinary General Meeting of the Board of Governors held on 23 April 2021 by video conference;
- Consideration of the matters arising from the 19th Ordinary General Meeting of the Board of Governors and the tasks assigned to it;
- Adoption of the 2021 Activity Report and approval of the financial statements for the year ended 31 December 2021;
- Renewal of the mandate of the External Auditors; and
- Election of a new Chairman of the Board of Governors, in the person of Dr. Olavo Avelino Garcia Correia, Governor of EBID for the Republic of Cabo Verde. The Board of Governors also reviewed the Bank's capital position and capital payments as at 31 March 2022.

ii. 10th Extraordinary Assembly of 27 October 2022

At the end of this meeting, the main resolutions adopted were as follows:

- Adoption of the minutes of the 20th Ordinary Meeting of the Board of Governors held on 8 April 2022 by video conference;
- Consideration of the matters arising from the 20th Ordinary Meeting of the Board of Governors and follow-up actions;
- Consideration of the report of the consultant on institutional reforms at EBID; and
- Call for the third tranche of the authorised capital of EBID as well as a general capital increase.

The Board of Governors also discussed the status of capital and debt collections as at 31 August 2022.

3.1.2 Board of Directors

During the period under review, the Board of Directors of the Bank held its 16th, 17th and 18th Home Consultations on 16-24 March 2022, 12-18 August 2022 and 21-28 November 2022, respectively, as well as its 77th, 78th, 79th, 80th and 81st.

Ordinary Meetings, respectively, on 04 April 2022 by videoconference, on 04 July 2022 by videoconference, on 03 October 2022 in Lomé in the Togolese Republic, on 22 December 2022 by videoconference and on 23 December 2022 by videoconference.

At the end of these meetings, several decisions were made, notable amongst them are presented as follows.

03

i. 16th Home Consultation from 16 to 24 March 2022

The Board:

- Authorised the Bank to contract a loan facility with Mashreq Bank Bank in the amount of USD 70 million for a period of five (5) years;
- Authorised the Bank to subscribe to a USD 75 million senior bond issued by the Bank of Industry Ltd, in the Federal Republic of Nigeria; and
- Authorised the Bank to enter into a line of credit agreement of USD 100 million with Exim Bank of India for the financing refinancing of imports of goods and services from India under the Export Credit Line Scheme for Foreign Financial Institutions.

ii. 77th Session on 04 April 2022

The Board:

- Adopted the activity report and the financial statements for the year ended 31 December 2021;
- Authorised the Bank to contract with Commerz bank Germany, guaranteed by SERV and BPI France a credit line of 44 million euros, for the financing of a cocoa processing plant in the Republic of Côte d'Ivoire;
- Authorised the Bank to contract with Commerz bank Germany, guaranteed by SERV and BPI France, a buyer's loan of 17 million euros for the financing of a flour mill in the Republic of Benin;
- Authorised the Bank to contract with Commerz bank Germany guaranteed by BPI France a credit line of 45,827,495 euros, for the financing of various slaughterhouses in Burkina Faso;
- Authorised the Bank to contract with Bank One Limited a credit line of 50 million euros with an over-allotment option of 100 million euros;
- Authorised the partial financing of the construction of a liquefied natural gas (LNG) terminal by Tema LNG Terminal Company in Tema, Republic of Ghana, for an amount of USD 22.5 million;
- Authorised the partial financing of the project to equip operating theatres, neonatal resuscitation units and imaging departments of referral hospitals in the Republic of Côte d'Ivoire for an amount of CFA 8.805 billion;
- Authorised the additional financing of the project for the rehabilitation of the national road N°7 Dakar-Bamako, section Mako-Kedgou-Saraya-Moussala, in the Republic of Senegal for an amount of CFA 10.5 billion francs;
- Authorised the waiver of the prudential limit of 10 per cent of the effective equity for the subscription of EBID to the bond issued by the Bank of Industry Ltd., in the Federal Republic of Nigeria;
- Adopted the revised Internal Audit Charter of EBID;
- Adopted the report of the 43rd meeting of the Audit Committee;
- Adopted the revised corporate rating manual;
- Adopted the revised Institutional Credit Debit Card Policy of EBID;
- Adopted the revised Environmental and Social Management Manual of EBID; and
- Adopted the resolution on the renewal of the mandate of EBID's Auditors.

The Board of Directors also examined the minutes of the 76th meeting of the Board of Directors held on 23 December 2021 and the 16th Home Consultation of the Board of Directors, held from 16 to 24 March 2022.

iii. 78th Session on 04 July 2022

The Board:

- Authorised the Bank to enter into a USD 25 million credit facility with Cargill Financial Services International Inc.;
- Authorised the Bank to contract with RaboBank of Germany a buyer's credit of 16 million euros guaranteed by an export credit agency, for the financing of a hospital construction project in The Gambia;
- Adopted the minutes of the 34th meeting of the Remuneration and Human Resources Committee.

The Board of Directors also examined the minutes of the 78th meeting of the Board of Directors held on 04 July 2022 and the summary report on the quality of EBID's loan portfolio as at 30 June 2022.

vi. 18th Home Consultation from November 21 to 28, 2022

The Board:

- Authorised the partial financing of the import and supply of petroleum products to institutional clients by Société Yattassaye et Compagnie (SOYATT SA), in the Republic of Mali, in the amount of 36 million euros;
- Authorised a line of credit to Banque Malienne de Solidarité (BMS SA), in the Republic of Mali, in the amount of CFA 15 billion; and
- Authorised the partial financing of the Western Area Power Project (WAPGP): construction of an 83.5 MW combined cycle thermal power plant by CECAL Generation Ltd, in the Republic of Sierra Leone, for an amount of 40 million USD.

vii. 80th Session on 22 December 2022

The Board:

- Examined the draft operating and capital budget of EBID for the year 2023;
- Authorised the Bank to contract a credit line of 22 million euros with the International Islamic Trade Finance Corporation (ITFC);
- Authorised the Bank to contract with ICBC Standard Bank a credit facility of 175 million USD;
- Authorised the Bank to contract with African Export-Import Bank (AFREXIM Bank) a credit facility of 100 million USD;
- Authorised the extension of EBID's participation in the capital of the Liberian Development and Investment Bank in the Republic of Liberia;
- Examined the audit report on the project for the establishment of a crude palm oil refinery by NADA Oil West Africa SA in Bonoua, Republic of Côte d'Ivoire;
- 10 million euros of line of credit to VISTA BANK in the Republic of Guinea;
- Reviewed the report on the follow-up of the implementation of the Audit Committee's recommendations as of November 30, 2022;
- Examined the draft programme of audit missions for the year 2023;
- Reviewed the draft procedures manual for the Public Sector Operations Department;
- Examined the annual report on human resources management at EBID;
- Adopted the report of the 46th meeting of the Audit Committee;
- Adopted the report of the 35th meeting of the Risk and Credit Committee;
- Adopted the report of the 35th meeting of the Compensation and Human Resources Committee;

The Board of Directors also examined the minutes of the 79th meeting of the Board of Directors held on 3 October 2022, the quarterly activity report of EBID as at 30 September 2022, the information memorandum on the recovery of capital and loans as at 30 November 2022, the report on the status of projects in execution as at 30 June 2022 as well as the minutes of the 18th home consultation of the Board of Directors conducted from November 21 to 28, 2022.

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viii. 81st Session on 23 December 2022

The Board examined the study on institutional reforms, conducted by the Mazars Senegal, and the roadmap for its implementation. The Board decided to reconvene on 5 January 2023 by videoconference to continue discussing the document, with a view to submitting a summary of the report and the implementation roadmap to the Board of Governors at its Extraordinary Meeting scheduled for 14 February 2023.

3.2 Human Resource Management

The Bank's staff strength increased by 4.03 per cent from 149 employees as at December 31, 2021 to 155 employees (50 or 32.26 per cent of whom were women) as at December 31, 2022. The Bank welcomed seven (7) new staff, including six (6) support staff, with one (1) professional staff member resigning.

As at December 31, 2022, the Bank's professional staff constituted 47.74 per cent of the total workforce, compared to 49.7 per cent as at December 31, 2021.

Tables 5 and 6 below present a summary of the Bank's human resource situation as at December 31, 2022.

In line with the Human Resource Management policy, the Bank provided at least one specific training to all staff in the following areas:

- New Internal Procurement Regulations of the Bank;
- Management of economic capital;
- Awareness creation on chronic diseases and nutrition;
- Strategic trade finance;
- Leadership;
- Business Travel Toolkit for effective protocol services;
- Results Based Project Management;
- Effective Writing of Press Releases;
- Beedeez Learning Management System (LMS) Software;
- GCASante health insurance software;
- Training of trainers;
- Training workshop by GIZ for EBID champions responsible for the certification process under the European Union Pillars;
- Impact assessment;
- Using local currency guarantees to finance sustainable infrastructure projects in Africa;
- Managing problem loans and project rescue;
- Interpretation course for young graduates;
- Structuring and Financing Infrastructure Projects;
- Procurement;
- Use of the meeting room reservation platform;
- Online certification on Impact Assessment of Policies, Programmes and Projects;
- Breast Cancer;
- IT Security and Privacy;
- New and revised performance evaluation system for Bank staff; and
- Ethics and Anti-Money Laundering.

Table 5: Evolution of the Bank's workforce (2021-2022)

Category	Evolution of the workforce: 2021 - 2022		
	Entrance[1]	Departures[2]	2022
President	1	0	1
Vice-President	2	0	2
Management staff	**3**	**0**	**3**
Professional staff	74	1	74
Support staff	72	0	78
Permanent total	**146**	**1**	**152**
Total	**149**	**1**	**155**

Table 6: Gender distribution of staff as at 31 December 2022

	Men	Women	Total	Share (per cent)
Management	**3**	**0**	**3**	**1.94**
Directors (D)	11	1	12	**7.74**
Professional staff (P)	45	17	62	**40.00**
Support staff (G/M)	**46**	**32**	**78**	**50.32**
TOTAL	105	50	155	**100.00**
Share (per cent)	**67.74**	**32.26**	**100.00**	

[1] Entrance = Recruitment / Promotion with change of category

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

3.3 Business Processes and Entrepreneurial Reforms

The Bank continued to implement key reforms aimed at positioning it as the leading DFI in the West African subregion. These reforms focused on IT, audit and risk management systems.

3.3.1 Information Technology Management

In order to improve its operational effectiveness and efficiency, the Bank continued to work on modernising its IT infrastructure. During the year 2022, the main actions carried out in this respect concerned:

- Business Continuity Plan: all the steps required for the establishment of the EBID Disaster Recovery Site at the Cabo Verde National Data Centre (www.nosi.cv) had been completed. The Bank is waiting for the completion of the implementation of the disaster recovery platform before signing the agreement with NOSI. The disaster recovery site equipment has been installed, configured and tested at the Bank. The equipment will be shipped to Cape Verde as soon as shipping arrangements have been made;
- Upgrading the IT network: the Bank's IT network upgrade project was officially launched on 14 January 2022. This involved the acquisition of additional state-of-the-art network equipment (CISCO equipment) to optimise the management of the Bank's IT system. The plan is to replace old network equipment by end-March 2023, in a bid to improve performance and reliability and network security;
- The acquisition of software for the management of the Bank's operations: The INFRASOFTS technical team installed and configured the technical platform (servers and network equipment) in the EBID Data Centre. The first versions of the custom modules should be deployed by the end of March 2023;
- The description of the Bank's various processes for implementing FINAIRO started on 12 January 2022 in collaboration with the NATEXIS consultants. To date, all departments have been analysed in-depth;
- The Bank continued to implement activities leading to the certification of the 9 pillars of the European Union at EBID, in collaboration with GIZ. Four consultants were recruited to lead the process of ensuring compliance with the core banking software project with these 9 Pillars;
- The Bank deployed Windows product licenses and upgraded Windows servers operating systems from 2012R2/2016 to 2019;
- The Bank completed the optimisation of Active Directory, Microsoft Endpoint Configuration Manager (MECM) and implemented the Azure AD Application Proxy;
- Strengthening the capacity of EBID's IT systems: the Bank acquired 35 new high-performance laptops and an order was placed for 25 additional laptops. Management decommissioned obsolete computers with the view to reducing maintenance costs and increasing the reliability of systems, improving performance and the efficiency and productivity of staff.
- Development of EBIDs' adapted software packages: during the period under review, the department in charge of IT developed and deployed two software packages as part of the automation of certain activities the Bank, namely:

  (i) an enterprise application enabling staff to submit documents for translation to the Department of Conference and

  (ii) a software package to automate the management of risk rating systems for banking and non-banking companies.

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3.3.2 Audit and Risk Management

During the period under review, the main activities carried out by the Bank in the area of internal audit and evaluation of operations were:

- Audit of the procurement, execution and settlement process;
- Revision of EBID's policies and procedures on independent evaluations, which is based on current best practices observed in multilateral development banks;
- Preparation for the ex-post evaluation of the potable water supply system project in Tafiré and surrounding localities in the Republic of Côte d'Ivoire;
- Audit of the project to set up a palm oil refinery in Bonoua by Nada Oil West Africa, in the Republic of Côte d'Ivoire;
- Audit of the 10 million euros credit line granted by EBID to Vista Bank Guinea for the financing of SMEs in the Republic of Guinea;
- Ex-post evaluation of the project for the acquisition of reversible train sets (TramTrain) in favour of the PTB Company in the Republic of Senegal; and
- Supervision and coordination of the "Mock-audit" for the certification of the European Union pillars, in collaboration EY.

The Bank developed a risk dashboard to capture all of its risks. It also presented a revised manual for rating agencies, banks and financial institutions to the Risk and Credit Committee of the Board of Directors, while monitoring portfolios and managing its assets and liabilities in order to optimise its profitability-risk ratio.

3.4 Resource Mobilisation, Cooperation and Partnerships

3.4.1 Resource Mobilisation

During the year 2022, the Bank mainly recovered arrears of called-up capital from three (3) Member States and raised resources from partners.

3.4.1.1 Capital Resources

The capital resources mobilised from Member States amounted to UA 12.64 million (USD 16.97 million). These were received from Liberia, the Federal Republic of Nigeria and Senegal. This payment by the Federal Republic of Nigeria clears its outstanding called-up capital to the Bank.

As at December 31, 2022, the Bank's called-up capital stood at UA 392.74 million, of which UA 357.68 million has been paid up, with capital arrears amounting to UA 35.06 million. Nine (9) of the fifteen (15) member countries have fully paid up their called-up capital. These are Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Mali, Niger, Nigeria and Togo (see Table 7).

The Department of Research and Strategic Planning was tasked to draft a proposal for a general capital increase to:

- help raise additional resources to fund the new strategic objectives set out in Strategy 2025; and
- build financial buffers that can be leveraged to mobilise other financial resources to better assist ECOWAS Member States currently facing multifaceted shocks such as the COVID-19 pandemic, the Russian-Ukrainian conflict, insecurity in the Sahel region, the energy crisis, climate change, amongst others.

This proposal and the request for the third tranche of the Bank's capital were adopted at the 10th Extraordinary Meeting of the Board of Governors held on October 27, 2022, in Praia, Republic of Cape Verde. These resolutions will take effect from January 1, 2023.

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Table 7: Status of Capital Resources as at 31 December 2022

Member State	Situation as at 31/12/2021			Payments in 2022 (UA)	Outstanding balance as at 31/12/2022	
	Called-up Capital (UA)	Paid-up Capital (UA)	Capital Arrears (UA)		Amount (UA)	Share (per cent)
Benin	11,228,211	11,228,211	0	0	0	0.0
Burkina Faso	9,734,383	9,734,383	0	0	0	0.0
Cabo Verde	3,734,570	2,279,650	1,454,920	0	1,454,920	4.1
Cote d'Ivoire	57,971,063	57,971,063	0	0	0	0.0
The Gambia	9,734,383	5,076,870	4,657,513	0	4,657,513	13.3
Ghana	61,706,160	61,706,160	0	0	0	0.0
Guinea	10,842,504	10,842,504	0	0	0	0.0
Guinea-Bissau	5,614,106	1,154,350	4,459,756	0	4,459,756	12.7
Liberia	25,058,371	10,163,889	14,894,482	1,014,642	13,879,840	39.6
Mali	7,107,934	7,107,934	0	0	0	0.0
Niger	7,854,848	7,854,848	0	0	0	0.0
Nigeria	122,689,907	121,659,971	1,029,936	1,029,936	0	0.0
Senegal	29,539,328	18,753,932	10,785,396	10,590,665	194,731	0.6
Sierra Leone	16,456,610	6,042,126	10,414,484	0	10,414,484	29.7
Togo	13,468,953	13,468,953	0	0	0	0.0
Total	**392,741,331**	**345,044,844**	**47,696,487**	**12,635,243**	**35,061,244**	**100**

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3.4.1.2 Commercial Resources

During the course of the year under review, the Bank held discussions with multilateral and bilateral partners with a view to mobilising resources. Some of the partners included the African Development Bank (AfDB), the Development Bank of China, the Austrian Development Bank (OeEB) Commerzbank of Germany, Arab Bank for Economic Development in Africa (BADEA), Cargill, Aka Bank, Turkish Eximbank, ODDO BHF, Credit Suisse, etc.

In addition, the Bank has also sought a new line of credit from Eximbank India for the financing of public sector projects.

Furthermore, the Bank's Board of Directors authorised twelve (12) new buyers' credit worth UA 542.43 million or 729.21 million USD or 688.75 million euros. This brings to date the total number of forward contracts signed to fifty-one (51) in the amount of 1,117.73 million euros and 1,458.80 million USD (equivalent to a global amount of 2,495.60 million euros or 2,642.18 million USD or 1,965.60 million UA), the majority of which is guaranteed by the ECA transactions and granted for the most part by the European, Arab and African bilateral partners.

Similarly, with a view to financing more projects in CFA Francs, in accordance with the recommendations of the Bank's 2021-2025 Strategic Plan, EBID, in collaboration with IMPAXIS and the regulators (BCEAO & CREPMF), launched the issuance of the second tranche of CFA Francs 120 billion of EBID 2022 - 2029 bonds on the WAEMU financial market.

This constitutes the largest bond issuance undertaken by a non-sovereign issuer since the establishment of the regional financial market.

Thanks to the enthusiasm of investors, their confidence in EBID and the robust structuring proposed, the operation was oversubscribed and closed early on 02 June 2022 (i.e. 48 hours after its launch).

The resources raised were targeted exclusively at projects within the WAEMU zone.

3.4.1.3 Special Resources

Special resources mainly relate to the mobilisation of resources at the Community level, i.e., part of the ECOWAS Community Levy. This came about when the ECOWAS Commission was instructed in 2013 by the Authority of Heads of State and Government to pay 30 per cent of the resources of the Community Levy to EBID to enable it to finance more projects in Member States.

In addition, a memorandum of understanding was signed with the ECOWAS Commission, according to which EBID was to receive funds from the ECOWAS Commission to subsidise annual interest rate subsidies to Member States. To date, the Bank has received only one payment (i. e. USD 3 million for 2014), while payments for the years 2015 to 2018 remain outstanding. No payment was received in 2022.

3.4.2 Partnerships and Cooperation

The Bank continued to work to seize the best opportunities for fruitful and lasting partnerships in support of its sustainable development mandate.

To this end, the Bank participated in several exchange and cooperation meetings with various development partners within and outside the Community in 2022.

Furthermore, in the context of the operationalisation of the Regional Agriculture and Food Fund (RAFF), the Bank organised a workshop on the validation of RAFF strategic documents from 5 to 6 February 2022 in Agbodrafo, Togo. This workshop was attended by all the stakeholders of the project (ECOWAS Commission, ARAA and EBID). On the sidelines of this workshop, several other scoping and inception meetings were held to review the progress of the development of the AARF communication and marketing strategy.

The main documents necessary for the operationalisation of the AARF include the following:

- Communication and Marketing Strategy;
- Business Plan 2022-2025;
- Resource Mobilisation Strategy; and
- Procedures Manual.

The design, development, hosting and referencing of the AARF website were entrusted to AG Partners, a communication agency. Moreover, as part of the process of accreditation of EBID to the Green Climate Fund (GCF), the Bank has developed its Environmental and Social Management System Manual which has been reviewed and approved by the Bank's Board of Directors. The objective of this document is to facilitate the Bank's accreditation process to the GCF.

Also, as part of its GCF accreditation process, the Bank held working sessions with the Global Climate Change Alliance Plus (GCCA+), which enabled it to start the process of registering on the GCF Digital Accreditation Platform (DAP). In addition, during the period under review, the Bank, in collaboration with the RAAA, conducted circular missions within the framework of WAICSA (West African Initiative for Climate-Smart Agriculture), which started on 24 April 2022 and continued until 14 June 2022.

Thirty-six (36) institutions have been pre-selected in the ECOWAS sub-region to take part in WAICSA and the correspondence to be sent to the country and to the selected financial institutions has been finalised.

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3.5 Budget Performance

Budget execution was largely satisfactory with revenues coming largely from loans which were realised at 101 per cent, investment income (206.1 per cent), and other income (142.0 per cent). Overall, the operating budget as of 31 December 2022, showed a surplus of UA 8.57 million, or 94.7 per cent of the actual target for the year 2022.

Loan and investment income, which accounted for 95.9 per cent of revenues during 2022, achieved 109.1 per cent of target.

With respect to operating expenses, 94.7 per cent of the target for 2022 was achieved, mainly due to good control of expenses related to official and operational missions (58.3 per cent), statutory meetings (69.7 per cent), common expenses (83.1 per cent), and staff expenses (87.8 per cent). Financial expenses increased sharply, compared to the 2022 forecast, with an achievement rate of 140.7 per cent. This was due to the increased resource mobilisation costs and the attendant cost of funds.

Investment Expenditure recorded an implementation rate of 34.0 per cent during the period under review, corresponding to UA 1,692,541, against an annual fore-cast of UA 4,976,073 (see Table 8). This resulted from a deliberate measure to contain expenditure during the year.

Table 8: Budget Implementation Status as at December 31, 2022 (in thousands of UA)

Item	Forecast 2022 (a)	31/12/2022		Share (per cent)
		Actual (b)	Achievement rate b/a (per cent)	
Revenue	**50,237**	**55,153**	**109.8**	**100.0**
Revenues from Loans	44,748	45,193	101.0	81.9
Investment income	3,731	7,691	206.1	13.9
Dividend	160	0	0.0	0.0
Other revenues	1,598	2,269	142.0	4.1
Operational Expenditures	**41,184**	**46,580**	**113.1**	**100.0**
Statutory meetings	763	532	69.7	1.1
Staff expenses	12,495	10,967	87.8	23.5
Official and operational missions	3,198	1,865	58.3	4.0
Current expenditures	2,487	2,067	83.1	4.4
Financial charges	22,141	31,150	140.7	66.9
Contingencies	100	0	0.0	0.0
Surplus	**9,054**	**8,573**	**94.7**	**-**
Investment Expenditure	**4,976**	**1,693**	**34.0**	**-**


BIDC
EBID
La Banque de la CEDEA
The ECOWAS
O Banco da CEDEA

04 OPERATIONS

Operations 04

The Bank continued to focus on project appraisals, loan approvals, signing of financing agreements, project supervision and disbursements on loans and equity investments.

4.1 Overview of the Bank's Portfolio as at end-December 2022

In 2022, the Bank committed to financing nineteen (19) new projects for a total amount of UA 543.24 million (US$ 730.30 million) in Burkina Faso, Côte d'Ivoire, Ghana, Mali, Nigeria, Senegal and Togo. Of these new commitments, eight (8) were from the public sector for a total amount of UA 277.23 million and eleven (11) from the private sector for a total value of UA 266.01 million. Compared to their level at the end of December 2021, these commitments representa 26.54 per cent increase in transaction volume.
The average maturity of the Bank's loan portfolio was 10 years at the end of 2022, compared to 11 years in 2021, with 65 projects (40.6 per cent of the total loan portfolio) having a maturity of 11 years or more.

In addition, the number of projects with disbursements increased to 71 in 2022, from 53 in 2021. The annual rate of loan disbursements was public sector for a total amount of UA 277.23 million and eleven (11) from the private sector for a total value of UA 266.01 million. Compared to their level at the end of December 2021, these commitments represent a 26.54 per cent increase in transaction volume.

These brought the Bank's cumulative net commitments to UA 2,089.02 million (2,808.36 million USD) for 172 operations, representing a 35.32 per cent increase over the volume of cumulative net commitments recorded at end-December 2021 (see Table 9) almost 24.7 per cent in 2022, compared to 19 per cent in 2021.

4.1.1 Project Appraisal

The Bank appraised a total of twenty-four (24) projects valued at UA 600.82 million (USD 807.70 million) in 2022, compared to twenty-eight (28) projects at a total value of UA 554.14 million (USD 744.96 million) in the same period of the previous year, an increase of 8.42 per cent.

Table 9: Key portfolio performance indicators as at December 31, 2022

	2021	2022
Net Commitments (UA million)	**50,237**	**55,153**
Net Commitments (#)	44,748	45,193
Of which: Loans	3,731	7,691
Equity	160	0
Public sector (UA million)	**1,598**	**2,269**
Share (per cent)	41,184	46,580
Private sector (UA million)	**763**	**532**
Share (per cent)	12,495	10,967
Cumulative Approvals (UA million)	3,198	1,865
Cumulative Disbursements (UA million)	**2,487**	**2,067**
Former Projects (Loans) (#)	**22,141**	**31,150**
Average term (loans) (# of years)	**100**	**0**
Annual disbursement rate (per cent)	**9,054**	**8,573**
Disbursement on projects (#)	**4,976**	**1,693**

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These appraised projects consisted of seven (7) public operations, worth UA 237.76 million (USD 319.63 million), and seventeen (17) private sector projects, worth UA 363.06 million (USD 488.08 million), as shown in Table 10.

The project appraisal breakdown by Member States is as follows: Burkina Faso (2 projects), Côte d'Ivoire (3 projects), The Gambia (2 projects), Ghana (2 projects), Guinea (3 projects), Mali (3 projects), Nigeria (3 projects), Senegal (4 projects), Sierra Leone (1 project) and Togo (1 project), as shown in Annex 2.

Furthermore, 40.74 per cent of the volume of projects appraised were in the infrastructure sector, 28.92 per cent were in the services sector, and 13.98 per cent in the social and education sectors. Rural development and industry accounted for 11.45 per cent and 4.91 per cent, respectively, of projects appraised.

Figure 14: Trends in the projects appraised in 2021-2022 (in million UA)

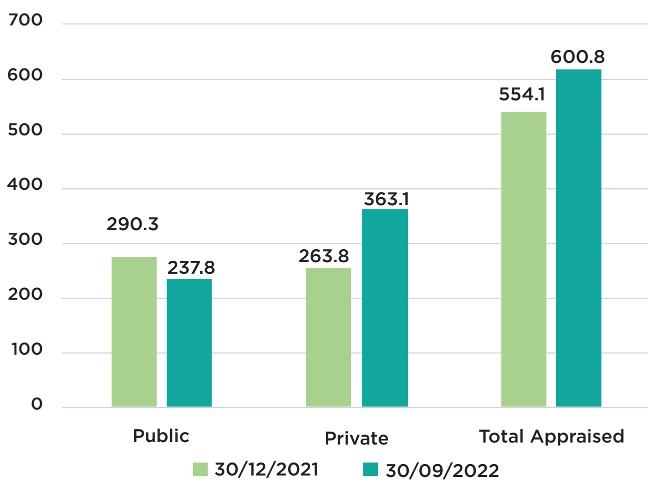

Table 10: Project Appraisal (2021-2022)

	2021		2022		Variation (per cent)	
Area of operation	Number	Amount (UA)	Number	Amount (UA)	Number	Amount
Public	12	290,323,719	7	237,756,858	-41.7	-18.11
Private	16	263,816,427	17	363,059,478	6.3	37.62
Total	**28**	**554,140,146**	**24**	**600,816,336**	**-14.3**	**8.42**

4.1.2 Project Supervision

During the period under review, twenty-seven (27) projects, including three (3) in the private sector, were supervised, compared with twenty-seven (27) projects, including twenty-one (21) in the public sector, in 2021. The breakdown by Member States is as follows: Benin (4 projects), Burkina Faso (2 projects), Côte d'Ivoire (4 projects), The Gambia (1 project), Ghana (2 projects), Guinea (1 project), Liberia (1 project), Mali (2 projects), Niger (3 projects), Senegal (3 projects), Sierra Leone (1 project), and Togo (3 projects), as shown in Annex 3.

Of these projects, sixteen (16) are in the infrastructure sector, five (5) in the rural development sector, four (4) in the social sector, and two (2) in the services sector.

4.1.3 Approvals

In 2022, new approvals amounted to UA 484.91 million (USD 651.89 million) for sixteen (16) projects.

Côte d'Ivoire: Partial financing of the agricultural component of the agro-industrial pole project in the North (2PAI-North)
Signed on 25/02/2022

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Of these projects, eleven (11) were from the private sector for a value of UA 282.92 million (USD 380.34 million) and the other five (5) for an amount of UA 201.99 million (USD 271.54 million) were from the public sector (Figure 15). This represents a decline of 2.36 per cent, compared to 2021 (Annex 4).

The sectoral distribution shows that about 46.48 per cent (UA 225.37 million) of these new approvals were for financing integration infrastructure (roads, transport, and energy) while the rest is allocated to social sector development, education, rural development, and financial services.

Beneficiary Member States, as shown in Figure 16, included Burkina Faso (1 project), Côte d'Ivoire (2 projects), Ghana (3 projects), Mali (3 projects), Nigeria (2 projects), Senegal (3 projects), Sierra Leone (1 project) and Togo (1 project), as shown in Annex 4. These new approvals bring the Bank's cumulative approvals to UA 3,359.52 million for 356 projects at the end of December 2022.

This represents a 17.19 per cent increase over cumulative approvals as of 31 December 2021 (Figure 14).

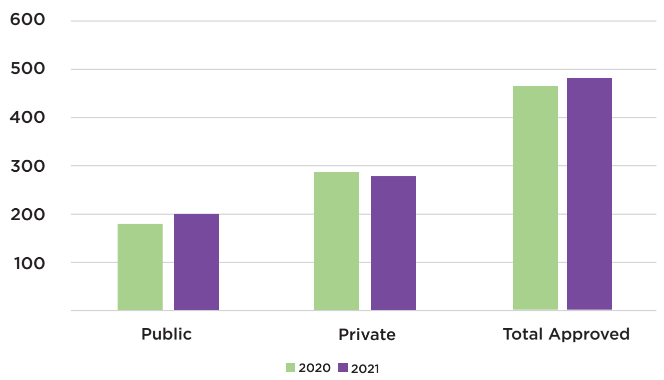

Figure 15: New approvals as at 31 December 2022 (in million UA)

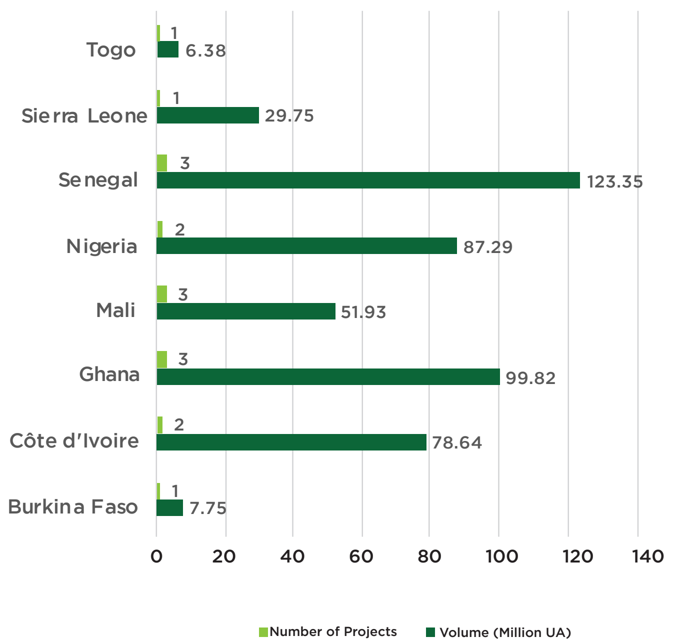

Figure 16: New approvals by country as at 31 December 2022

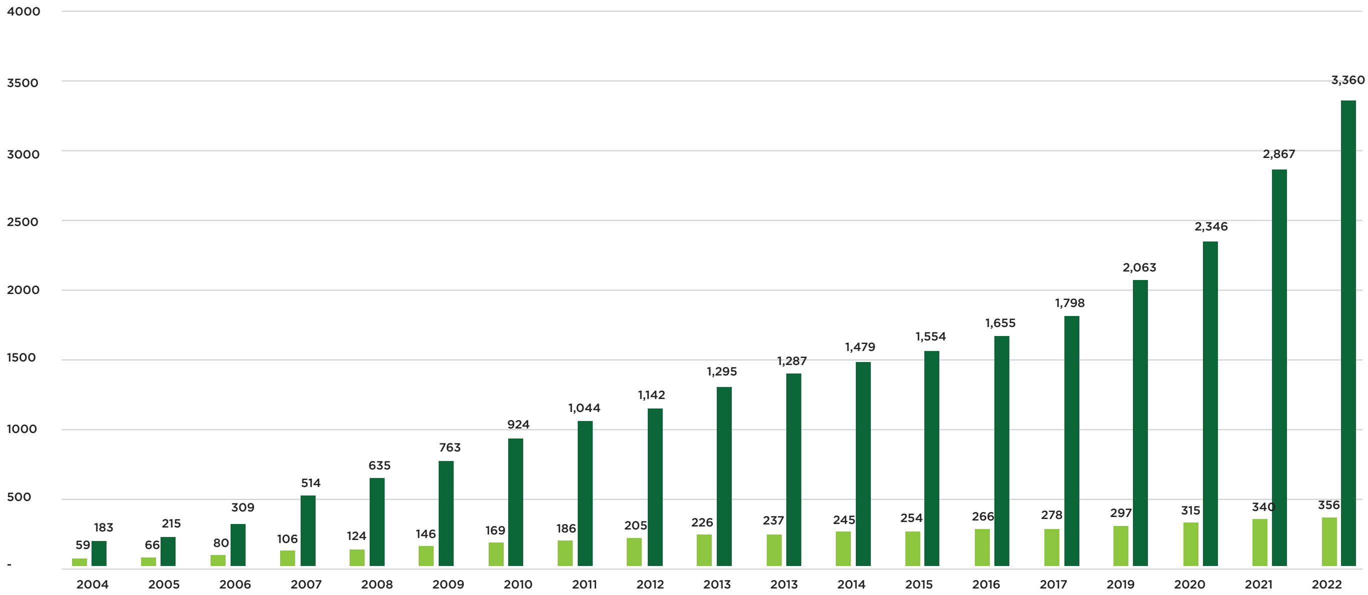

Figure 17: Cumulative approvals as at 31 December 2022 (in million UA)

4.1.4 Commitments

New commitments for 2022 increased in value by 26.54 per cent, compared to 2021, from UA 429.32 million (USD 613.05 million) for twenty-two (22) projects in 2021 to UA 543.24 million (USD 730.30 million) for nineteen (19) projects in 2022, as shown in Annex 5.

By way of sectoral distribution, 37.37 per cent (UA 203.01 million) of new commitments were allocated to the transport and energy infrastructure sectors, 26.21 per cent (UA 142.39 million) to the financial sector and 20.32 per cent (UA 110.39 million) to rural development. Furthermore, 15.07 per cent (UA 81.88 million) was allocated to the education and social sector, while 1.03 per cent (UA 5.58 million) was allocated to industry financing.

Seven (7) Member States benefitted from the commitments, as follows: Burkina Faso (1 project), Côte d'Ivoire (7 projects), Ghana (1 project), Mali (3 projects), Nigeria (3 projects), Senegal (3 projects) and Togo (1 project).

The infrastructure sector accounted for 50.77 per cent of the Bank's cumulative net commitments (UA 1,042.69 million), followed by the services sector (UA 508.36 million, or 24.75 per cent), rural development (UA 248.85 million, or 12.12per cent), the industrial sector (UA 91.71 million, or 4.47per cent), and the social sector (UA 162.05 million, or 7.89 per cent). It is worth noting that between 2021 and 2022, commitments to the rural and social development sectors grew by 102.14 per cent and 79.73 per cent, respectively.

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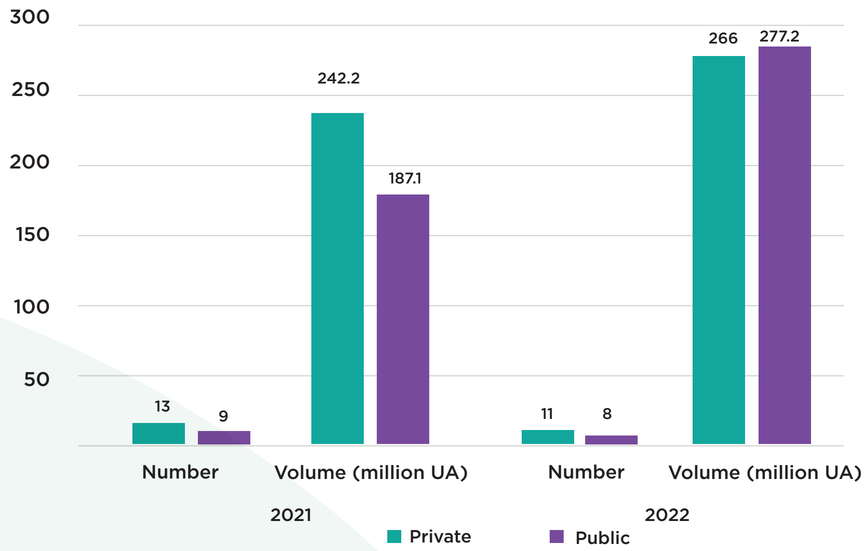
A total of 172 ongoing projects (including 160 loans) benefitted from the Bank's interventions. These loans were mainly financed by the Bank's own funds (40.68 per cent), the Indian line of credit (33.87 per cent) and bonds issued on the WAEMU regional capital market (14.33 per cent). Other external resources used to finance these projects included funds provided by ECAs (7.02 per cent), the AFD line of credit (2.0 per cent), Afreximbank's line of credit (1.58 per cent) and BADEA's line of credit (0.52 per cent), as shown in Table 11.

Figure 18: Breakdown of new commitments by sector at 31 December 2022



GHANA: GRIDCo Transmission Line Rehabilitation
and Construction Project
Signed on 18/11/2022

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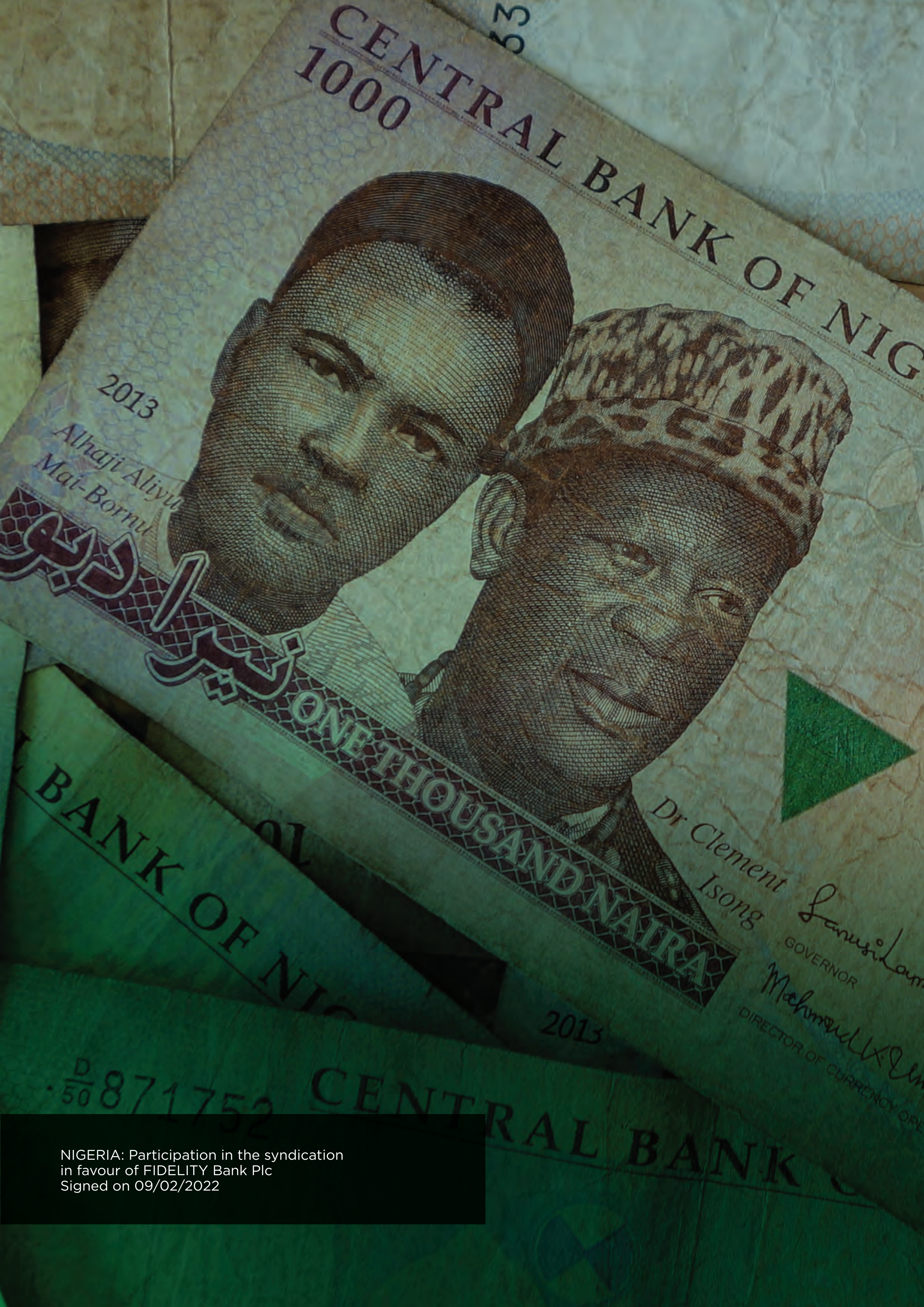
In 2022, although all Member States of the Community benefited from the Bank's financing, the distribution of cumulative net commitments shows that Côte d'Ivoire (18.4 per cent), Mali (13.5 per cent) and Senegal (13.2) are the biggest beneficiaries.

Table 11: Breakdown of net cumulative commitments by source of financing, sector of operations, and mode of intervention as at 31 December 2022

		2021			2022			Variation 2021 -2022 (per cent)	
		No of Projects	Amount (UA)	per cent	No of Projects	Amount (UA)	per cent	Number (per cent)	Amount (per cent)
LOANS	**BY SOURCE OF FUNDING**								
	Indian Line of Credit Public	38	604,200,974	40.0	41	679,443,994	33.1	7.9	12.5
	Indian Line of Credit Private	1	16,297,380	1.1	1	16,297,380	0.8	0	0
	Afreximbank Line of Credit	3	32,419,170	2.1	3	32,419,170	1.6	0	0
	BADEA Line of Credit	**1**	10,650,005	0.7	1	10,650,005	0.5	0	0
	WAEMU Debenture	13	135,443,982	9.0	20	294,203,510	14.3	53.8	117.2
	EBID/Own Resources	**76**	562,341,912	37.2	83	835,341,897	40.7	9.2	48.5
	AFD	4	41,051,071	2.7	4	41,051,071	2.0	0.0	0.0
	ECA	5	108,007,433	7.2	7	144,246,235	7.0	40.0	33.6
	TOTAL	**141**	**1,510,411 927**	**100.0**	**160**	**2,053,653,262**	**100.0**	**13.5**	**36.0**
	SECTOR								
	Private sector	**52**	565,972,171	37.5	62	808,962,163	39.4	19.2	42.9
	Public sector	**89**	944,439,756	62.5	98	1,244,691,099	60.6	10.1	31.8
	TOTAL	**141**	1,510,411,927	100.0	160	2,053,653,262	100.0	13.5	36.0
	AREA OF OPERATION								
	Infrastructure	**80**	839,684,937	55.6	88	1,042,694,084	50.8	10.0	24.2
	Rural Development	**10**	138,458,512	9.2	14	248,845,849	12.1	40.0	79.7
	Industry	**11**	86,131,376	5.7	12	91,710,328	4.5	9.1	6.5
	Services	**32**	365,970,889	24.2	36	508,356,706	24.8	12.5	38.9
	Social	**8**	80,166,213	5.3	10	162,046,295	7.9	25.0	102.1
	TOTAL	**141**	**1,510,411,927**	**100.0**	**160**	**2,053,653,262**	**100.0**	**13.5**	**36.0**
COMMITMENTS	**MODE OF INTERVENTION**								
	Loans & Trade Finance	**141**	1,510,411,927	97.8	160	2,053,653,262	98.3	13.5	36.0
	Equity participation	**12**	33,330,754	2.2	12	35,366,473	1.7	0.0	6.1
	Guarantees	**-**	-	-	-	-	-	-	-
	TOTAL	**153**	**1,543,742,681**	**100.0**	**172**	**2,089,019,735**	**100.0**	**12.4**	**35.3**



NIGERIA: Participation in the syndication
in favour of FIDELITY Bank Plc
Signed on 09/02/2022

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4.1.5 Disbursements

For the year 2022, the Bank's new disbursements amounted to UA 289.89 million (USD 389.28 million), representing an increase of 74.30 per cent over 2021. These new disbursements were made up of 99.30 per cent loan disbursements, with 0.7 per cent capital gains on equities held by the Bank in the capital of some clients.Loan disbursements increased by 74.18 per cent in 2022, on account of increases in disbursements in the social (1,125.15 per cent), industrial (96.90 per cent) and integration infrastructure (92.37 per cent) sectors, as shown in Table 12. Overall, 69.27 per cent of loan disbursements went to the private sector, which continued to increase year-on-year by 43.17 per cent.

This increase reflects the Bank's strategic intent to intensify its financing activities for private sector operations, as envisaged in Strategy 2025. Disbursements were made to 71 projects in the portfolio, compared to 53 projects in 2021, as follows:

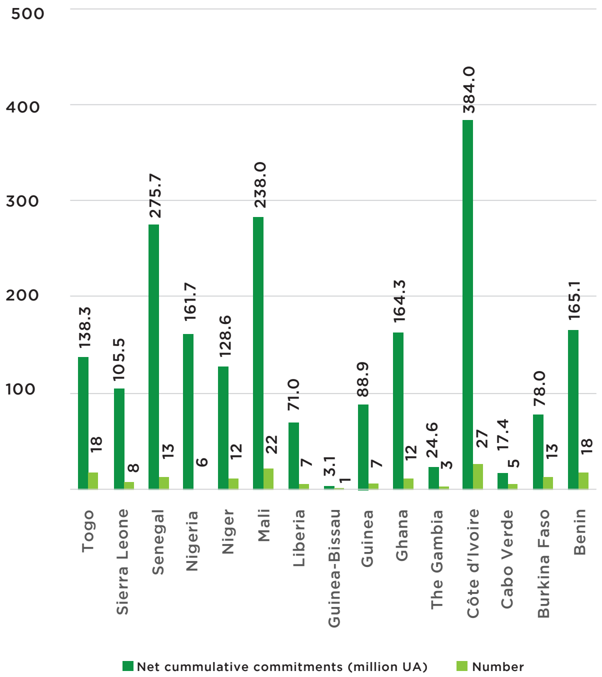

Figure 19: Breakdown of cumulative net commitments by number of projects and amount as at 31 December 2022 (million UA)

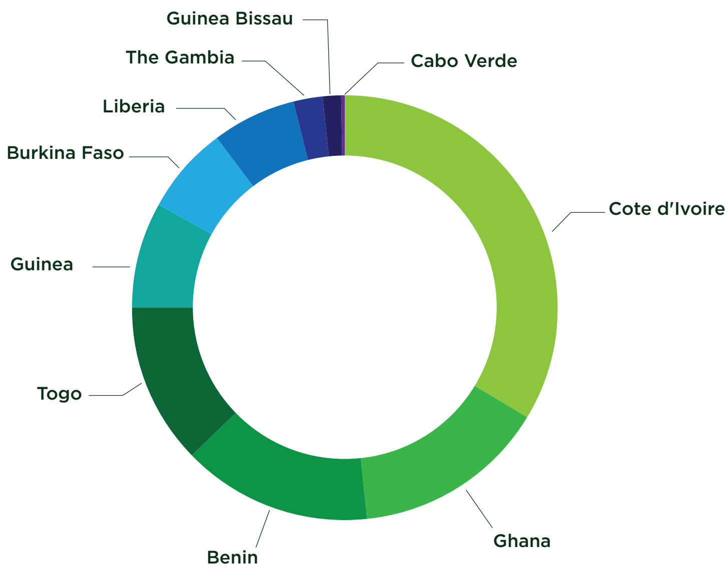

Figure 20: Breakdown of cumulative net commitments by country at 31 December 2022

SENEGAL: Project for the construction of a House of Youth and Citizenship in thirty-eight (38) departments
Signed on 12/07/2022

04

4.1.5 Disbursements

- The project to build a new airport at Donsin in Burkina Faso;
- The project to interconnect the electricity networks of Côte d'Ivoire and Mali (Laboa-Boundiali-Ferkessedougou phase) in the Republic of Côte d'Ivoire;
- The project to equip and rehabilitate health structures (PERSS) in the Republic of Côte d'Ivoire;
- The project for the purchase of two (2) King Air 350 ER Teams for the Remote Maritime and Territorial Surveillance Project in the Republic of Côte d'Ivoire;
- The project to finance the strengthening and upgrading of the Kanawolo-Korhogo road in the Republic of Côte d'Ivoire;
- The Rural Electrification Network Extension Project Phase II in The Gambia;
- A line of credit to finance the import and delivery of fertiliser to agricultural companies and producers in favour of GLOFERT Limited in Ghana;
- The project to grant a line of credit dedicated to the financing of priority infrastructure projects in the form of PPP within the framework of the govern ment's "year of roads" programme in favour of Consolidated Bank Ghana Limited in Ghana;
- The 225 kv Guinea-Mali electricity interconnection project (phase I), in the Republic of Guinea;
- East International Group, Inc. Road construction project in Liberia;
- The Sikasso-Bougouni-Sanankoroba-Bamako 225 kV double term link construction project in the Republic of Mali;
- The project for the acquisition of tanker trucks for SOYATT SA in the Republic of Mali;
- The project for the establishment of a revolvin credit facility in favour of SOYATT SA for the import and marketing of petroleum products to markers in the Republic of Mali;
- The project of granting a line of credit in avour of Banque Malienne de Solidarité (BMS Mali SA) in the Republic of Mali;
- The line of credit dedicated to the financing of fertilisers for the agricultural sector in Niger in favour of the Agricultural Bank of Niger (BAGRI) in the Republic of Niger;
- The Bank's participation in the syndication of a line of credit in favour of FIDELITY Bank Plc in the Federal Republic of Nigeria;
- The project to purchase bonds issued by Bank of Industry (BOI) in the Federal Republic of Nigeria;
- The project to grant a line of credit to Sterling Bank for the financing of SMEs in the Federal Republic of Nigeria;
- Rehabilitation of the Dakar - Bamako Corridor, National Road No. 7 (Section: Mako-Kedou gou-Moussala) in the Republic of Senegal;
- The project for the construction of a Youth and Citizenship House in thirty-eight (38) departments in the Republic of Senegal;
- The Planet Solar Energy Ltd. project in Sierra Leone; and
- The project for the development and asphalting of the national road n°17 section Katchamba-Sadori (60km), in the Togolese Republic.

Table 12: Cumulative net disbursements as at 31 December 2022

	31/12/2022 (a)		31/12/2021 (b)		Variation
	Amount (UA)	per cent	Amount (UA)	per cent	(a)/(b) per cent
Annual Disbursements (during the period under review)					
BY DEPARTMENT					
Private sector	199,166,067	69.3	139,112,328	83.3	43.2
Public sector	88,365,828	30.7	25,954,843	16.7	240.46
TOTAL	**287,531,895**	**100.0**	**165,067,171**	**100.0**	**74.2**
BY SECTOR					
Infrastructure	**82,759,493**	28.8	43,005,864	26.8	92.4
Rural Development	6,122,586	2.1	9,364,327	5.6	-34.6
Industry	2,172,916	0.8	1,103,560	0.7	96.9
Services	**163,896,799**	**57.0**	**108,934,138**	**65.4**	**50.5**
Social	**32,580,100**	11.3	2,659,282	1.6	1125.1
TOTAL	**287,531,895**	**100.0**	**165,067,171**	**100.0**	**74.2**
Public sector	**89**	944,439,756	62.5	98	1,244,691,099
TOTAL	**141**	1,510,411,927	100.0	160	2,053,653,262
Global Net Disbursements as at 31 December 2022					
BY DEPARTMENT					
Private sector	**608,326,804**	52.0	411,294,957	48.4	47.9
Public sector	**562,439,429**	48.0	474,794,937	51.6	18.5
TOTAL	**1,170,766,233**	**100.0**	**886,089,894**	**100.0**	**32.1**
BY SECTOR					
Infrastructure	584,447,250	49.9	502,466,586	54.7	16.3
Rural Development	25,696,678	2.2	19,665,879	2.1	30.7
Industry	**78,898,962**	6.7	76,807,166	8.4	2.7
Services	**412,487,341**	35.2	250,494,362	30.9	64.7
Social	**69,236,001**	5.9	36,655,901	4.0	88.9
TOTAL	**1,170,766,233**	**100.0**	**886,089,894**	**100.0**	**32.1**

As at 31 December 2022, total cumulative net disbursements from the Bank's portfolio amounted to UA 1,206.13 million (1.631 billion USD), representing an increase of 31.18 per cent over the amount recorded at end-December 2021. Disbursement rates by sector of operations were 76.24 per cent for the private sector and 45.19 per cent for the public sector. In terms of sectoral activities, the infrastructure sector received the most disbursements (49.91 per cent), followed by the services sector (26.03 per cent) and rural development (11.91 per cent). In addition, although all sectors experienced annual growth in disbursements, the services sector and the industrial sector had higher disbursement rates of 82.37 per cent and 86.03 per cent, respectively, compared to 2021.

Cumulative disbursements of the loan portfolio amounted to UA 1,170.77 million (1.573 billion USD) as of 31 December 2022, representing an increase of 32.13 per cent, compared to 2021. As at end-December 2022, the annual disbursement rate of 57.01 per cent of cumulative net loan commitments was about 24.56 per cent.

MALI: Partial financing project for the import
and supply of petroleum products to institutional
clients by SOYATT SA, in the Republic of Mali (II)
Signed 01/12/2022

04

4.2 Highlights of Some of the Key Projects Funded in the Period Under Review

Côte d'Ivoire: Financing the installation of 1,000 solar water pumping and treatment units in rural areas.

Amount: Euros 41.33 million.

Target Beneficiaries: Rural population in the Republic of Côte d'Ivoire.

Number of Beneficiaries: A total of 2,500 localities, with an estimated 500 people per locality, will be affected by the project.

Anticipated Potential Impacts:
- Availability and supply of drinking water to target populations.
- Reduction of conflicts over access to drinking water in beneficiary areas.
- Considerable reduction of waterborne diseases among the populations of the localities where the Pump & Drink stations have been installed.
- Income-generating activities carried out by women in the villages benefiting from the project.

Water Financing

Côte d'Ivoire: Financing of the agricultural component of the Northern Agro-Industrial Cluster Project (2PAI-Nord).

Amount: USD 50 million.

Target Beneficiaries: 2PAI Nord covers the regions of Bagoué, Hambol, Poro andTchologo with a population of about 2.16 million.

Number of Beneficiaries: The 2PAI-Nord will directly benefit about 400,000 people (51 per cent women and 60per cent young people).
The population indirectly affected is estimated at 1.2 million (51per cent women and 60per cent young people).

Anticipated Potential Impacts:
- Creation of 25,000 direct and 45,000 indirect jobs in its area of intervention.
- Creation and consolidation of at least 300 agricultural SMEs, 40per cent of which are women's SMEs, particularly through incubators.
- The decline in the annual per capita value of rice imports, and the rise in the per capita value of mango and cashew imports.
- Increase in the processing rates of ASPH products.
- Mobilisation of a cumulative investment in favour of the agro industry of about 200 million euros.
- Increase in the food security rate from 22 per cent to 32 per cent.
- Increasing the agricultural productivity of double-crop rice from 6 T/ha to 12 T/ha.

Financing for Rural Development

04

4.2 Highlights of Some of the Key Projects Funded in the Period Under Review

NIGERIA: Partial financing of the syndicated loan facilitation project in favour of Bank of Industry Limited (BOI), Federal Republic of Nigeria.

Amount: USD 15 million.

Target Beneficiaries: Nigerian micro and large enterprises

Number of Beneficiaries: Over 2.6 million microenterprises, 12,758 MSMEs and 1,134 large enterprises.

Objective:

- The objective of the facility is to assist BOI to:
  (i) refinance the existing syndicated US dollar medium term loan facility;
  (ii) on-lend to the borrower's eligible companies for application to trade and trade-related projects for eligible companies (directly or indirectly via eligible NFIs).
- Since 2015, the Bank has supported 2.6 million microenterprises, 12,758 MSMEs and 1,134 large enterprises with 825 billion in loan disbursements to finance businesses and projects in various sectors of the Nigerian economy, including agriculture and agribusiness, solid minerals processing, petrochemicals and polymers, textiles and cotton garments, automotive, creative industries and ICT. These companies have benefited from the Bank's credit products, which in turn have had a significant positive impact on the Nigerian economy, including the creation of over 5 million direct and indirect jobs.

Financing the Financial Service

05 FINANCIAL PERFORMANCE

Report of the Board of Directors

05

Board of Directors	Country
Mrs. Aishatu Shehu Omar Director for International Economic Relations Department Federal Ministry for Finance, Budget and National Planning	Nigeria
Mr. Samuel Danquah Arkhurst Director, 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
Mrs Kourouma Emilie Bernadette Leno Secretary General Ministry of Economy and Finance	Guinea, (Group I)
Mr. Mussa Sambi Director General for Economy Ministry of Economy, Planning and Regional Integration	Guinea-Bissau (Group I)
Mr. Augustus J. Flomo Deputy Minister for Economic Management Ministry of Finance & Development Planning	Liberia (Group II)
Mr. Abdou Salam Mani Diector General for Treasury and Public Accounting Ministry of Finance	Niger (Group II)
Mr. Abdulie Jallow Permanent Secretary, Ministry of Finance and Economic Affairs	The Gambia (Group III)
Mr. Sam Morris Aruna Deputy Financial Secretary for Multilateral Projects Division Ministry of Finance	Sierra Leone (Group III)
Secretary Moctar Coulibaly Secretary General of EBID	Registered Office Lomé 128 Boulevard du 13 Janvier B-P 2704 Lome - Togo

Auditors
Ernst & Young
60 Rangoon Lane,
P.O. Box KA 16009,
Caontonments City
Accra, Ghana

05 Report of the Board of Directors

Report of the Board of Directors

The Board of Directors has the pleasure of closing the financial statements of the ECOWAS Bank for Investment and Development (the Bank) for the year ended 31 December 2022. The financial statements have been drawn and presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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

Nature of Business

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

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 the 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 development are some of the key activities the Board focused on in 2022 as it provided guidance to Management in steering the Bank through a turbulent period in the economy and in the banking industry.

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

At the time of the closing of the 2022 annual financial statements on 5th April, 2023 the Board was made up of nine (9) Non-Executive Directors. The following table shows the list of the nine-member Board:

05 Report of the Board of Directors

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

Board Roles and Key Responsibilities

The President

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

Non-Executive Directors (NEDs)

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

Board Committees

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

The Board duly received the reports and updates from each of the Committee meetings throughout the reporting period. The Bank has effective mechanisms in place to ensure that there are no gaps or unnecessary duplication between the remit of various Committees.

Report of the Board of Directors

05

Number of Board Meetings held in 2022

Board members	Scheduled Meetings: 6	Home Consultation	Remarks
Mrs. Aishatu Shehu Omar	6	✓	
Mr. Samuel Danquah Arkhurst	6	✓	
Mrs. Anicou-Annie Lecadou Kacou	6	✓	
Mrs Kourouma Emilie Bernadette Leno	0 (Country under sanction)	✓	
Mr. Mussa Sambi	6	✓	
Mr. Augustus J. Flomo	6	✓	
Mr. Mamam Laouali Abdou Rafa	4	✓	
Mr. Abdullie Jallow	6	✓	
Mr. Sam Morris Aruna	6	✓	

Audit Committee

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

Number of Board Audit Committee meetings held in 2022

Board members	**Scheduled Meetings: 4**	**Remarks**
Mrs. Aishatu Shehu Omar	4	Chairperson, attended all meetings
Mrs Kourouma Emilie Bernadette Leno	0	Country under sanction
Mr. Mussa Sambi	4	4

Credit and Risk Committee

The Credit and Risk Committee maintains oversight role 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 2022

Board members	**Scheduled Meetings: 4**	**Remarks**
Mrs. Anicou-Annie Lecadou Kacou	4	Chairperson, attended all meetings
Mr. Augustus J Flomo	4	Attended all meetings
Mr. Maman Laouali Abdou Rafa	4	Attended all meetings

05 Report of the Board of Directors

Remuneration and Human Resource Committee

The role of the Remuneration and Human Resource Committee is to propose the level and structure of the remunerations of staff of the Bank. The Committee is also responsible for reviewing the Bank's human resource policy and for making recommendations to the Board.

Number of Board Remuneration and Human Resource Committee Meetings held in 2022

Board members	Scheduled Meetings: 3	Remarks
Mr. Samuel Danquah Arkhurst	4	Chairperson, attended all meetings
Mr. Abdoulie Jallow	4	Attended all meetings
Mr. Sam Morris Aruna	4	Attended all meetings

Going Concern

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

Fund Management Activities

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

Auditors

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

Directors' Responsibility for the Financial Statements

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

Business Performance

- Operating income increased by 29.61 per cent
- Profit increased by 44.82 per cent
- Total assets increased by 36.83 per cent

Approval of the Financial Statements

The Directors have taken all the necessary steps to make themselves and Ernst & Young aware of any information needed in performing the 2022 audit. As far as each of the Directors is aware, there is no relevant audit information of which Ernst & Young is unaware. The financial statements of the Bank were issued by the Board of Directors, recommended to the Board of Governors for approval, and signed on 5th April, 2023 on its behalf by:

....
Governor
Nialé KABA

....
Governor
Olavo Correia

Financial Highlights

05

For the year ended 31 December 2022

All amounts are expressed in million UA

As at	2022	2021	2020	2019
Total assets	**1191.75**	**870.96**	**705.54**	**711.92**
Loans and advances	900.73	688.96	550.82	530.73
Financial assets at amortised cost	**159.69**	**81.32**	**60.39**	**90.83**
Borrowings	**764.81**	**488.22**	**374.07**	**377.62**
Managed funds	**48.09**	28.04	27.94	28.73
Defined benefit obligations	6.02	4.83	5.45	9.32
Net Assets	**372.02**	**349.88**	**298.08**	**296.25**
For the year ended	**2022**	**2021**	**2020**	**2019**
Net Interest Income	**16.02**	**14.73**	**10.00**	**15.87**
Operating income	**31.42**	**24.24**	**16.92**	**20.31**
Profit for the year	**5.04**	**3.48**	**2.92**	**4.04**
Return on assets (%)	**0.5**	0.4	0.4	0.6
Return on equity (%)	**1.4**	1.1	0.9	1.4
Net Interest-margin (%)	**1.75**	2.1	1.6	2.7
Cost-to-income (%)	**59.20**	**64.2**	**78.6**	**66.3**
NPL ratio: non-performing loans/Gross loans	4.28	5.78	7.12	7.96
Capital Adequacy Ratio %	40.03	49.74	53.62	54.82

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT
Report on the audit of the financial statements

Opinion
We have audited the financial statements of ECOWAS Bank for Investment and Development (the Bank) as set out on pages 79 to 159, which comprise the statement of financial position as at 31 December 2022 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the document titled "ECOWAS Bank for Investment and Development Annual Report 2022", 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 express an audit opinion or any form of assurance or conclusion thereon.

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Ernst & Young

Signed for and on behalf of
Ernst & Young (ICAG/F/2023/126)
Chartered Accountants
Accra, Ghana.
Date: 8th April, 2023.

Statement of Profit or Loss and Other Comprehensive Income

05

For the year ended 31 December 2022

	Note	2022 UA	2021 UA
Interest income calculated using effective interest method	8	**46,167,277**	30,352,379
Interest expense calculated using effective interest method	9	**(30,149,770)**	**(15,620,778)**
Net interest income		**16,017,507**	**14,731,601**
Fees and commission income	10a	**6,940,487**	5,033,315
Fees and commission expense	11	**(1,391,270)**	(335,959)
Net fee and commission income		**5,549,217**	**4,697,356**
Trading income	10b	**1,223,514**	**1,014,856**
Net fair value gain from other financial instruments carried at fair value		**411,776**	**1,122,185**
Other operating income	12	**8,214,652**	**2,672,652**
Total other trading income		**9,849,942**	**4,809,693**
Operating income		**31,416,666**	24,238,650
Net impairment charge on financial assets	17.1	**(7,773,382)**	(5,186,545)
Operating income net of impairment charges		**23,643,284**	19,052,105
Personnel expenses	26	**(12,358,553)**	(9,772,825)
Depreciation	19	**(1,330,012)**	(2,049,030)
Other expenses	13	**(4,910,391)**	(3,751,176)
Total operating expenses		**(18,598,956)**	(15,573,031)
Profit for the year		**5,044,328**	3,479,074
Other comprehensive Income			
Items that will not be reclassified to the income statement:			
Fair value gain on unquoted instruments	16.2	**4,458,570**	4,421,002
Total other comprehensive income		**-**	4,421,002
Total comprehensive income		**9,502,898**	7,900,076

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

05 Statement of Financial Position

As at 31 December 2022

	Note	2022 UA	2021 UA
Assets			
Cash and bank balances	**14**	**39,221,823**	21,236,410
Financial assets at amortised cost	**15**	**159,689,939**	81,320,439
Quoted equity instruments at fair value through profit or loss	**16.1**	**4,233,613**	**3,821,837**
Unquoted equity instruments at fair value through other comprehensive income	**16.2**	**35,591,430**	31,119,593
Debt instruments at amortised cost comprehensive income	**16.3**	**11,017,758**	1,946,451
Loans and advances	**17**	**900,726,238**	688,957,344
Other assets	**18**	**12,592,067**	**14,644,459**
Property, plant and equipment and right-of-use-assets	**19**	**28,678,057**	27,916,846
Total assets		**1,191,750,925**	870,963,379
Liabilities and Equity			
Liabilities			
Other liabilities	**20**	**48,904,197**	**28,035,215**
Net employee defined benefit liabilities	**21**	**6,018,681**	4,828,918
Borrowings	**22**	**764,808,558**	488,217,898
Total liabilities		**819,731,436**	**521,082,031**
Equity			
Stated capital	**23**	**357,653,410**	345,018,167
Retained earning	**24**	**3,993,385**	(1,050,943)
Other reserves	**25**	**10,372,694**	5,914,124
Total equity		**372,019,489**	349,881,348
Total liabilities and equity		**1,191,750,925**	870,963,379

The financial statements of the Bank were issued by the Board of Directors and recommended to the Board of Governors for approval and signed on 2023 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

05

For the year ended 31 December 2022

Balance at 31 December 2022	Note	Stated capital UA	Income surplus UA	Other Reserves UA	Total UA
Balance at 1 January 2022		**345,018,167**	**(1,050,943)**	**5,914,124**	**349,881,348**
Profit for the year		**-**	**5,044,328**	**-**	**5,044,328**
Other comprehensive Income	**25**	**-**	**-**	**4,458,570**	**4,458,570**
Total comprehensive Income during of year		**0**	**5,044,328**	**4,458,570**	**9,502,898**
Transactions directly with shareholders:					
Additional capital contribution	**23**	**12,635,243**	**-**	**-**	**12,635,243**
Balance at 31 December 2022		**357,653,410**	**3,993,385**	**10,372,694**	**372,019,489**
Balance at 31 December 2021		**Stated capital UA**	**Accumulated losses UA**	**Other reserves UA**	**Total UA**
Balance at 1 January 2021		301,114,684	(4,530,017)	1,493,122	298,077,789
Profit for the year		-	**3,479,074**	-	3,479,074
Other comprehensive income	**25**	-	-	4,421,002	4,421,002
Total comprehensive Income		**0**	**3,479,074**	**4,421,002**	**7,900,076**
Transactions directly with shareholders:					
Additional capital contribution	**23**	43,903,483	-	-	43,903,483
Balance at 31 December 2021		**345,018,167**	**(1,050,943)**	**5,914,124**	**349,881,348**

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

05 Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 UA	2021 UA
Profit for the year		**5,044,328**	**3,479,074**
Adjustment for non-cash items			
Depreciation		**1,330,012**	**2,049,030**
Impairment charge/(reversal) on financial assets	**15.2 & 17.1**	**7,773,382**	5,186,545
Gains/(losses) on foreign currency translation		**(6,405,767)**	(521,299)
Dividend income		**-**	(78,140)
Loss on disposal of property, plant and equipment		**8,458**	**-**
Increase on accrued interest on borrowings		**4,407,471**	74,476
Increase on accrued interest on loans		**(7,283,276)**	(2,491,526)
Increase on accrued interest on placements		**(2,208,468)**	**(209,390)**
Provision for long service award		**1,300,000**	**323,671**
Fair value gains/(losses) on investments at fair value through profit or loss	**16.1**	**(411,776)**	**(1,122,185)**
Adjusted profit for the year		**3, 554,364**	**6,690,256**
Changes in working capital			
Increase/(Decrease) in loans and advances		**(211,959,000)**	**(143,319,327)**
Decrease/(Increase) in other assets		**2,052,392**	(3,517,697)
Increase/(Decrease) in provision for long service award		**(110,237)**	(620,248)
Decrease /(Increase) in other liabilities		**20,568,982**	(206,545)
Total cash flows used in operating activities		**(185,893,499)**	(141,065,051)
Investing activities			
Proceeds from sale of property, plant and equipment		**2,486**	-
Purchase of property, plant and equipment		**(2,102,167)**	(1,933,447)
Purchase of financial assets at amortised cost		**(78,369,500)**	(20,926,210)
Interest received on investments		**2,208,468**	2,700,916
Dividend income		**-**	78,140
Purchase of equity investments		**(13,267)**	(1,052,056)
Redemption of debt instruments		**-**	629,028
Purchase of debt instruments		**(9,071,307)**	
Total cash flows used in investing activities		**(87,345,287)**	(20,503,629)

Statement of Cash Flows

05

For the year ended 31 December 2022

	Note	2022 UA	2021 UA
Financing activities			
Additional capital contributions	**23**	**12,635,243**	43,903,483
Additional borrowings	**22**	**397,814,663**	**190,826,728**
Repayment of borrowings	**22**	**(120,658,533)**	(76,682,349)
Total cash flows from financing activities		**289,791,373**	**158,047,862**
Decrease/(Increase) in cash and cash equivalents		**16,552,587**	**(3,520,818)**
Net foreign exchange difference on: cash and cash equivalents		**6,405,767**	(1,981,805)
Net foreign exchange difference on borrowings		**(4,972,941)**	2,503,104
Cash and cash equivalents as at 1 January 2022	**14**	**21,236,410**	**24,235,929**
Cash and cash equivalents as at 31 December 2022	**14**	**39 221 823**	**21,236,410**

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

05 Notes to the Financial Statements

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 globalisation.

The address of its registered office is 128, Boulevard du 13 Janvier B-P 2704, Lomé –Togo.In accordance with the Agreement Establishing the Bank, the Bank, its property, other assets, income and its operations and transactions shall be exempt from all taxation and customs duties. The Bank is also exempt from any obligation to pay, withhold or collect any tax or duty.

2. Basis of Preparation

a. *Statement of Compliance*

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

b. *Basis of Preparation*

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

Functional and Presentation Currencies

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

Currency Translation

Income and expenses are translated to UA at the rates prevailing on the date of the transaction. Monetary assets and liabilities are translated into UA at rates prevailing at 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 2022 and 2021 respectively are as follows:

Year	USD	GBP	EURO	Franc CFA
2022	**1.330840**	**1.102790**	**1.252910**	**821.855085**
2021	**1.399590**	**1.041830**	1.237480	811.733668

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

Notes to the Financial Statements

Basis of Preparation - cont'd

2.1. Initial Application of New Amendments to the Existing Standards Effective for Current Financial Period.

2.1 Standards Issued but not Yet Effective.

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

IFRS 17 – Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Bank.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

05 Notes to the Financial Statements

Basis of Preparation - cont'd

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Bank is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds Before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.
The amendments are not expected to have a material impact on the Bank.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.
The Bank will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

Notes to the Financial Statements

05

Basis of Preparation - cont'd

IFRS 1 First-Time Adoption of International Financial Reporting Standards – Subsidiary As a First-Time Adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the '10 Per Cent' Test for Derecognition of Financial Liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Bank will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Bank.

IAS 41 Agriculture – Taxation in Fair Value Measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Bank.

Definition of Accounting Estimates - Amendments to IAS 8

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

05 Notes to the Financial Statements

Basis of Preparation - cont'd

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

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Bank is currently assessing the impact of the amendments to determine the impact they will have on the Bank's accounting policy disclosures.

3.0 Summary of Significant Accounting Policies

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

3.1 Financial Assets and Liabilities

Financial Instruments

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

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

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

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

Notes to the Financial Statements

3.0 Summary of Significant Accounting Policies - cont'd

when pricing 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.

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.

3.1. Financial Assets and Liabilities Specifically:

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

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

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

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

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

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

05 Notes to the Financial Statements

3.0 Summary of Significant Accounting Policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

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 compen sation 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.

Notes to the Financial Statements 05

3.0 Summary of Significant Accounting Policies - cont'd

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 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.

05 Notes to the Financial Statements

3.0 Summary of Significant Accounting Policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

Impairment

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

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

No impairment loss is recognised on equity investments.With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Bank's policy is always to measure loss allowances for lease receivables as lifetime ECL. ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

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

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

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

Credit-Impaired Financial Assets

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

Notes to the Financial Statements 05

3.0 Summary of Significant Accounting Policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

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

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

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

Purchased or Originated Credit-Impaired (Poci) Financial Assets

POCI financial assets are treated differently because the assets are credit-impaired at initial recognition. For these assets, the Bank recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised 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.

05 Notes to the Financial Statements

3.0 Summary of Significant Accounting Policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

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

Significant Increase in Credit Risk

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

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

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

For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information.

For retail, lending forward looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality.

Notes to the Financial Statements 05

3.0 Summary of Significant Accounting Policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

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.

05 Notes to the Financial Statements

3.0 Summary of Significant Accounting Policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

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

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

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

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired.

This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

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

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

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Bank's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms.

If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Notes to the Financial Statements 05

3.0 Summary of Significant Accounting Policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

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

The Bank derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of a financial asset other than in its entirety (e.g. when the Bank retains an option to repurchase part of a transferred asset), the Bank allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss.

A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

05 Notes to the Financial Statements

3.0 Summary of Significant Accounting Policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

Write-Off

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

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

Financial Liabilities and Equity

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

Notes to the Financial Statements

3.0 Summary of Significant Accounting Policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd) Equity Instruments

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

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

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Financial liabilities at FVTPL Financial liabilities are classified as at FVTPL when the financial liability is

(i) held for trading, or
(ii) designated as at FVTPL.

A financial liability is classified as held for trading if: it has been incurred principally for the purpose of repurchasing it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit- taking; or it is a derivative that is not designated and effective as a hedging instrument.

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

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

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised 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.

05 Notes to the Financial Statements

3.0 Summary of significant accounting policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability. For issued loan commitments and financial guarantee contracts that are designated as at FVTPL all gains and losses are recognised in profit or loss.

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

Other Financial Liabilities

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. For details on EIR see the "net interest income section" above.

Derecognition of Financial Liabilities

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the Bank exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including paid net of any fees received and discounted using the original effective rate, is at least, 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

Date of Recognition

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

Categorisation of Financial Assets and Liabilities

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

Notes to the Financial Statements 05

3.0 Summary of significant accounting policies - cont'd

3.1. Financial Assets and Liabilities – (cont'd)

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. Financial assets and liabilities classified as fair value through profit or loss are subsequently measured at fair value with the resulting changes recognised in profit or loss. Loans and receivables and other liabilities are subsequently carried at amortised cost using the effective interest method, less impairment loss.

Derecognition

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

3.2. Fair Value Measurement

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

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

05 Notes to the Financial Statements

3.0 Summary of Significant Accounting Policies - cont'd

3.2. Fair Value Measurement - (cont'd)

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 unobserv able 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.

Notes to the Financial Statements

05

3.0 Summary of Significant Accounting Policies - cont'd

3.4. Property, Plant and Equipment

Recognition and Measurement

Property plant and equipment are measured at cost less accumulated depreciation and impairment losses. The Bank does not depreciate the land component of its properties. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use purchased software that is integral to the functionality of the related equipment and is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

The Bank performs a revaluation of its land and buildings every five (5) years using an independent valuer to ensure that the fair value does not differ significantly from its carrying amount. Assets classified as Capital Work-In-Progress is held at cost. Assets in this class of property, plant and equipment are not depreciated. On completion, the asset is transferred to the relevant asset category and depreciation starts in the month of transfer.

Subsequent Costs

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

Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. 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. The estimated useful lives for the current and comparative periods are as follows:

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

05 Notes to the Financial Statements

3.0 Summary of Significant Accounting Policies - cont'd

3.5. Other Intangible Assets

Other intangible assets that are acquired by the Bank and have finite useful lives are recognised at costs less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses excluding expenses on internally generated goodwill and brands is recognised in profit and loss as incurred. Amortisation is based on the cost of the asset less its residual value. Amortisation is recognised in profit and loss on a straight-line basis over the lifespan of the asset. The estimated remaining useful life is three (3) years.

3.6. Events After the Reporting Date

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

3.7. Provisions

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

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

3.8. Employee Benefits

Defined contribution plans

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

Long Service Award

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

Termination Benefits

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

Short-Term Benefits

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

Notes to the Financial Statements

05

3.0 Summary of Significant Accounting Policies - cont'd

3.9. Impairment on Non-Financial Assets

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

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10. Leases

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

The Bank as Lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

4. Critical Judgements and Estimates in Applying the Bank's Accounting Policies

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

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

05 Notes to the Financial Statements

4.0 Critical Judgements and Estimates in Applying the Bank's Accounting Policies - cont'd

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 recognised in financial statements.

Fair Value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Impairment losses on loans and advances

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

Going Concern

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

Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payment of Principal and Interest (SPPI) and the business model test The Bank determines the business model at a level that reflects how Banks of financial assets are managed together to achieve a particular business objective.

This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Bank monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised 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.

Notes to the Financial Statements 05

4.0 Critical Judgements and Estimates in Applying the Bank's Accounting Policies - cont'd

Significant Increase of Credit Risk

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

Establishing Banks of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are Banked on the basis of shared risk characteristics. Refer to note 8 for details of the characteristics considered in this judgement The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets.

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

Models and Assumptions Used:

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

Key Sources of Estimation Uncertainty

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

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

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

05 Notes to the Financial Statements

4.0 Critical Judgements and Estimates in Applying the Bank's Accounting Policies - cont'd

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

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

4.1.1. Introduction and Overview

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

We review and adjust our underwriting standards and limits in response to observed and anticipated changes within our environment and the evolving expectations of our stakeholders. We maintained our overall cautious stance whilst continuing to support our core clients. The management of risk lies at the heart of EBID's operations. One of the main risks we incur arises from extending credit to customers through our trading and lending operations. Beyond credit risk, we are also exposed to a range of other risk types such as country cross-border, market, liquidity, operational, pension, reputational and other risks that are inherent to our strategy and product range.

4.1.2. Risk Management Framework

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

Notes to the Financial Statements

4.1. Financial Risk Management

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.

05 Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

Credit Risk

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

Credit Risk Management

The Bank's Credit Committee is responsible for managing the Bank's credit risk by: Ensuring that the Bank has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Bank's stated policies and procedures, IFRS and relevant supervisory guidance. Identifying, assessing and measuring credit risk across the Bank, from an individual instrument to a portfolio level.

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

Limiting concentrations of exposure by type of asset, counterparties, industry, credit rating, geographic location etc. Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.

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

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

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.

Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

4.1.2. Risk Management Framework - (cont'd)

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 utilisation 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.

05 Notes to the Financial Statements

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.

Notes to the Financial Statements

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4.1. Financial risk management - cont'd

4.1.2. Risk Management Framework - (cont'd)

The Bank applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Bank for strategic planning and budgeting. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Bank has not made changes in the estimation techniques or significant assumptions made during the reporting period.

Grouping of Instruments for Losses Measured on a Collective Basis

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

Measurement of ECL

The key inputs used for measuring ECL are:

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

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

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

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

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

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

05 Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

4.1.2. Risk Management Framework - (cont'd)

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.

Notes to the Financial Statements

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.

05 Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

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

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

4.1.4. Maximum Exposure to Credit Risk Before Collateral Held or Other Credit Enhancements

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

The financial assets are categorised by the industry sectors of the Bank's counterparties. Loans and advances to customers form 77.74 per cent of the total maximum exposure; 13.78 per cent represent investments in short term and 8.48 per cent 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.

Notes to the Financial Statements 05

4.1. Financial Risk Management - cont'd

4.1.4. Maximum Exposure to Credit Risk Before Collateral Held or Other Credit Enhancements – (cont'd)

At 31 December 2022	Loans and advances to customers UA	Cash and balances with Banks UA	Equity at FVTPL UA	Debt instruments at FVTOCI UA	Short term funds UA	Financial assets at amortised cost UA	Total UA
Power / Energy	165,915,316	-	-	-	-	-	165,915,316
Communication	31,343,044	-	-	-	-	-	31,343,044
Infrastructure / Transport	302,942,208	-	-	-	-	-	302,942,208
Agriculture and rural development	23,205,930	-	-	-	-	-	23,205,930
Water supply and sanitation	23,102,922	-	-	-	-	-	23,102,922
Industry	49,687,755	-	-	-	-	-	49,687,755
Finance	313,223,771	39,221,823			-	161,273,191	513,718,785
Multi-sector & social/health	24,798,668	-	-	-	-	-	24,798,668
Equity and debt instruments	-	-	4,233,613	46,609,188	-	-	50,842,801
Other assets	**-**	**-**	**-**	**-**	**12,592,067**	**-**	**12,592,067**
Total	**934,219,614**	**39,221,823**	**4,233,613**	**46,609,188**	**12,592,067**	**161,273,191**	**1,198,149,496**
Allowance for credit losses of assets	**(33,493,375)**	**-**	**-**	**-**	**-**	**(1,583,252)**	**(35,076,627)**
Net carrying amount	**900,726,239**	**39,221,823**	**4,233,613**	**46,609,188**	**12,592,067**	**159,689,939**	**1,163,072,869**

At 31 December 2021	Loans and advances to customers UA	Cash and balances with Banks UA	Equity at FVTPL UA	Debt instruments at FVTOCI UA	Short term funds UA	Financial assets at amortised cost UA	Total UA
Power / Energy	152,522,140	-	-	-	-	-	152,522,140
Communication	31,767,488	-	-	-	-	-	31,767,488
Infrastructure / Transport	192,434,162	21,236,410	-	-	-	-	213,670,572
Agriculture and Rural development	24,400,396	-	-	-	-	-	24,400,396
Water Supply and Sanitation	12,889,337	-	-	-	-	-	12,889,337
Finance & Industry	221,328,605	-	-	-	-	82,139,872	303,468,477
Multi-sector & Social/Health	80,297,224	-	-	-	-	-	80,297,224
Equity and Debt instruments	-	-	3,821,837	33,066,044	-	-	36,887,881
Other assets	-	-	-	-	14,644,459	-	14,644,459
Total	**715,639,352**	**21,236,410**	**3,821,837**	**33,066,044**	**14,644,459**	**82,139,872**	**870,547,973**
Allowance for credit losses of Assets	**(26,682,008)**	**-**	**-**	**-**	**-**	**(819,433)**	**(27,501,440)**
Net carrying amount	**688,957,344**	**21,236,410**	**3,821,837**	**33,066,044**	**14,644,459**	**81,320,439**	**843,046,533**

05 Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

4.1.4. Maximum Exposure to Credit Risk Before Collateral Held or Other Credit Enhancements - (cont'd)

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 categorised 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 9 or 10. All loans and advances are categorised 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 two loans (Alpha Telecommunications (Atel) S.A. Mali-12 and Premier Milling Corporation) with renegotiated terms as at 31 December 2022.

Notes to the Financial Statements 05

4.1. Financial Risk Management - cont'd

4.1.5. Credit Quality – (cont'd)

Impairment Assessment Under IFRS 9

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

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

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

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

Write-off Policy

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

Credit Risk Exposure

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

05 Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

4.1.5. Credit Quality – (cont'd)

Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
31-December-2022	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**		
Grades 1-3: Low to fair risk	849,009,642	-	-	-	849,009,642
Grades 4-5: Monitoring	-	45,223,251	-	-	45,223,251
Grades 6-8: Substandard	-	-	-	-	0
Grade 9: Doubtful	-	–	-	-	0
Grades 9-10: Impaired	-	–	39,986,720	-	39,986,720
Gross carrying amount	**849,009,642**	**45,223,251**	**39,986,720**	**0**	**934,219,613**
Loss allowance	**(2,374,926)**	**(3,030,415)**	**(28,088,034)**	**-**	**(33,493,375)**
Carrying amount	**846,634,716**	**42,192,836**	**11,898,686**	**0**	**900,726,238**

Placements with other banks	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
31-December-2022	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**		
Grades 1-3: Low to fair risk	161,273,191	-	-	-	161 273 191
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8 : Substandard	-	-	-	-	-
Grade 9 : Doubtful	-	–	-	-	-
Grades 9-10 : Impaired	-	–	-	-	-
Gross carrying amount	161,273,191	–	-	-	161,273,191
Loss allowance	(1,583,252)	–	-	-	(1,583,252)
Carrying amount	**159,689,939**	**-**	**-**	**-**	**159,689,939**

Loans to customers	UA
31-December-2022	
Neither past due nor impaired	**849,009,642**
Past due but not impaired	**45,223,251**
Impaired	**39,986,720**
Gross amounts	**934,219,613**
Collective of assets	**(33,493,375)**
Net amounts	**900,726,238**

Notes to the Financial Statements 05

4.1. Financial Risk Management - cont'd

4.1.5. Credit Quality – (cont'd)

Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
31-December-2022	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**		
Grades 1-3: Low to fair risk	629,330,120	-	-	-	**629,330,120**
Grades 4-5: Monitoring	-	44,937,083	-	-	**44,937,083**
Grades 6-8: Substandard	-	-	-	-	**0**
Grade 9: Doubtful	-	-	-	-	**0**
Grades 9-10: Impaired	629,330,120	-	41,372,149	-	**41,372,149**
Gross carrying amount	(2,496,315)	44,937,083	41,372,149	0	**715,639,352**
Loss allowance	626,833,805	(3,067, 989)	(21,117,704)	-	**(26,682,008)**
Carrying amount	668,702,899	41,869,094	20,254,445	0	**688,957,344**

Placements with other banks	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
31-December-2022	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**		
Grades 1-3: Low to fair risk	82,139,872	-	-	-	**82,139,872**
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8 : Substandard	-	-	-	-	-
Grade 9 : Doubtful	-	_	-	-	-
Grades 9-10 : Impaired	-	_	-	-	-
Gross carrying amount	82,139,872	_	-	-	**82,139,872**
Loss allowance	(819,433)	_	-	-	**(819,433)**
Carrying amount	81,320,439	_	-	-	**81,320,439**

Loans to customers	Loans to customers UA
31-December-2022	
Neither past due nor impaired	**629,330,120**
Past due but not impaired	**44,937,083**
Impaired	**41,372,149**
Gross amounts	**715,639,352**
Collective of assets	**(26,682,008)**
Net amounts	**688,957,344**

05 Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

4.1.5. Credit Quality – (cont'd)

Loss Allowance

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

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit- impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL. There were no changes to inputs in the period;
- Additional allowances for new financial instruments recognised during the period as well as releases for financial instruments derecognised during the period. There were no changes to inputs in the period;
- Impact on the measurement of ECL due to changes in PD's, EAD's and LGD's in the period, arising from regular refreshing of inputs to models. There were no changes to inputs in the period;
- Impacts on the measurement of ECL due to changes made to models and assumptions. There was no change in the model or assumptions in the period;
- Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- Foreign exchange translations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

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

Loss allowance - loans and advances to customers at amortised cost

2022	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
31-December-2022	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**		
Loss allowance as at 1 January 2021	(2,496,315)	(3,067,989)	(21,117,704)		**(26,682,008)**
Movements with P&L impact:					
Transfers:					
Transfers from stage 1 to stage 2	-	-	-	-	-
Transfers from stage 1 to stage 3					
Transfers from stage 2 to stage 1					
Increases/(decreases) due to change in credit risk	21,389	37,574	(6,970,330)	-	**(6,811,367)**
Additional allowance for new financial assets originated					
Release of allowance for financial assets derecognised					
Changes in model assumptions and methodologies					
Foreign exchange and other movements	-	-	-	-	-
Total net P&L charge of assets	**121,389**	**37,574**	**(6,970,330)**	-	**(6,811,367)**
Loss allowance of assets at 31 December 2022	**(2,374,926)**	**(3,030,415)**	**(28,088,034)**		**(33,493,375)**
Loss allowance of undrawn commitments (off-balance sheet)	**(300,000)**	**-**	**-**	**-**	**(300,000)**
Loss allowance at 31 December 2022	**(2,674,926)**	**(3,030,415)**	**(28,088,034)**		**(33,793,375)**

Notes to the Financial Statements 05

4.1. Financial Risk Management - cont'd

4.1.5. Credit Quality - cont'd

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

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

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

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

2021	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
Loss allowance as at 1 January 2021	(3,700,510)	(3,798,083)	(14,120,923)	-	(21,619,516)
Movements with P&L impact:					
Transfers:					
Transfers from stage 1 to stage 2	-	-	-	-	-
Transfers from stage 1 to stage 3					
Transfers from stage 2 to stage 1					
Increases/(decreases) due to change in credit risk	1,204,195	730,094	(6,996,781)	-	**(5,062,492)**
Additional allowance for new financial assets originated					
Release of allowance for financial assets derecognised					
Changes in model assumptions and methodologies					
Foreign exchange and other movements	-	-	-	-	-
Total net P&L charge of Assets	**1,204,195**	**730,094**	**(6,996,781)**	-	**(5,062,492)**
Loss allowance of assets at 31 December 2022	**(2,496,315)**	**(3,067,989)**	**(21,117,704)**		**(26,682,008)**
Loss allowance of undrawn commitments (off-balance sheet)	-	-	-		-
Loss allowance at 31 December 2022	**(2,496,315)**	**(3,067,989)**	**(21,117,704)**		**(26,682,008)**

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.

05 Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

4.1.5. Liquidity Risk - cont'd

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

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

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

2022					
Assets	3-6 months UA	6-12 months UA	1- 5 Years UA	Over 5 Years UA	December 2022 UA
Cash and bank balances	39,221,823	-	-	-	39,221,823
Financial assets measured at amortised cost	159,689,939		-	-	159,689,939
Equity and Debt investments	-	-	50,842,801	-	50,842,801
Loans and advances	45,177,768	60,111,247	331,256,090	464,181,133	900,726,238
Other assets	3,382,067	9,210,000	-	-	12,592,067
Total assets	**247,471,597**	**69,321,247**	**382,098,891**	**464,181,133**	**1,163,072,868**
Liabilities					
Other liabilities	9,827,731	-	39,076,465	-	48,904,196
Net employee defined benefit liabilities	-	2,150,456	2,019,499	1,848,726	6,018,681
Borrowings	34,177,768	47,595,592	431,219,020	251,816,178	764,808,558
Total liabilities	**44,005,499**	**49,746,048**	**472,314,984**	**253,664,904**	**819,731,436**

Timing buckets have been expanded to provide more useful information.

2021					
Assets	3-6 months UA	6-12 months UA	1- 5 Years UA	Over 5 Years UA	December 2021 UA
Cash and bank balances	21,236,410	-	-	-	21,236,410
Financial assets measured at amortised cost	-	81,320,439	-	-	81,320,439
Equity and Debt investments	3,821,837	-	33,066,044	-	36,887,881
Loans and advances	28,707,751	42,981,047	293,061,098	32,4207,448	688,957,344
Other assets	5,854,915	8,789,544	-	-	14,644,459
Total assets	**59,620,913**	**133,091,030**	**326,127,142**	**324,207,448**	**843,046,532**
Liabilities					
Other liabilities	4,950,302	-	23,084,913	-	28,035,215
Net employee defined benefit liabilities	-	-	1,419,499	3,552,325	4,828,918
Borrowings	19,193,753	74,378,909	190,332,403	204,312,833	488,217,898
Total liabilities	**24,144,055**	**74,378,909**	**214,693,909**	**207,865,158**	**521,082,031**

Timing buckets have been expanded to provide more useful information.

Notes to the Financial Statements

05

4.1. Financial Risk Management - cont'd

Categories of Financial Assets and Financial Liabilities

2022	Fair Value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive income	Total Carrying Amount	Total Fair value
Assets	UA	UA	UA	UA	UA
Cash and bank balances	39,221,823	-	-	39,221,823	39,221,823
Other assets	-	3,382,067	9,210,000	12,592,067	12,592,067
Financial assets at amortised cost	-	159,689,939	-	159,689,939	159,689,939
Equity investment & Debt instruments	4,233,613	11,017,758	35,591,430	50,842,801	50,842,801
Loans and advances	-	900,726,238	-	900,726,238	900,726,238
Total assets	**43,455,436**	**1,074,816,002**	**44,801,430**	**1,163,072,868**	**1,163,072,868**
Liabilities					
Other liabilities	-	48,904,197	-	48,904,197	48,904,197
Net employee defined benefit liabilities	6,018,681	-	-	6,018,681	6,018,681
Borrowings	-	764,808,558	-	764,808,558	764,808,558
Total liabilities	**6,018,681**	**813,712,755**	**-**	**819,731,436**	**819,731,436**

2022	Fair Value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive income	Total Carrying Amount	Total Fair value
Assets	UA	UA	UA	UA	UA
Cash and bank balances	21,236,410	-	-	21,236,410	21,236,410
Other assets	-	5,854,176	8,789,544	14,644,459	14,644,459
Financial assets at amortised cost	-	81,320,439	-	81,320,439	81,320,439
Equity investment & debt instruments	3,821,837	-	31,119,593	36,887,881	36,887,881
Loans and advances	-	688,957,344	-	688,957,344	688,957,344
Total assets	**25,058,247**	**776,132,698**	**39,909,137**	**843,046,533**	**843,046,533**
Liabilities					
Other liabilities	-	28,035,215	-	28,035,215	28,035,215
Net employee defined benefit liabilities	4,828,918	-	-	4,828,918	4,828,918
Borrowings	-	488,217,898	-	488,217,898	488,217,898
Total liabilities	**4,828,918**	**516,253,113**	**0**	**521,082,031**	**521,082,031**

05 Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

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.

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 as follows:

Notes to the Financial Statements

4.1. Financial Risk Management - cont'd

4.1. Foreign Exchange Exposure - Cont'd

Categories of Financial Assets and Financial Liabilities

2022						
	USD	GBP	EURO	CFA	Others	2022
Assets	UA	UA	UA	UA	UA	UA
Cash and bank balances	28,719,621	-	2,529,871	7,972,331	-	39,221,823
Financial assets at amortised cost	71,210,300	-	6,398,804	78,077,990	4,002,845	159,689,939
Equity investment	25,946,424	-	1,040,394	23,855,983	-	50,842,801
Loans and advances	403,855,895	-	147,306,711	349,563,632		900,726,238
Other assets	8,691,208		518,792	3,382,067		12,592,067
Total assets	**538,423,448**	**-**	**157,711,394**	**462,852,003**	**4,002,845**	**1,163,072,868**
Liabilities						
Other liabilities	3,853,376	1,504,318	11,991,549	31,445,047	109,907	48,904,197
Borrowings	381,219,786	-	117,733,232	265,855,540	-	764,808,558
Total liabilities	**385,073,162**	**1,504,318**	**129,724,781**	**297,300,587**	**109,907**	**813,712,755**

2021						
	USD	GBP	EURO	CFA	Others	2022
Assets	UA	UA	UA	UA	UA	UA
Cash and bank balances	1,021,4167	-	71,472	10,950,771	-	21,236,410
Financial assets at amortised cost	2,345,6945	-	2,426,848	51,468,597	3,968,049	81,320,439
Equity investment	18,513,962	-	5,115,528	13,258,191	-	36,887,881
Loans and advances	321,592,855	-	85,102,143	282,262,347		688,957,344
Other assets	8,264,283	-	525,261	5,854,915	-	14,644,459
Total assets	**382,042,212**	**-**	**93,241,252**	**363,794,821**	**3,968,049**	**843,046,533**
Liabilities						
Other liabilities	4,049,846	2,862,911	5,478,499	15,543,165	100,794	28,035,215
Borrowings	249 310 576	-	55,164,938	183,742,384	-	488,217,898
-	-	-	-	-	-	-
Total liabilities	**253,360,422**	**2,862,911**	**60,643,437**	**199,285,549**	**100,794**	**516,253,113**

05 Notes to the Financial Statements

4.1. Management of Market Risk - 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:

2022	100 BP	100 BP
	Increase	Decrease
	UA	UA
Exchange gain	1,032,502	(1,032,502)
Exchange loss	968,444	(968,444)
Net impact	64,058	(64,058)

2021	100 BP	100 BP
	Increase	Decrease
	UA	UA
Exchange gain	33,483	(33,483)
Exchange loss	28,270	(28 270)
Net impact	5,213	(5 213)

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.

Notes to the Financial Statements 05

4.1. Financial Risk Management - cont'd

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:

2022	100 BP	100 BP
	Increase	Decrease
	UA	UA
Interest income impact	461 673	(461 673)
Interest expense impact	301 498	(301 498)
Net impact	160 175	(160 175)

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

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

	2022	2021
	UA	UA
Stated capital	357,653,410	345,018,167
Income surplus	4,293,385	(1,050,943)
Other reserves	10,372,694	5,914,124
Total Equity	372,319,489	349,881,348

05 Notes to the Financial Statements

5.0 Stated Capital

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

	2022	2021
	UA	UA
Credit risk	900,726,238	688,957,344
Market risk	-	-
Operational risk	2,672,152	2,509,159
Total risk-weighted assets	903,398,390	691,466,503
Total capital expressed as a percentage of total risk-weighted assets	40.03 per cent	49.74 per cent

6. Contingencies and Commitments

6. a Commitments on Loans

	2022	2021
	UA	UA
Undrawn commitments	813,447,100	507,321,698
Loss allowance of undrawn commitments (off-balance sheet)	(300,000)	-
Net undrawn Commitments	813,147,100	507,321,698

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

(ii) Commitments for Capital Expenditure

There were no commitments for capital expenditure at the statement of financial position date (2021 Nil)

6. b Unsecured Contingent Liabilities

	2022	2021
	UA	UA
This relates to contingent liabilities for trade letters of credit and guarantees. (Net of margin deposits)	56,925,548	52,721,512

Notes to the Financial Statements 05

7. Fair Value Categorisation of Financial Instruments

Valuation Principles

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

Valuation Governance

The Bank's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy.

All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Bank including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.

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

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

2022	Level 1	Level 2	Level 3	Total
	UA	UA	UA	UA
Debt and equity instruments	4,233,613	46,609,188	-	50,842,801
Total at 31 December 2022	4,233,613	46,609,188	-	50,842,801

2021	Level 1	Level 2	Level 3	Total
	UA	UA	UA	UA
Debt and equity instruments	3,821,837	33,066,044	-	36,887,881
Total at 31 December 2021	**3,821,837**	**33,066,044**	**-**	**36,887,881**

05 Notes to the Financial Statements

7. Fair Value Categorisation of Financial Instruments

Valuation Techniques

Equity Instruments

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

Government Debt Securities

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

Fair Value of Financial Instruments Not Measured at Fair Value.

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

31 December 2022	Fair value			
Financial assets:	Level 1	Level 2	Level 3	Total
Equity investment	4,233,613	46,609,188	0	50,842,801
Total financial assets	4,233,613	46,609,188	0	50,842,801

31 December 2021	Fair value			
Financial assets:	Level 1	Level 2	Level 3	Total
Equity investment	3,821,837	33,066,044	0	36,887,881
Total financial assets	3,821,837	33,066,044	0	36,887,881

Notes to the Financial Statements 05

8. Interest Income

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

	2022	2021
	UA	UA
Interest on loans	38,526,962	27,185,149
Interest on fixed deposits	4,606,871	1,323,194
Interest on Government bonds	2,970,871	1,608,603
Interest on delayed loan payments	62,573	235,433
Total	46,167,277	30,352,379

9. Interest Expense

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

	2022	2021
	UA	UA
Interest on borrowings	17,275,138	7,891,338
Interest on debentures	12,874,632	7,729,440
Total Interest expense	30,149,770	15,620,778

10.a Fees and Commission Income

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

	2022	2021
	UA	UA
Commission fees [1]	4,697,810	3,339,366
Commitment charges	2,118,730	1,544,517
Service charges	123,947	135,752
Commission on guarantees	-	13,680
Total fee and commission income from contract with customers	6,940,487	5,033,315

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

10.b Trading Income

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

	2022	2021
	UA	UA
Fees on LC transactions	1,223,514	1,014,856
Total Trading income	1,223,514	1,014,856

05 Notes to the Financial Statements

11. Fees and Commissions Expense

	2022	2021
	UA	UA
Commission expense[2]	1,391,270	335,959

[2] Fees and commissions charged on borrowings.

12. Other Income/Expenses

	2022	2021
	UA	UA
Net foreign exchange gain	6,435,843	951,037
Recovery on written-off loans	1,080,182	1,336,849
Net movement in long service award	-	91,490
Miscellaneous income	594,211	129,066
Dividend income	-	78,140
Rental operating income (Note 12.1)	112,874	86,070
Loss on Disposal of property, plant and equipment	(8,458)	-
	8,214,652	2,672,652

Miscellaneous income relates to commissions on foreign transactions.

12.1. Rental Income

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

13. Other Operating Expenses

	2022	2021
	UA	UA
Office repairs and maintenance	868,230	753,237
Studies and project evaluation	854,000	748,354
General expenses[3]	979,952	644,638
Conference expenses	531,873	452,551
Official mission	1,010,659	421,428
Printing and office stationery	230,775	250,836
Post and telecommunication	177,032	175,586
Audit fees	67,648	67,250
Publicity and advertisement	123,434	169,426
Vehicle maintenance	66,788	67,870
	4,910,391	3,751,176

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

Notes to the Financial Statements 05

14. Cash and Cash Equivalents

	2022	2021
	UA	UA
Cash in hand	19,197	29,535
Balances with other banks	33,196,650	19,484 ,517
Call deposits	6,005,976	1,722,358
	39,221,823	21,236,410

15. Financial Assets at Amortised cost

	2022	2021
	UA	UA
Fixed deposits	159,784,928	81,320,439

15. 1 Movement of Financial Assets at Amortised Cost

	2022	2021
	UA	UA
Balance at 1 January	81,320,439	60,394,229
Additions/payments	77,004,756	21,011,674
Accrued interest/ Fixed deposits	2,942,437	733,969
Impairment allowance	(1,583,252)	(819 433)
Balance at 31 December	159,689,939	81,320,439

15.2 Impairment on Fixed Deposit

	2022	2021
	UA	UA
Balance at 1 January	819,433	610,043
Charge for the year	763,819	209,390
Balance at 31 December	1,583,252	819,433

05 Notes to the Financial Statements

16. Equity Investments

16.1. Quoted Equity Instruments at Fair Value Through Profit or Loss.

	2022	2021
	UA	UA
Balance at 1 January	3,821,837	2,699,652
Fair value through profit or loss	411,776	1,122,185
Balance as at 31 December	4,233,613	3,821,837

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

	2022	2021
	UA	UA
Quoted equity		
Ecobank Transnational Incorporated (ETI)	4,233,613	3,821,837
	4,233,613	3,821,837

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

16.2. Unquoted Equity Instruments at Fair Value Through Other Comprehensive Income

	2022	2021
	UA	UA
Balance at 1 January	31,119,593	25,646,535
Change in fair value of financial instruments at other comprehensive income	4,458,570	4,421,002
Additions	13,267	1,052,056
Balance as at 31 December	35,591,430	31,119,593

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

Notes to the Financial Statements

16. Equity Investments

16.2. Unquoted Equity Instruments at Fair Value Through Other Comprehensive Income

Unquoted	2022	2021
	UA	UA
ASKY Airlines	13,058,898	6,557,849
African Renewable Energy Fund (AREF)	7,214,344	8,513,458
Oragroup	6,449,507	6,449,507
Africa food security	2,712,924	3,246,199
Liberian Bank for Development and Investment (LBDI)	2,662,609	2,552,430
Caisse Regional de Refinancement Hipothecaire (CRRH)	1,301,435	1,316,501
West African Emerging Markets Growth Fund (WAEMGF)	799,386	943,299
Fidelis Finance	671,779	571,403
Fonds Africain d'Agriculture	620,548	817,826
AHL Mariott African	100,000	100,000
Banque Nationale d'Investissement Gestion	-	51,121
Total	**35,591,430**	**31,119,593**

16.3. Debt Instruments at Amortised Cost

	2022	2021
	UA	UA
Balance at 1 January	1,946,451	2,575,479
Acquisition	9,071,307	-
Redemption	-	(535,315)
Exchange gain/(loss)	-	(93,713)
Balance as at 31 December	11,017,758	1,946,451

Composition of Debt instruments at amortised cost

Debentures Acquired	2022	2021
	UA	UA
Togo debentures	11,017,758	1,946,451
	11,017,758	1,946,451

05 Notes to the Financial Statements

17. Loans and Advances

	2022	2021
	UA	UA
Loans granted to member states	1,936,840,103	1,400,065,702
Amounts not disbursed	(759,507,568)	(507,321,702)
Amounts disbursed	1,177,332,536	892,744,000
Repayments on principal	(269,609,452)	(193,140,406)
Sub-total	907,723,084	699,603,594
Loan interests	26,496,529	16,035,758
Gross loans	934,219,613	715 639 352
Allowance for impairment of Assets (Note 17.1)	(33,493,375)	(26,682,008)
Total	900,726,238	688,957,344

17.1. Impairment on gross loans and advances of assets

	2022	2021
	UA	UA
Fixed deposit (note 15.2)	763,819	209,390
Loans & advances (note 17.2)	6,709,563	4,977,155
LCs & undrawn commitments (off balance sheet liabilities) (note 32b)	300,000	0
Net impairment charge on financial assets	7,773,382	5,186,545

17.2. Impairment on gross loans and advances of assets

	2022	2021
	UA	UA
Balance at 1 January	26,682,008	21,619,516
Staff loan FV adjustment	101,804	85,337
Charge for the year	6,709,563	4,977,155
Balance at 31 December	**33,493,375**	**26,682,008**

Notes to the Financial Statements 05

17. Loans and Advances - (Cont'd)

17.3. Maturity Analyses of Loans

Public sector	2022	2021
	UC	UC
More than two years but less than three years	53,143,848	41,674,190
More than three years but less than four years	37,367,833	36,329,481
More than four years but less than five years	70,588,170	75,677,379
More than five years	285,302,795	222,416,768
Total public sector	**446,402,646**	**376,097,819**
Private sector		
More than two years but less than three years	103,781,174	93,126,754
More than three years but less than four years	88,203,974	48,068,808
More than four years but less than five years	98,919,033	97,022,829
More than five years	196,912,786	101,323,141
Total private sector	487,816,967	339,541,532
Total public & private sector	**934,219,613**	**715,639,352**

17.4. Economic sector analyses of loans

The distribution of outstanding loans at 31 December 2022 were as follows:

Public Sector	2022	2021
	UA	UA
Power / Energy	141,458 ,096	138,697 ,320
Communication	16,798,754	18,422,964
Infrastructure / Transport	221,844,267	156,386,304
Agriculture and Rural Development	19,170,352	24,400,396
Water Supply and Sanitation	16,718,985	8,896,035
Finance & Industry	12,179,957	7,453,083
Multi-sector & Social/Health	18,232,234	21,841,717
Total Public Sector	**446,402,646**	**376,097,819**

05 Notes to the Financial Statements

17. Loans and advances - (Cont'd)

17.4. Economic sector analyses of loans - (Cont'd)

Private Sector	2022	2021
Power / energy	24,457,219	13,824,819
Communication	14,544,290	13,344,524
Infrastructure / transport	81,097,941	36,047,858
Water supply and sanitation	12,950,369	3,993,303
Finance & industry	350,731,569	213,875,522
Multi-sector & social/health	4,035,578	58,455,507
Total private sector	487,816,967	339,541,532
Total public & private sectors	934,219,613	715,639,352
Total public & private sectors	934,219,613	715,639,352

(iii) Key ratios on loans and advances

a. Loan loss provision ratio is 83,76 per cent (2021: 63.82 per cent)
b. Non-Performing loan ratio (NPL) is 4.28 per cent (2021: 5.78 per cent)
c. Ratio of fifty (50) largest exposures (gross funded and non-funded) to total exposures is 76.68 per cent (2021: 78.86 per cent)
d. Loan/borrowing ratio 1.18 (2021: 1.41) as at the reporting date.

18. Other assets

	2022	2021
	UA	UA
Special fund for telecommunication	8,691,208	8,264,283
Prepayments	1,678,474	3,478,217
Stock of debentures fees	1,119,178	1,662,707
Organisation la francophone (OIF)	518,792	525,261
Staff receivables	305,385	192,829
Debtors (rents receivable)	177,781	312,987
Stationnery and consumables	98,821	103,609
Community computer center	2,428	739
Suppliers (advance payments)	-	103,826
Total	12,592,067	14,644,459

05 Notes to the Financial Statements

Notes to the Financial Statements 05

19. Property, Plant and Equipment

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

	Land	Buildings	Motor vehicles	Furniture & Fittings	Office equipment	Electric Installations	Furniture & Fittings: residences	Office partitioning	Computers and accessories	Work in progress	Total
Cost	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**
At 1 January 2022	9,990,925	20,676,490	1,197,093	1,408,638	1,259,430	2,365,499	266,256	4,088,738	2,196,951	2,352,074	45,802,094
Additions	1,972,919	5,353	-	2,269	4,716	908	43,364	48,913	19,290	4,435	2,102,167
Disposal				(11,824)	(1,421)		(12,995)	(4,552)			(30,792)
At 31 December 2022	**11,963,844**	**20,681,843**	**1,197,093**	**1,399,083**	**1,262,725**	**2,366,407**	**296,625**	**4,133,099**	**2,216,241**	**2,356,509**	**47,873,469**
Accumulated depreciation											
At 1 January 2022	-	6,699,059	661,917	1,329,941	1,115,933	2,033,875	151,973	3,933,804	1,958,746	-	17,885,248
Charge for the year	-	413,586	167,234	31,026	48,869	314,157	42,640	97,557	214,943		1,330,012
Disposal				(8,868)	(1,421)		(6,240)	(3,319)			(19,848)
At 31 December 2022	**-**	**7,112,645**	**829,151**	**1,352,099**	**1,163,381**	**2,348,032**	**188,373**	**4,028,042**	**2,173,689**	**-**	**19,195,412**
Net book value At 31 December 2022	**11,963,844**	**13,569,198**	**367,942**	**46,984**	**99,344**	**18,375**	**108,252**	**105,057**	**42,552**	**2,356,509**	**28,678,057**

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

	Land	Buildings	Motor vehicles	Furniture & Fittings	Office equipment	Electric Installations	Furniture & Fittings: residences	Office partitioning	Computers and accessories	Work in progress	Total
Cost	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**
At 1 January 2021	9,990,925	20,676,490	1,153,015	1 401,247	1,246 ,226	2,350,045	252,220	4,051,141	2,146,161	601,177	43,868,647
Additions			44,078	7,391	13,204	15,454	14,036	37,597	50,790	1,750,897	1,933,447
At 31 December 2021	**9,990,925**	**20,676,490**	**1,197,093**	**1,408,638**	**1,259,430**	**2,365,499**	**266,256**	**4,088,738**	**2,196,951**	**2,352,074**	**45,802,094**
Accumulated depreciation											
At 1 January 2021	6,285,485	484,442	1,292,888	1,067,629	1,698,071	113,149	3,224,852	1,669,702	-	15 836 218	17,885,248
Charge for the year	413,574	177,475	37,053	48,304	335,804	38,824	708,952	289,044		2,049,030	1,330,012
At 31 December 2021	**6,699,059**	**661,917**	**1,329,941**	**1,115,933**	**2,033,875**	**151,973**	**3,933,804**	**1,958,746**	**-**	**17,885,248**	**19,195,412**
Net book value											
At 31 December 2021	**9,990,925**	**13,977,431**	**535,176**	**78,697**	**143,497**	**331,624**	**114,283**	**154,934**	**238,205**	**2,352,074**	**27,916,846**

05 Notes to the Financial Statements

19. Property, Plant and Equipment

Disposal of property, plant and equipment

	2022	2021
	UA	UA
Carrying amount	30,792	-
Accumulated depreciation	19,848	-
Net book value	10,944	-
Proceeds from disposal	**2,486**	**-**
(Loss) on disposal	**(8,458)**	**-**

20. Other liabilities

	2022	2021
	UA	UA
Sundry payables	9,527,731	1,803,107
ECOWAS Provident Fund	848,939	550,165
Executive Secretariat Special Envoy	30,256	30,633
FAPA BAD/BIDC assistance	50,376	45,087
Compensation Fund	1,570,708	1,539,296
Projet BIDC/FRAA	3,021,193	979,547
Special Fund for Telecommunications	20,046,101	20,488,260
Liaison account - Organisation La Francophone (OIF)	770,465	779,257
West African Health Organisation (WAHO	2,066,231	1,819,863
ASKY	10,672,197	-
Loss allowance of undrawn commitments (Off-balance sheet)	300,000	-
Total	**48,904,196**	**28,035,215**

Notes to the Financial Statements

05

21. Provision for Long Service award

These consist of long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, bonuses are accounted for as deferred compensation. These benefits were available to 153 staff in the year (2021: 148)

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

	2022	2021
	UA	UA
Current service cost	(401,149)	(232,181)
Interest cost on long service award	(123,837)	(91,490)
Past service cost	**(775,015)**	**-**
Net benefit (income)/ benefit	**(1,300,000)**	**(323,671)**

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

	2022	2021
	UA	UA
Provision as at 1 January	4,828,918	5,449,166
Interest cost	123,836	-
Current service cost	401,149	-
Past service cost	775,015	-
Benefit paid	(110,237)	(620,248)
Provision for long service award as at 31 December	6,018,682	4,828,918

21. Defined Benefit Obligation

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

	2022	2021
Discount rate	5.80per cent	5.90per cent
Inflation	5.53per cent	3 .5per cent
Salary increase	11.0per cent	5.5per cent
Mortality	10.0per cent	10.0per cent
Withdrawal	2.6per cent	2.6per cent
Staff turnover	-	-
Retirement age	62	62
Average cost air ticket	UA 4,069	UA 3,939
Average cost shipping	UA 18,829	UA 7,429

05 Notes to the Financial Statements

Defined Benefit Obligation - cont'd

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%	Mortality Adjust-ment -10%	Mortality Adjust-ment +10%	Withdrawal -1%	Withdrawal +1%
Actuarial liabilities									
Long service awards	175,290	190,178	162,278	162,391	189,719	174,260	176,332	191,379	161,102
Death benefit scheme	63,046	66,325	60,085	63,051	63,051	67,696	58,47	66,522	59,862
Transport scheme	714,468	770,736	665,101	714,466	714,466	709,255	719,737	662,290	762,655
Resettlement allowance	303,562	330,495	280,083	280,088	329,859	300,983	306,172	296,269	310,409
Separation allow scheme	2,646,739	2,909,765	2,420,538	2,421,043	2,902,851	2,622,238	2,671,544	2,680,504	2,617,879
Home return allowance scheme	100,269	107,872	93,549	100,272	100,272	100,272	100,272	100,272	100,272
Gratuity scheme	434,826	474,366	400,497	400,503	473,419	431,068	438,625	446,672	425,669
Total scheme	4,438,200	4,849,738	4,082,130	4,141,814	4,773,637	4,405,772	4,470,828	4,443,908	4,437,848
Per cent change		9.27%	-8.02%	-6.68%	7.56%	-0.73%	0.74%	0.13%	-0.01%

Notes to the Financial Statements 05

22. Borrowings

	2022	2021
	UA	UA
1. India Exim Line Of Credit $1 Billion	211,182,942	204,403,484
2. India Exim Line of Credit CBS	1,093,024	-
3. India Exim 100 million Private Sector Line of Credit	75,140,513	-
4. Debenture Stock 2017 - 2027	19,772,342	24,022,658
5. Debenture Stock 2019 - 2026	36,502,786	46,197,419
6. Debenture Stock 2021 - 2028	60,837,976	61,596,558
7. Debenture Stock 2022 - 2029	146,011,143	-
8. Afriexim Bank 2018 - 2024	9,680,953	13,808,115
9. Badea Line of Credit	9,355,209	10,889,720
10. Standard Chartered Bank London Line Of Credit	7,262,219	397,730
11. Agence Française de Développement	39,286,932	39,776,796
12. Sid 2018 – 2023	10,771,034	14,170,548
13. Cargill Loan	46,587,118	19,291,364
14. Bank of Africa Loan	-	49,277,246
15. Africa Finance Corporation (AFC) Loan	39,240,016	-
16. Mashreq Bank Loan	22,542,154	-
17. Commerzbank Frankfurt Line of Credit	1,626,317	-
18. Africa Agriculture and Trade Investment Fund (Aatif)	19,122,150	-
Accrued Interest on Borrowings	8,793,730	4,386,259
Total	764,808,558	488,217,898

Movement on borrowings

	2022	2021
	UA	UA
Balance at 1 January	488,217,898	374,073,519
Additional borrowings received	397,814,663	190,826,728
Principal and interest repayments	(120,658,533)	(76,183,359)
Forex revaluation gains	(4,972,941)	(2,503,104)
Net Accrued interest	4,407,471	2,004,114
Closing balance	**764,808,558**	**488,217,898**

05 Notes to the Financial Statements

22. Terms and conditions on borrowings

India Exim line of Credit

India Exim line of Credit 2006 - 2026

The Bank signed a 180,788,673 UA (250,000,000 USD) line of credit with the Indian Exim Bank in 2006 at an annual interest rate of 1.75 per cent for a period of twenty (20) 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. This facility is secured as follows:

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

India Exim line of Credit 2010 – 2030

The Bank signed a 72,315,469 UA (100,000,000 USD) line of credit with the Indian Exim Bank in 2010 at an annual interest rate of 1.75 per cent for a period of twenty (20) 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. This facility is secured as follows:

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

India Eximbank 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 per cent for a period of 20 years, including moratorium period of 5 years. The purpose of the loan is to finance the bank's operations. Related transaction costs have been capitalised and amortised over the life of the loan. This facility is secured as follows:

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

India Eximbank 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 per cent for a period of 25 years, including moratorium period of 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. This facility is secured as follows:

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

Notes to the Financial Statements

22. Terms and conditions on borrowings

India Eximbank line of Credit 2020 - 2025

The Bank signed a 2,777,257 UA (4,000,000 USD) line of credit with the Indian Exim Bank in 2020. The tenor is 5 years, including one year of moratorium. The rate of interest is SOFR plus 340 bps p.a., payable half yearly. This facility is secured by a Cash margin equivalent to One instalment of interest and one instalment of principal repayment throughout the tenor of the Credit by way of an interest-bearing deposit with Exim Bank, London Branch.

India Eximbank line of Credit 2022 - 2034

The Bank signed a UA 75,025,509 (100,000,000 USD) line of credit with the Indian Exim Bank in March 2022. The tenor is 12 years from the date of first drawdown under the credit line. The rate of interest is a SOFR plus 390 bps p.a., payable half yearly. This facility is secured by the uncalled Share Capital of the EBID and a cash margin equivalent to two instalments of interest and principal repayment by way of an interest-bearing deposit with Exim Bank.

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

2. Debenture stock 2017 - 2024

The Bank issued a 32,071,677 UA (26,000,000,000 FCFA) debenture in 2017 at an annual interest rate of 6.10 per cent 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 capitalised and amortised over the life of the debt issued.

3. 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 per cent 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 capitalised and amortised over the life of the debt issued.

4. 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 6.50per cent 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 capitalised and amortised over the life of the debt issued.

5. 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 per cent for a period of 7 years. The purpose of the loan is to finance the Bank's operations. Related transaction costs has been capitalised and amortised over the life of the loan.

6. Afrexim Bank 2018 -2024

The Bank signed a (31,274,396 UA) 38,651,400 USD loan agreement with Afriexim Bank in 2018 at an annual interest rate of SOFR +6.5 per cent for a period of six (6) 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.

7. Badea Line of Credit 2010- 2030

The Bank signed a (3,615,773 UA) 5,000,000 USD line of credit with Badea in 2010 at an annual interest rate of 1.75 per cent for a period of twenty (20) 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 facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility. During the term of the credit line EBID undertakes to:

a) maintain the liquidity ratio at 100per cent or higher;
b) maintain a risk coverage ratio equal to or higher than 12 per cent; -
c) maintain a net financial position which shall in no case be less than UA 150 million-)

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

05 Notes to the Financial Statements

22. Terms and conditions on borrowings

8. Standard Chartered Bank line of credit

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

9. Islamic Development Bank (SID) 2018 – 2023

The Bank signed a (20,228,501 UA) 25,000,000 Euro loan agreement with the Islamic Development Bank in 2018 at an annual interest rate of Euribor seven (7) years mid-swap plus 480 bps per annum for a period of five (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 following financial covenants (Article 8.7 of the agreement) are attached to this facility:

a) Equity/Total Assets ratio: Not less than 35 per cent
b) Liquidity Coverage Ratio: Not less than 100 per cent
c) Liquid Assets/Total Assets: Not less than 10 per cent
d) Non-performing loan ratio: Below or equal to 10 per cent
e) Net Non-Performing Loan Not Impaired: Below or equal to 10 per cent
f) Cost/Income ratio: Less than 70 per cent
g) Single obligor limit: Less than 20 per cent

10. French Development Agency 2020 – 2030

The Bank signed a 50,000,000 Euro loan agreement with French Development Agency in 2020, for a period of 10 years. Each disbursement corresponds to a fixed interest rate. The purpose of the loan is to finance the Bank's operations. The facility is secured by a guarantee on the Bank's callable shares. There are financial covenants to this facility.

a) Cost/income ratio less than 75 per cent.
b) Capital adequacy ratio greater than or equal to 20 per cent.
c) Leverage ratio less than or equal to 300 per cent.
d) Liquidity Cover Ratio greater than or equal to 100 per cent.
e) Structural long-term liquidity ratio greater than or equal to 100 per cent.
f) Ratio of doubtful loans to equity less than or equal to 15 per cent.

11. Cargill 2021 – 2023

The Bank signed a 62,000,000-dollar US loan agreement with Cargill, for a period of 2 years at an annual interest rate of Libor +3.75 per cent. The purpose of the loan is to finance the Bank's operations. The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility.

12. Bank of Africa 2021 – 2022

The Bank signed a 40 000,000,000 FCFA loan agreement with Bank of Africa, for a period of 1 year at an annual interest rate of 4.5 per cent. The purpose of the loan is to finance the Bank's operations. The facility is secured by a guarantee on the Bank's callable shares. There are no financial covenants to this facility. It has been fully paid.

Notes to the Financial Statements 05

22. Terms and conditions on borrowings

13. Mashreq Bank 2022-2026

The Bank signed in 2022 a 30,000,000 USD loan agreement with Mashreq Bank, for a period of 12 months renewable 4 times at an annual interest rate of SOFR plus 3% bps. The purpose of the loan is to finance the Bank's operations. The facility is secured by a charge over the investment account held with Mashreq Bank. There are financial covenants to this facility.

a. Capital adequacy ratio is not less than 15 per cent.

b. The Consolidated Tangible Net Worth is at least 375,000,000 USD.

c. Non-Performing Loans is not greater than 10%.

14. AATIF 2022-2029

The Bank signed in 2022 a 25,000,000 USD loan agreement with AATIF, for a period of 7 years at an annual interest rate of 4.23 per cent. The purpose of the loan is to finance the Bank's operations. The facility is secured by a guarantee on the Bank's callable shares. There are financial covenants to this facility:

a. Capital Adequacy ratio is at least 20 per cent
b. Leverage ratio is less than 300 per cent
c. Cash Coverage ratio is at least 100 per cent
d. Long Term Structural Liquidity ratio is at least 100 per cent
e. Ratio of doubtful debts to equity is less than 15 per cent

15. Africa Finance Corporation (AFC) 2022-2027

The Bank signed in 2022 a 49,164,208.46 EURO 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. There are financial covenants to this facility:

a. Capitalisation Ratio is not less than 25 per cent.
b. Leverage does not exceed 3.00:1.
c. Debt Service Cover Ratio shall not be less than 2.00:1.
d. Non Performing Loan Ratio is not greater than seven and a half per cent (7.5 per cent).
e. OCER is not greater than thirty per cent (30 per cent).

16. Commerzbank Frankfurt 2022-2023

The Bank signed in 2022 a 10, 000, 0000 USD loan agreement with COMMERZBANK, for a period of one year at an annual interest rate of Euribor 3M + 3.61 per cent. The purpose of the loan is to finance the Bank's operations. The facility is secured by a guarantee on the Bank's callable shares.

05 Notes to the Financial Statements

23. Stated capital

The authorised capital of EBID is UA 1,000,000,000 of which the regional members have subscribed 70 per cent and the balance is to be subscribed by the non-regional members. This 70 per cent which is UA700,000,000 is completely subscribed. As at the reporting date, 56per cent of the 700,000,000 is called up. Details of the stated capital as at 31 1 December 2022 are disclosed below:

Stated Capital	2022	2021
	UA	UA
Authorised:		
1,000,000 ordinary shares of UA1,000 each	1,000,000,000	1,000,000,000
Unsubscribed capital	(300,000,000)	(300,000,000)
Subscribed capital	700,000,000	700,000,000
Callable capital	(307,258,669)	(307,258,669)
Call-up capital:	392,741,331	392,741,331
Call in arrears	(35,087,921)	(47,723,164)
At 31 December	357,653,410	345,018,167

Call in Arrears	2022	2021
	UA	UA
Cape Verde	1,454,920	1,454,920
Cote d'Ivoire	26,675	26,675
The Gambia	4,657,515	4,657,515
Guinea-Bissau	4,459,756	4,459,756
Liberia	13,879,840	14,894,482
Nigeria	-	1,029,936
Senegal	194,731	10,785,396
Sierra Leone	10,414,484	10,414,484
	35,087,921	47,723,164

Movement in capital contribution	2022	2021
	UA	UA
Balance at 1 January	345, 018,167	301,114,684
Additional capital contribution	12,635,243	43,903,483
Balance at 31 December	357,653,410	345, 018,167

Notes to the Financial Statements 05

23. Stated capital

Capital structure by country shareholders.

Member country	Subscribed capital by allocated voting rights	Called-up capital allocated	Paid up capital beginning balance	Additional contribution	Paid up capital-ending balance
	UA	UA	UA	UA	UA
Benin	20,000,142	11,228,211	11,228,211	-	11,228,211
Burkina Faso	17,333,457	9,734,383	9,734,383	-	9,734,383
Cape Verde	6,666,713	3,734,570	2,279,650	-	2,279,650
Cote D'Ivoire	103,331,572	57,971,063	57,944,388	-	57,944,388
Gambia	17,333,457	9,734,383	5,076,868	-	5,076,868
Ghana	110,000,787	61,706,160	61,706,160		6,1,706,160
Guinea	19,333,472	10,842,504	10,842,504		10,842,504
Guinea-Bissau	10,000,073	5,614,106	1,154,350	-	1,154,350
Liberia	44,666,984	25,058,371	10,163,889	1 014 642	11 178 531
Mali	12,666,759	7,107,934	7,107,934		7,107,934
Niger	14,000,102	7,854,848	7,854,848		7,854,848
Nigeria	218,668,225	122,689,907	121,659,971	1 029 936	122,689,907
Senegal	52,664,542	29,539,328	18,753,932	10 590 665	29 344 597
Sierra Leone	29,333,545	16,456,610	6,042,126		6,042,126
Togo	24,000,170	13,468,953	13,468,953	-	13,468,953
	700,000,000	392,741,331	345,018,167	12 635 243	357 653 410

24. Retained earnings / (accumulated losses)

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

25. Other equity reserves

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

	2022	2021
	UA	UA
Balance at 1 January	5,914,124	1,493,122
Fair value gain/ loss on unquoted instruments	4,458,570	4,424,002
Balance at 31 December	10,372,694	5,914,124

05 Notes to the Financial Statements

26. Personnel expenses

	2022	2021
	UA	UA
Salaries professional staff	2,950,947	2,755,780
End of year gratuity	2,201,398	2,045,809
Tuition fees	1,575,559	1,300,508
Defined benefit obligation	1,300,000	-
Post adjust. All professional Staff	645,612	602,626
Clothing allowance	558,762	-
Employers contribution professional staff	538,855	491,539
Housing allowance /professional staff	480,707	490,588
Medical bills	417,396	464,286
Expatriation allowance	408,046	379,575
Transport allowance prof. Staff	254,878	246,072
Responsibility allowance	246,653	226,952
Family allowance/prof. Staff	140,588	134,273
Staff insurance	125,168	86,559
Tax releave	118,032	110,062
Leave allowance staff	116,530	123,980
Staff fair value adjustment	101,804	85,337
Social contributions	59,768	66,114
Staff training	30,496	29,589
Entertainment allowance	27,876	23,961
Long service award	16,710	9,785
Medical honorarium	13,242	11,335
Duty allowance	9,226	7,962
Overtime	9,105	1,881
Out of station allowance (fees)	3,825	28,910
Salaries temporary staff	3,568	4,233
Installation allowance	2,494	28,352
Recruitment cost	715	14,449
Transport lang. & Other training/travel	593	-
Per diem lang. & Other training	-	2,308
Total	12,358,553	9 772 825

Notes to the Financial Statements 05

27. 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.	2022	2021
	UA	UA
At 1 January	1,041,110	844,042
Loans advanced during the year	1,974,389	1,871,643
Loan repayments received	(2,243,779)	(1,674,575)
At 31 December	771,720	1,041,110

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.

Advances to related parties.	2022	2021
	UA	UA
Salaries	340,101	250,584
Other allowances	1,011,010	605,580
	1,351,111	856,164

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:

Advances to related parties.	2022	2021
	UA	UA
Executives	563,144	628,077
Officers and other employees	6,427,646	6,797,036
	6,990,790	7,425,113

05 Notes to the Financial Statements

27. Related party transactions - (Cont'd)

Terms and conditions

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

	2022	2021
	UA	UA
Executive	16,429	732
Officers and other employees	(7,707)	(43,444)
	8,722	(42,712)

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


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EBID

05 Notes to the Financial Statements

28. Events after the reporting reporting

There are no events after the Statement of Financial Position date that require adjustments in the financial statements. Management has assessed the impact of the COVID-19 on the going concern of Bank and has concluded that the use of going concern is appropriate and that the Bank will be able to recover its assets and discharge its liabilities in the foreseeable future for at least the next twelve (12) months.

Management however has noted COVID-19 has strategic and operational risks. These are being monitored closely to ensure their impact is mitigated appropriately.
The Bank being a development, finance institution, does most of its business with member states and promoters who trade and interact with counter parties across the world who may be affected by the coronavirus.

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

Funding and Liquidity

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

Analysis of Statement of Financial Position

The Bank has performed a line-by-line analysis of the Statement of Financial Position and has done an assessment of whether the current uncertainty may impact any of the amounts presented at 31 December 2022. The Bank has assessed that the coronavirus may affect the business of the Bank's borrowing customers. The Bank has performed an analysis and reviewed the portfolio and the impact the spread of the virus would have on the Bank's credit portfolio.

Notes to the Financial Statements 05

28. Events after the reporting reporting

	2021			2022		
	Within 12 months	Over 12 Months	Total	Within 12 months	Over 12 Months	Total
Assets	**UA**	**UA**	**UA**	**UA**	**UA**	**UA**
Cash and bank balances	39,221,823	-	39,221,823	21,236,410	-	21,236,410
Financial assets measured at amortised cost	159,689,939	-	159,689,939	81,320,439	-	81,320,439
Equity investment	-	50 842 801	50 842 801	-	36,887,881	36,887,881
Loans and advances	105,289,022	795,437,216	900,726,238	-	688,957,344	688,957,344
Other assets	12,592,067	-	12,592,067	14,644,459	-	14,644,459
Property, plant and equipment	-	28,678,057	28,678,057	-	27,916,846	27,916,846
Total assets	**316,792,851**	**874,958,074**	**1,191,750,925**	**117,201,308**	**753,762,071**	**870,963,379**
Liabilities						
Other liabilities	48,904,197	-	48,904,197	28,035,215	-	28,035,215
Long service award	-	6,018,681	6,018,681	-	4,828,918	4,828,918
Borrowings	87,814,020	676,994,538	764,808,558	-	488,217,898	488,217,898
Total liabilities	**136,718,217**	**683,013,219**	**819,731,436**	**28,035,215**	**493,046,816**	**521,082,031**

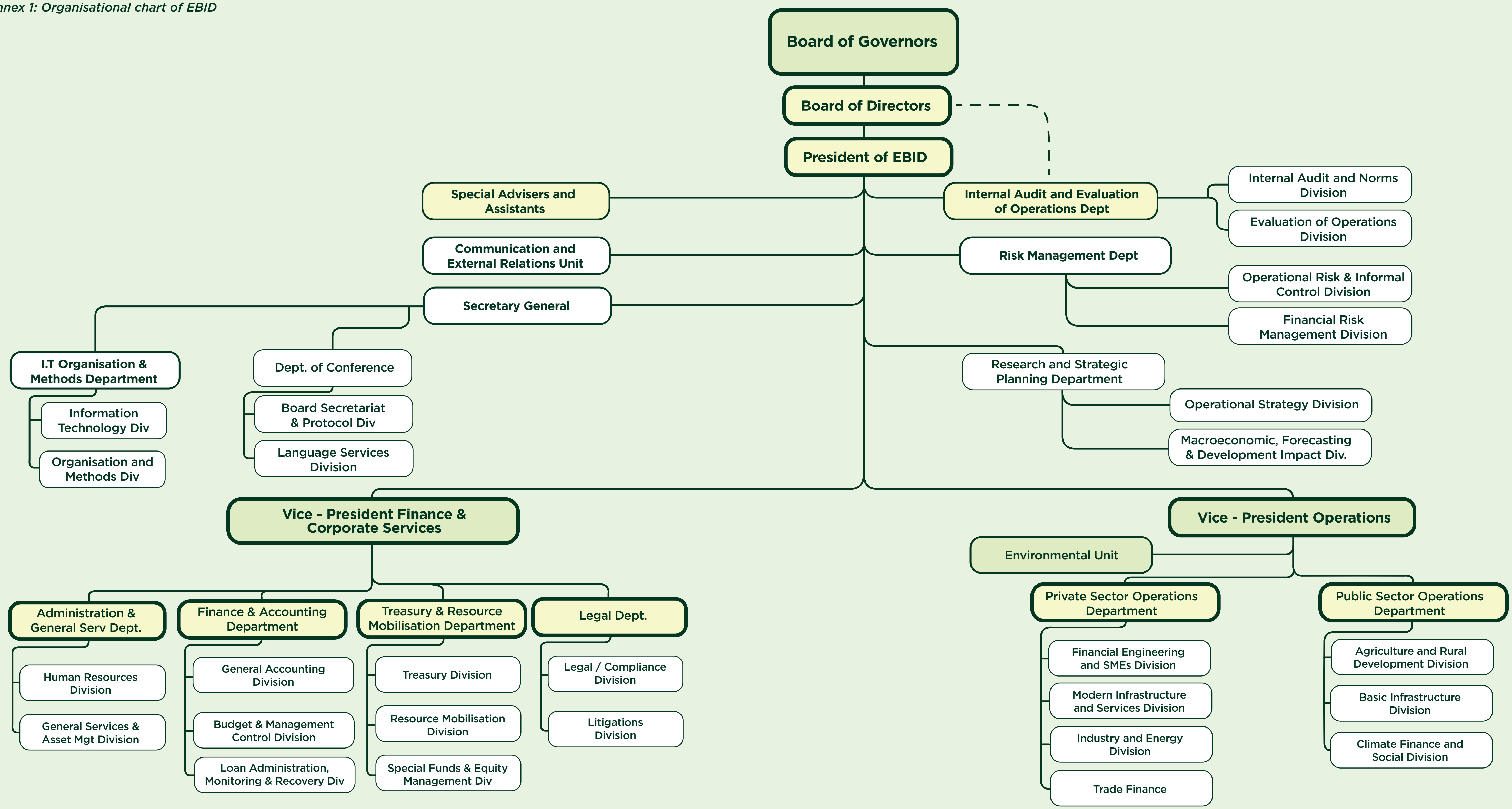
Notes

Notes

06

ANNEXES

Annex 1: Organisational chart of EBID



Annexes 06

Annex 2: List of projects appraised in 2022

	No.	Project	Country	Sector	Instrument	Amount
						(in UA)
PUBLIC	1	Project to bring operating theatres, neonatal resuscitation units and imaging departments in referral hospitals in Côte d'Ivoire up to standard	Côte d'Ivoire	Social / Health	The Export Credit Agency (ACE) / Loan	44,576,182
	2	Supplementary financing project for the rehabilitation of the Dakar - Bamako corridor, National Road N°7	Senegal	Transport infrastructure	Loan	12,721,248
	3	Project for the construction of drinking water supply systems in the towns of Beyla, Koubia and Fria	Guinea	Water Supply	Loan	12,244,189
	4	Project for the construction of 150 water boreholes equipped with hand pumps and 100 drinking water supply systems in Upper Guinea and Forest Guinea	Guinea	Water Supply	Loan	19,930,740
	5	Industrial component of the agro-industrial pole project in the North (2PAI-NORD)	Côte d'Ivoire	Agriculture	The Export Credit Agency (ACE) / Loan	36,613,223
	6	Project for the construction of a Youth and Citizenship Centre in thirty-eight (38) departments in the Republic of Senegal	Senegal	Social / Education	The Export Credit Agency (ACE) / Loan	39,427,974
	7	Dakar - Tivaouane - Saint Louis Highway Construction Project Tivaouane - Mekhe Section in the Republic of Senegal	Senegal	Transport infrastructure	Loan	72,243,301
		Total Public				**237,756,858**
PRIVATE	1	Project to purchase bonds issued by Bank of Industry (BOI)	Nigeria	Finance	Loan	49,677,605
	2	Project for the extension of the service station network and the acquisition of petroleum product transport equipment in favour of ACCESS OIL SA	Burkina Faso	Transport / Energy	Loan	8,702,162
	3	Project to set up a short-term financing line of 10 million euros for the import and delivery of petroleum products to SONIDEP and SONABHY in favour of ECO OIL SA	Burkina Faso	Energy	Trade finance / Prêt	7,746,293
	4	Road construction project in favour of AREZKI SA	The Gambia	Transport Infrastructure	Loan	12,204,408
	5	Project for a line of credit to finance SMEs in favour of BCI-SA	Guinea	Finance	Loan	5,603,897
	6	Project for the establishment of a short-term line of credit in favour of First City Monument Bank (FCMB) for the financing of its trade finance and related activities in favour of First City Monument Bank (FCMB) Limited	Nigeria	Finance	Loan	21,716,360

Project Photos

06

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

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

06 Annexes

Annex 2: List of projects appraised in 2022

No.	Project	Country	Sector	Instrument	Amount
					(in UA)
7	5 million short-term financing line project for the import and distribution of 100per cent rice in Senegal (SNDC)	Senegal	Service	Trade finance / Loan	3,937,737
8	Line of credit project in favour of Access Bank for the financing of SMEs in Ghana (Access Bank Ghana Plc)	Ghana	Finance	Loan	37,192,811
9	Line of Credit Project in favour of Sterling Bank for SME financing in Nigeria	Nigeria	Finance	Loan	37,611,518
10	GRIDCo Power Transmission Lines Rehabilitation and Construction Project in the Republic of Ghana	Ghana	Energy	Loan	47,008,681
11	Project for the expansion of ZENER's liquefied petroleum gas import terminal and construction of 5 retail gas stations	Togo	Energy	Loan	6,379,134
12	Project for the construction of 60-bed clinic by horizon clinic Gambia limited in the republic of the Gambia	The Gambia	Infrastructure	Loan	14,108,123
13	Project for the acquisition of equipment for the transport of petroleum products by BARAKA Petroleum Products SA, in the Republic of Mali	Mali	Transport Infrastructure	Loan	5,398,607
14	Project for the granting of a line of credit in favour of Banque Malienne de Solidarité (BMS Mali SA) V	Mali	Finance	Loan	18,036,323
15	Project for the partial financing of the import and supply of petroleum products to institutional clients by SOYATT SA, in the Republic of Mali	Mali	Transport / Energy	Trade Finance / Loan	28,492,509
16	Project for the construction of a 83.5 MW combined cycle power plant: Western Area Power Generation Project (WAPGP), by CECA SL GENERATION LTD, in the Republic of Sierra Leone	Sierra Leone	Energy	Loan	29,754,249
17	Project for the construction and operation of a cocoa processing plant in San Pedro by Atlantic Cocoa Corporation CI SA, in the Republic of Côte d'Ivoire	Côte d'Ivoire	Industry	Loan	29,489,064
	Total Private				**363,059,478**
	TOTAL PROJECTS APPRAISED				**600,816,336**

Annexes 06

Annex 3: List of supervised projects in 2022

	N°	Projects	Country	Sector	Instrument	Supervision Mode
PUBLIC	1	Financing project for the reinforcement and improvement of the Kanawolo-Korhogo road in Côte d'Ivoire	Côte d'Ivoire	Infrastructure / Road	Loan	Physical supervision
	2	Line of credit to finance the import and delivery of fertilisers to agricultural companies and producers in favour of GLOFERT Limited	Ghana	Service / Finance	Trade Finance / Loan	Physical supervision
	3	Project to renew the facility for the import and supply of petroleum products to markers in favour of SOYATT SA	Mali	Import / Export Service	Trade Finance / Loan	Physical supervision
PRIVATE	1	Project to equip and rehabilitate health facilities	Benin	Social (Health)	Loan	Supervision by video conference
	2	Construction and rehabilitation of 19 village water supply systems	Benin	Rural Development	Loan	Supervision by video conference
	3	Electrification project for 100 localities	Benin	Infrastructure / Energy	Loan	Supervision by video conference
	4	Project for the electrification of 750 community infrastructures by solar photovoltaic systems	Benin	Infrastructure / Energy	Loan	Supervision by video conference
	5	Project for the construction of the Donsin-Ouagadougou airport	Burkina Faso	Infrastructure / Airport	Loan	Supervision by video conference
	6	Project for the construction of twenty-seven (27) new drinking water supply systems (AEP) in the regions of the Mouhoun loop and the high basins	Burkina Faso	Rural development	Loan	Supervision by video conference
	7	Project to equip and rehabilitate health structures	Côte d'Ivoire	Social (Health)	Loan	Supervision by video conference
	8	Project to reinforce the drinking water supply systems in the town of Gueyo and surrounding villages	Côte d'Ivoire	Rural development	Loan	Supervision by video conference
	9	SME Development Support Project: SME Seed Project in the Republic of Côte d'Ivoire	Côte d'Ivoire	Rural development	Loan	Supervision by video conference
	10	Rural Electrification Extension Project Phase II in The Gambia (REEP2)	The Gambia	Infrastructure / Energy	Loan	Physical supervision
	11	Autonomous electrification project [SHEP-4] in the Ashanti and Brong Ahafo regions	Ghana	Infrastructure / Energy	Loan	Supervision by video conference
	12	Guinea-Mali 225 kV power interconnection project (Phase I)	Guinea	Infrastructure / Energy	Loan	Supervision by video conference
	13	Barclayville - Klowne - Sasstown Road Construction Project	Liberia	Infrastructure / Road	Loan	Supervision by video conference
	14	Construction of the 225 kV Sikasso-Bamako link	Mali	Infrastructure / Energy	Loan	Supervision by video conference

06 Annexes

Annex 3: List of supervised projects in 2022

	N°	Projects	Country	Sector	Instrument	Supervision Mode
PRIVATE	15	Rural electrification of 50 villages with solar photovoltaic systems in the regions of Dosso, Tahoua and Tillabéry	Niger	Infrastructure / Energy	Loan	Supervision by video conference
	16	Project to extend and strengthen drinking water supply systems in three regional capitals (Maradi, Dosso and Diffa Maradi)	Niger	Rural Dev. / Water supply	Loan	Supervision by video conference
	17	Partial financing of the rural electrification project using solar photovoltaic systems in 250 localities	Niger	Infrastructure / Energy	Loan	Supervision by video conference
	18	Construction of the bridge linking the AIBD TER station and the Blaise Diagne International Airport (AIBD); Liberia: Construction of the Barclayville - Klowne - Sasstown Road Project	Senegal	Infrastructure / Road	Loan	Supervision by video conference
	19	Project for the rehabilitation of the Dakar - Bamao corridor, National Road N°7 (Mako - Kedogou - Moussala section)	Senegal	Infrastructure / Road	Loan	Supervision by video conference
	20	Construction project of a Youth and Citizenship House in thirty-eight (38) departments in the Republic of Senegal	Senegal	Social / Education	EPC + Finance / Loan	Supervision by video conference
	21	19 Koidu City University of Science and Technology Construction Project Kono District Project	Sierra Leone	Education	Loan	Supervision by video conference
	22	Katchamba - Sadori Road Construction Project	Togo	Infrastructure / Road	Loan	Supervision by video conference
	23	Partial financing of the CU9 community road rehabilitation and transport facilitation project on the Lome-Ouagadougou corridor: Blitta - Aouda section	Togo	Infrastructure / Road	Loan	Supervision by video conference
	24	Project to strengthen electricity distribution capacity in the major towns in the interior of the country (CEET) - Phase II	Togo	Infrastructure / Energy	Loan	Supervision by video conference

Project Photos

06

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.

06 Annexes

Annex 4: List of approved projects in 2022

	No.	Project	Country	Sector	Instrument	Amount
						(in UA)
PUBLIC	1	Supplementary Financing Project for the Rehabilitation of the Dakar-Bamako Corridor, National Road N°7 (Section: Mako-Kédougou-Moussala)	Senegal	Transport Infrastructure	Loan	12,721,248
	2	Project to bring operating theatres, neonatal resuscitation units and imaging services up to standard in reference hospitals in Côte d'Ivoire	Côte d'Ivoire	Social / Health	Export Credit Agency (ACE) / Loan	43,494,606
	3	Industrial component of the agro-i ndustrial pole project in the North (2PAI-Nord)	Côte d'Ivoire	Agriculture	EPC + Finance / Loan	35,144,317
	4	Project for the construction of a Youth and Citizenship House in thirty-eight (38) departments in the Republic of Senegal	Senegal	Social / Education	EPC + Finance / Loan	72,243,301
		Total Public				**201,988,948**
PRIVATE	1	Project for the establishment of liquefied natural gas infrastructure in Tema: TEMA LNG Terminal	Ghana	Energy	Loan	15,622,071
	2	Project to purchase bonds issued by Bank Of Industry (BOI)	Nigeria	Finance	Loan	49,677,605
	3	Project for the establishment of a short-term financing line of EUR 10 million for the import and delivery of petroleum products to SONIDEP and SONABHY in favour of ECO OIL SA	Burkina Faso	Energy	Trade finance / Prêt	7,746,293
	4	Project for the acquisition of petroleum product transport equipment by BARAKA Petroleum Products SA, in the Republic of Mali	Mali	Transport Infrastructure	Loan	5,398,607
	5	ACCESS Bank Line of Credit Project for SME Financing in Ghana (Access Bank Ghana Pc)	Ghana	Finance	Loan	37,192,811
	6	GRIDCo Power Transmission Lines Rehabilitation and Construction Project in the Republic of Ghana	Ghana	Energy	Loan	47,008,681
	7	Line of Credit Project to Sterling Bank for SME Financing in Nigeria	Nigeria	Finance	Loan	37,611,518
	8	Project for the expansion of ZENER's liquefied petroleum gas import terminal and construction of 5 retail gas stations	Togo	Energy	Trade Finance / Loan	6,379,134
	9	Project to grant a line of credit to the Banque Malienne de Solidarité (BMS Mali SA) V	Mali	Finance	Trade Finance / Loan	18,036,323
	10	Project for the partial financing of the import and supply of petroleum products to institutional clients by SOYATT SA, in the Republic of Mali	Mali	Transport / Energy	Loan	28,492,509
	11	Project for the construction of a 83.5 MW combined cycle power plant: Western Area Power Generation Project (WAPGP), by CECA SL GENERATION LTD, in the Republic of Sierra Leone	Sierra Leone	Energy	Loan	29,754,249
		Total Private				**282,919,709**
		TOTAL PROJETS APPROVED				**484,908,748**

Annexes 06

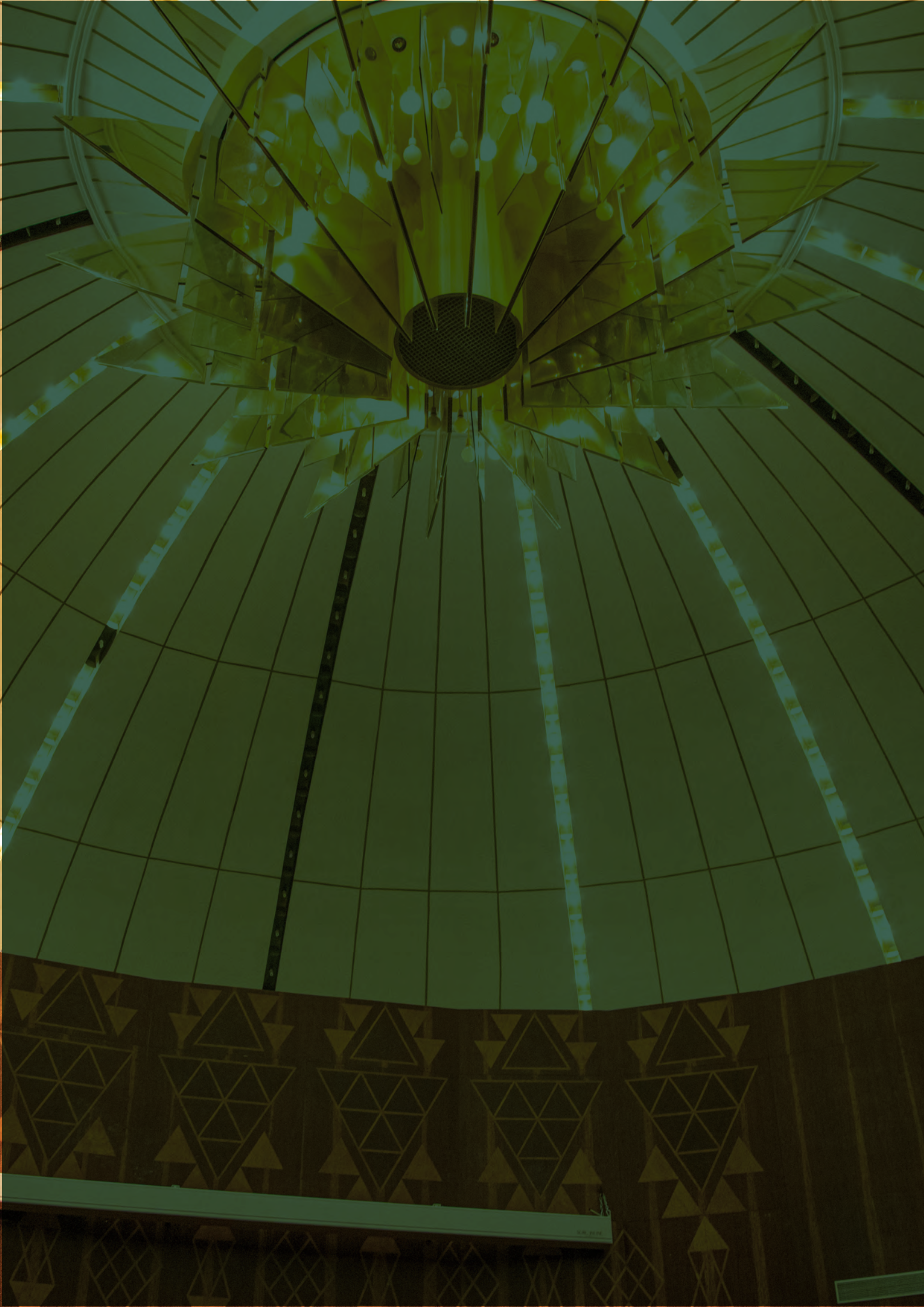
Annex 5: List of signed projects in 2022

	N°	Projects	Country	Sector	Instrument	Date of Signature	Request
							(in UA)
PUBLIC	1	Partial financing of the project to install 1000 solar water pumping and treatment units in rural areas	Côte d'Ivoire	Rural Dev. / Water	Loan	25/02/2022	33,247,739
	2	Partial financing of the agricultural component of the agro-industrial pole project in the North (2PAI-Nord)	Côte d'Ivoire	Rural Dev. Rural / Agriculture	Loan	25/02/2022	35,863,375
	3	Partial financing of the construction of a water retention dam and the development of the downstream perimeter, and the installation of a solar field for pumping and irrigating rice plots on the Sangola site in M'Bengué	Côte d'Ivoire	Rural Dev. Rural / Agriculture	Loan	25/02/2022	6,131,907
	4	Partial financing of the complementary financing project for the rehabilitation of the Dakar - Bamako corridor, National Road N°7 (Section: Mako-Kédougou-Moussala)	Senegal	Transport infrastructure	Loan	30/05/2022	12,721,248
	5	Partial financing of the project to build a Youth and Citizenship Centre in thirty-eight (38) departments in the Republic of Senegal	Senegal	Social / Education	EPC + Finance / Loan	12/07/2022	38,385,476
	6	Partial financing of the project to bring operating theatres, neonatal resuscitation units and the imaging department in the reference hospitals of Côte d'Ivoire up to standard	Côte d'Ivoire	Social / Santé	Export Credit Agency (ACE) / Loan	30/08/2022	43,494,606
	7	Partial financing of the industrial component of the agro-industrial pole project in the North (2PAI-Nord)	Côte d'Ivoire	Agriculture	EPC + Finance / Loan	30/08/2022	35,144,317
	8	Dakar - Tivaouane - Saint Louis Highway Construction Project Tivaouane - Mekhe Section in the Republic of Senegal	Senegal	Transport infrastructure	Loan	18/11/2022	72,243,301
		Total Public					**277,231,969**
PRIVATE	1	Partial financing of the Bank's participation in the syndication of a line to FIDELITY Bank Plc	Nigeria	Service / Finance	Loan	09/02/2022	37,060,371
	2	Proposed purchase of bonds issued by Bank Of Industry (BOI)	Nigeria	Service / Finance	Loan	18/05/2022	49,677,605
	3	Project to finance the strengthening and upgrading of the Kanawolo-Korhogo road in Côte d'Ivoire	Côte d'Ivoire	Transport Infrastructure	Loan	13/07/2022	23,019,375
		Total Private					**363,059,478**
		TOTAL PROJECTS APPRAISED					**600,816,336**

06 Annexes

Annex 5: List of signed projects in 2022

	N°	Projects	Country	Sector	Instrument	Date of Signature	Request
							(in UA)
PRIVATE	4	Partial financing of the Coltan deposit exploitation project located in Issia in favour of BRI COLTAN SARL	Côte d'Ivoire	Industry / Mining & Quarrying	Loan	13/09/2022	5,578,952
	5	Partial financing of the project for the acquisition of equipment for the transport of petroleum products by BARAKA Petroleum Products SA, in the Republic of Mali	Mali	Transport Infrastructure	Loan	22/09/2022	5,398,607
	6	Line of credit project in favour of Sterling Bank for the financing of SMEs in Nigeria	Nigeria	Finance	Loan	19/12/2022	37,611,518
	7	10 million short-term financing line for the import and delivery of petroleum products to SONIDEP and SONABHY in favour of ECO OIL SA	Burkina Faso	Energy	Trade Finance / Loan	10/11/2022	7,746,293
	8	GRIDCo's Power Transmission Lines Rehabilitation and Construction Project in the Republic of Ghana	Ghana	Energy	Loan	18/11/2022	47,008,681
	9	Project for the extension of the liquefied petroleum gas import terminal of ZENER and construction of 5 retail gas stations	Togo	Energy	Loan	18/11/2022	6,379,134
	10	Project for the partial financing of the import and supply of petroleum products to institutional clients by SOYATT SA, in the Republic of Mali (II)	Mali	Transport / Energy	Trade Finance / Loan	01/12/2022	28,492,509
	11	Project of granting a line of credit in favour of the Malian Solidarity Bank (BMS Mali SA) (V)	Mali	Finance	Loan	30/11/2022	18,036,323
		Total Private					**266,009,367**
		TOTAL PROJECTS SIGNED					**543,241,337**



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

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