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West African Development Bank (BOAD)

Statutory Auditor's report on the Audit of the Financial Statements

For the year ended 31 December 2024
West African Development Bank (BOAD)
68, avenue de la libération
BP 1172 Lomé (Togo)
This report contains 8 pages
Appendices contain 90 pages

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Statutory Auditor's report on the Audit of the Financial Statements

For year ended 31 December 2024

To the Board of Ministers of West African Development Bank (BOAD)

1. Opinion

We have audited the financial statements of the West African Development Bank (" the Bank"), which comprise the statement of financial position as at December 31, 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.
In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

2. 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 Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

3.1. Credit risk identification and assessment

3.1.1. The key audit matter

The Bank is exposed to a credit and counterparty risk.

These risks are defined as the probability that a debtor will be unable to meet the repayment of the granted loan. Counterparty default can have a significant impact on The Bank's net income.

The Bank books impairment on his exposures to mitigate these risks.

Impairment/provisions on healthy and doubtful receivables are based on an expected loss model, considering, in addition to the outstanding amounts, the commitments approved by the Board of Directors, the remaining disbursement on the corresponding loan through conversion factors. This method is based on a model for calculating expected losses according to changes that appeared since the origin of the credit risk and according to a model integrating the various parameters (Probability of default, Loss given default, Exposure at default, notation).

We considered that the assessment of the credit risk and the measurement of the impairments / provisions represent a significant accounting estimate area, due to the significant use of judgment by the Management in determining the assumptions and the exposures classification.

As at December 31, 2024, the gross amount of customers receivables amounted to XOF 2 565 billion and was subject to a provision for impairment for a total amount of XOF 181 billion, including XOF 29.9 billion of impairment recorded during the current year as detailed in notes 5 and 17 to the financial statements.

Due to the magnitude of the carrying value of loans to customers and the significant use of judgment in determining the provision for loan losses, this area represents a key audit matter.

3.1.2. How the matter was addressed in our audit

To assess the reasonableness of the recognized impairments/provisions, we:

- ✓ obtained an understanding of the impairment evaluation process and the internal control framework governing it;
- ✓ assessed the design and effectiveness of certain internal controls relating to the process for measuring impairment on loans to customers;
- ✓ assessed the appropriateness of the model parameters used to estimate expected credit losses;
- ✓ assessed the consistency of risk management system data with accounting records
- ✓ carried out independent calculations of expected credit losses based on sample selections;
- ✓ for a selection of individual loans, assessed the level of impairment recorded.

We also assessed the appropriateness of the information relating to the impairment of loans and receivables due from customers disclosed in the notes to the financial statements.

3.2. Valuation of hedging instruments in connection with borrowings

3.2.1. The key audit matter

As at December 31, 2024, the Bank's outstanding borrowings include investment securities amounting to XOF 1 543 billion as specified in note 9 to the financial statements. This amount includes Eurobond issued in foreign currencies in 2017, 2019 and 2021 and hedged against foreign exchange risk with forward contracts of a notional value of XOF 1 175 billion as of 31 December 2024 as specified in note 19.2.1.1.

The audit of the valuation of hedging instruments in connection with borrowings was considered as a key audit matter due to :

- ✓ the significant impact of the complex valuation method on the Bank's net income;
- ✓ their materiality in the Bank's financial statements.

3.2.2. How the matter was addressed in our audit

To assess the valuation of hedging instruments, we :

- ✓ updated our understanding of the valuation methods applied to the Bank's hedging instruments.
- ✓ performed a detailed analysis of the Bank's hedging contracts.
- ✓ carried out independent counter-valuations of the fair value of hedging instruments.

- ✓ assessed the consistency of the recognized fair value amounts of hedging instruments with the results of our counter-valuations.

We also assessed the appropriateness of the information relating to hedging instruments disclosed in the notes to the financial statements

3.3. Valuation of financial assets

3.3.1. The key audit matter

The Bank records financial assets at fair value which amounted to XOF 158 billion as at December 31, 2024, as detailed in note 6 to the financial statements. Changes in the fair value from one reporting date to another are recorded either in profit and loss or in equity in compliance with the adopted classification under IFRS 9.

Due to the restricted availability of market data, the valuation of level 2 and 3 financial instruments requires the use of judgment by the management in determining the valuation method and the parameters to be used.

We have considered the financial assets valuation at fair value (level 2 and 3) as key audit matter because of:

- ✓ the significant impact of the choice of valuation method on the Bank's net income.
- ✓ the sensitivity of the parameters used for management's assumptions;
- ✓ their materiality.

3.3.2. How the matter was addressed in our audit

To assess the valuation of financial assets (portfolio of equity instruments), we:

- ✓ updated our understanding of the valuation methods applied to the Bank's financial assets (portfolio of equity instruments);
- ✓ compared, on a sample basis, the valuation of these instruments with supporting external documentation;
- ✓ tested the accounting and management data's reconciliation;
- ✓ assessed the appropriateness of the accounting methods used by the Bank and their correct application.

We also assessed the appropriateness of the disclosures in the notes to the financial statements with respect to the valuation of financial instruments.

4. Other information

Management is responsible for the other information. The other information comprises the information included in the Bank's Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of 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, 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.

5. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as management determines 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, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

6. Statutory 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 auditors' 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 auditors' 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 auditors' 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lomé, April 28, 2025

Statutory Auditor

KPMG Togo

Franck FANOU
Partner

Appendix 1:

Financial statements for the year ended 31 December 20244

BOAD'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

MARCH 2025

SUMMARY

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31 December 2024	31 December 2023
Cash and cash equivalents	4	515,905	419,516
Financial assets at amortized cost	5	3,068,111	2,821,820
- Loans and advances to banks		33,989	4,299
- Loans and advances to customers		2,372,600	2,461,992
- Loans and advances to staff		23,977	22,136
- Debt Securities portfolio		632,471	327,631
- Receivables from shareholders		5,075	5,761
Equity investments	6	157,661	159,796
- Equity investments designated at fair value through P&L		10,625	10,181
- Equity investments designated at fair value through OCI non-recyclable		147,036	149,615
Adjustment accounts and other assets	7	130,214	59,898
- Derivative assets		108,895	43,680
- Accruals assets		9,458	4,338
- Others assets		11,860	11,879
Tangible assets	8	6,966	6,411
		0	0
Investment properties	8	605	579
		0	0
Intangible assets	8	1,305	1,292
		0	0
Non-current assets held for sale	8	12,711	12,711
TOTAL ASSETS		3,893,477	3,482,022

LIABILITIES	Note	31 December 2024	31 December 2023
Financial liabilities at amortized cost	9	2,482,092	2,190,865
- Deposits from banks		7,913	6,814
- Debt securities issued		1,573,354	1,507,447
- Other debts		772,090	617,241
- Subordinated debts		128,736	59,363
Earmarked funds	10	105,291	79,638
Adjustments accounts and other liabilities	11	43,319	22,913
- Derivative liabilities		3,366	3,488
- Accruals liabilities		24,351	14,393
- Others liabilities		15,601	5,031
Provisions	12	13,185	11,938
Total liabilities		2,643,887	2,305,354
Capital		393,770	326,102
- Subscribed capital		1,525,750	1,511,000
- Callable capital		-892,170	-892,170
- Unpaid Capital		-230,529	-274,818
- Cost related to deferred paying-up of capital		-9,281	-17,911
Share premium		2,622	2,622
Reserves		853,198	847,945
- Reserves allocated to development activities		76,050	76,050
- Net gains on investments in equity instruments designated at fair value through other comprehensive income non recyclable		50,284	58,152
- Cashflow hedging reserves		-17,580	1,092
- Other reserves		26	26
- Retained earnings		706,554	677,492
- Remeasurements of defined benefit liability		-1,538	-1,321
- Net income for the period		39,402	36,453
Total equity	13	1,249,590	1,176,668
TOTAL LIABILITIES AND EQUITY		3,893,477	3,482,022

COMPREHENSIVE INCOME STATEMENT

COMPREHENSIVE INCOME STATEMENT		Note	December 2024	December 2023
Interests and related income			183,144	167,722
Interests and related charges			-93,534	-78,448
Net interest income			89,610	89,274
Fees and commissions (income)			8,213	4,397
Fees and commissions (charges)			-3,059	-4,991
Net interest and fee income		14	*94,763*	*88,680*
Exchange gains (a)			316	45,380
Exchange losses (b)			-68,726	-8,537
Gains/losses on hedging instruments (c)			84,009	-20,174
Gains/Losses on foreign exchange (a + b + c)		*15*	*15,599*	*16,669*
Margin on interests, fees and foreign exchange			110,362	105,349
Gains/losses on financial assets designated at fair value through profit and loss (IFRS 9)			443	156
Dividends received (income from equity investments)		16	4,079	5,528
Net banking income			*114,885*	*111,033*
Cost of risk		17	*-37,234*	*-39,327*
Endowment from member states		18.1	3,200	3,200
Other operating income			169	638
Charges related to development activities		18.2	-2,152	-1,556
General operating expenditures		18.3	-39,440	-37,510
	- Staff overheads		-23,888	-21,763
	- Amortizations and depreciations - Property, equipment and intangible assets		-1,358	-1,339
	- Other operating costs		-14,194	-14,408
Other operating charges			-27	-24
Other net operating income		18	*-38,249*	*-35,253*
Net income for the period			39,402	36,453
Other comprehensive income				
Items that will be reclassified to profit or loss (d)			-18,672	-33,412
Cashflow hedges (CFH)			-18,672	-33,412
Net gains on financial assets at fair value through "other comprehensive income"				
Items that will not be reclassified to profit or loss (e)			-8,085	9,532
Revaluation of tangible and intangible assets				
Net gains on financial assets at fair value through "other comprehensive income"			-7,868	10,107
Remeasurements of defined benefit liability			-216	-576
Total other comprehensive income (d) + (e)			*-26,757*	*-23,880*
Total comprehensive income for the period			12,645	12,573

CHANGES IN EQUITY

CHANGE IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2023	Capital				Share premium	Reserves						Total
	Subscribed capital	Callable capital	Unpaid Capital	Cost related to the deffered paying-up capital (1)		Reserves allocated to development activities	Other reserves	Remeasurements of defined benefit liability	Net gains on investments in equity instruments designated at fair value	Cash flow hedges reserves	Retained earnings	
Equity as at 1st January 2023	1,103,650	-826,230	-15,956	-577	2,622	76,050	26	-746	48,045	34,504	683,252	1,104,641
												0
Increase in capital	407,350											407,350
Callable capital												0
Increase in shareholders' receivables for the year			-258,862									-258,862
Discounted effect of Deferred capital release cost				-17,334								-17,334
Release of capital for the 2023 financial year		-65,940	0									-65,940
Allocation of profit for the 2022 financial year											-6,000	-6,000
Net income as at 31 December 2023 before allocation											36,453	36,453
Other comprehensive income											0	
Change in retained earnings											0	0
Change in fair value on equity instruments (IFRS 9)									10,107		0	10,107
Reclassification of gains or losses on equity instruments to reserves											240	240
Remeasurements of defined benefit liability								-576				-576
Change in cash flow hedges										-33,412		-33,412
Sub-total other comprehensive income	0	0	0	0	0	0	0	-576	10,107	-33,412	240	-23,640
Total comprehensive income of the 2023 financial year	0	0	0	0	0	0	0	-576	10,107	-33,412	36,693	12,813
Transfers												0
Contributions and distributions												
Total transactions with the owners of the Bank	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 december 2023	1,511,000	-892,170	-274,818	-17,911	2,622	76,050	26	-1,321	58,152	1,092	713,945	1,176,668

CHANGE IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2024	Capital				Share premium	Reserves						Total
	Subscribed capital	Callable capital	Unpaid Capital	Cost related to the deffered paying-up capital (1)		Reserves allocated to development activities	Other reserves	Remeasurements of defined benefit liability	Net gains on investments in equity instruments designated at fair value	Cash flow hedges reserves	Retained earnings	
Equity as at 1st january 2024	1,511,000	-892,170	-274,818	-17,911	2,622	76,050	26	-1,321	58,152	1,092	713,945	1,176,668
Increase in capital	14,750											14,750
Callable capital												0
Increase in shareholders' receivables for the year			-14,750									-14,750
Discounted effect of Deferred capital release cost			-8,630	8,630								0
Release of capital for the 2024 financial year			67,669									67,669
Allocation of 2023 income											-8,000	-8,000
Net income as at 31 December 2024 before allocation											39,402	39,402
Other comprehensive income												
Change in retained earnings											0	0
Change in fair value on equity instruments (IFRS 9)									-7,868			-7,868
Reclassification of gains or losses on equity instruments to reserves									0		608	608
Remeasurements of defined benefit liability								-216				-216
Change in cash flow hedges										-18,672		-18,672
Sub-total other comprehensive income	0	0	0	0	0	0	0	-216	-7,868	-18,672	608	-26,149
Total comprehensive income of the 2024 financial year	0	0	0	0	0	0	0	-216	-7,868	-18,672	40,010	13,253
Transfers												0
Contributions and distributions												
Total transactions with the owners of the Bank												
Balance as at 31 december 2024	1,525,750	-892,170	-230,529	-9,281	2,622	76,050	26	-1,538	50,284	-17,580	745,955	1,249,590

CASHFLOW STATEMENT

Items	Notes	2024	2023
Cashflow from operational activities		31/12/2024	31/12/2023
Income for the period		39,402	36,453
Adjustments related to non-monetary and other items			
Unrealised gains/losses		-15,546	-16,414
Realized Exchange gains		0	-2,063
Realized Exchange losses		0	1,808
Amortization		1,358	1,339
Depreciation		0	0
Cost of risk		37,234	39,327
Gains/ losses on financial assets designated at fair value through profit and loss		-443	-156
Other items *		-2,259	-1,956
		20,345	21,885
Changes in assets and liabilities from operations			
Loans and advances to banks		-29,690	-4,061
Loans disbursements		-385,038	-446,764
Repayments of loans		580,353	518,187
Other receivables from customers		-128,135	-131,716
Loans and advances to staff		-1,841	-3,565
Securities portfolio		-308,532	11,998
Other receivables		0	0
Other assets		-16,579	-5,269
Deposits from banks		1,099	-357
Other debts		64,537	75,191
Other liabilities		38,181	-19,117
		-185,645	-5,472
Cashflow from operations activities (a)		-125,898	52,866
Cashflow from investment activities			
Acquisitions of tangible assets		-1,882	-1,556
Sales of tangible assets		16	17
Acquisitions of intangible assets		-79	135
Sales of intangible assets		0	0
Acquisitions of shares		-5,859	-18,364
Sales of shares		1,178	15,271
Cashflow from investment activities (b)		-6,627	-4,498
Cashflow from financing activities			
Resources from capital paying-up		71,785	69,331
Redemption of shares		0	0
Debt issuance		310,892	217,011
Repayment/debts represented by a security		-59,602	-83,898
Repayment/other loans		-94,162	-115,386
Cashflow from financing activities (c)		*228,913*	*87,057*
Net increase/(decrease) of cash and cash equivalents (a+b+c)		96,388	135,424
Cash and cash equivalents at opening	4	419,516	284,092
Cash and cash equivalents at closing	4	515,905	419,516
ADDITIONAL INFORMATION			
Operating cashflow from interests and dividends:			
Interest paid		84,402	77,034
Interest received		140,214	123,640
Dividends received		2,322	5,408

(*) The “others items” line include of the neutralization of gains or losses on the sale of fixed assets, the cash outflow for the payment of staff pensions and the neutralization of the discounting effect of the subsidy to be paid by the States to BOAD.

NOTE 1. ACTIVITY OF BOAD

The West African Development Bank (BOAD) is the common development finance institution of the member countries of the West African Economic and Monetary Union (WAEMU), established by an Agreement signed on 14 November 1973.

BOAD became operational in 1976.

As an international public institution, BOAD has its headquarters in Lomé (Togo), located at 68, avenue de la Liberation, and Resident Missions in each of the capital cities of the other seven WAEMU member countries.

The Bank's shareholders include WAEMU member countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, Togo) and the West African Central Bank (BCEAO), three European countries (Germany, France and Belgium), as well as African Development Bank (AfDB) and European Investment Bank, People's Republic of China, Eximbank of India and the Kingdom of Morocco.

As provided under article 2 of its Articles of Association, BOAD seeks to "promote balanced development of member countries and foster the achievement of economic integration within West Africa" by financing priority development projects. The Bank provides financing for projects in the following areas: rural development, basic infrastructure, modern infrastructure, telecommunications, energy, natural ressources, industry, agro-industry, transport, tourism, health and education, financial institutions and other services.

In order to finance its activities, the Bank can, as stated under Article 37 of its Articles of Association, issue bond loans on the Union's domestic market or on the foreign capital markets and contract, from international or foreign public or private agencies, loans with any maturities and repayment conditions, both in the Union's currency and foreign currencies or units of accounts as may be deemed suitable to the Bank's Board of Directors.

Under Article 44 of its Articles of Association, the Bank, its revenues, property and other assets, as well as transactions and operations undertaken by it under these Articles of Association, shall be exempted from all direct or indirect taxes. No tax shall be levied by the Union's governments or communities on bonds issued by the Bank or on interests therefrom, whosoever the titleholder may be.

NOTE 2. SUMMARY OF KEY ACCOUNTING PRINCIPLES AND PRACTICES

Below is the summary of basic accounting principles used by the Bank.

2.1 Declaration of conformity

The financial statements of the West African Development Bank ("the Bank"), for the year ended 31 December 2024 and the comparative figures for 2023, have been established in accordance with the IFRS Accounting Standards (International Financial Reporting Accounting Standards) as issued by the IASB (*International Accounting Standards Board*).

2.2 Functional currency and reporting currency

The functional currency of the Bank is the African Financial Community Franc (FCFA/XOF). It is also its reporting currency.
All the figures in BOAD's financial statements are quoted in millions of FCFA/XOF (XOF' mln), unless otherwise stated.

2.3 Basis of presentation of financial information: Going concern

The financial statements for the year ended 31 December 2024 have been prepared on a going concern basis as the Bank has neither the intention, nor the need to end or significantly reduce the scope of its activities.
The Bank has sufficient resources to continue its business for the foreseeable future.
In making this assessment, management has considered a wide range of information, including profitability projections, regulatory capital requirements and funding requirements.
The assessment also includes consideration of reasonably possible adverse economic scenarios and their potential impact on the Bank's profitability, capital and liquidity.

2.4 Key basis for evaluation

Financial statements are based on historical cost except for those items presented below which are measured on a different valuation method:

Items	Valuation method basis
Financial derivatives	Fair value
Equity securities (equity investments) recognized at fair value through profit and loss or non-recyclable other comprehensive income	Fair value
Actual value of pension obligations linked to defined benefit pension plan net of plan assets	Fair value of plan assets less the present value of the benefited obligation, limited as explained in Note 2.15.2

2.5 Critical accounting assumptions and key sources of uncertainty for estimates

The preparation of financial statements, in accordance with IFRS Accounting Standards, requires that the Bank's management provides estimates, assumptions and judgements that affect the value of assets, liabilities, income and expenditure. Estimates and assumptions are continually evaluated and take into account experiences and other factors, including future events deemed reasonable under the current circumstances. The most significant assumptions and estimates are summarized below:

2.5.1 Main judgements

The Bank's accounting policy requires that assets and liabilities be recorded during their acquisition into different accounting categories. This decision requires detailed meaningful judgment on the classification and evaluation of financial assets in accordance with IFRS 9:

(See Notes 19.1.5.2. et 19.1.6: Establishing the criteria for determing whether credit risk on financial asset has increased significantly since initial recognition, determing the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL)

(see Note 2.8: Classification of financial asset: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding).

2.5.2 Main assumptions and uncertainties related to the estimates

The Bank also uses estimates for individual financial statements, as follows:

Impairment of loans and advances to customers: the determination of input parameters in the ECL valuation model such as default probabilities, the consideration of key assumptions in the estimation of recoverable cash flows (e.g. conversion factors to credit equivalents) and information on the forward-looking (***See Note 2.8.2.2***)

Assessing the fair value of equity investments: at each reporting date, the Bank reviews its equity portfolio to assess its fair value based on financial information or stock prices available and estimates changes in fair value (***See Note 2.6***).

Assessing fair value of financial derivatives: at each reporting date, the Bank contracts a specialist to assess the fair value of hedging instruments put in place to protect itself against currency risk on loans contracted in SDR and USD. (***See Note 2.19***).

Measurement defined benefit obligations*:* *Key* actuarial assumptions. (***See Note 2.15***).

2.6. Fair value of financial instruments

2.6.1 Definition and hierarchy of fair value

Fair value is the price at which an asset would be sold or bought to transfer a liability in a normal transaction between market participants at the valuation date.
The fair value of financial instruments is presented according to a fair value hierarchy with three levels depending on the importance of the data used for the assessments.

Level 1: Fair value determined using quoted prices (unadjusted) on active markets for similar assets or liabilities

Level 2: Fair value estimated from data, other than quoted prices in level 1 whose asset or liability is observable directly (in the form of prices) or indirectly (derived from prices)

Level 3: Instruments for which data for valuation are not based on observable market data ('unobservable' data).

2.6.2 Valuation methods

For financial instruments measured at fair value on the balance sheet, the fair value is determined primarily on the basis of prices quoted in an active market. These prices may be adjusted, where applicable if they are not available at the reporting date or if the value of compensation does not reflect transaction prices.

When third party information, such as quotations, is used to measure fair value, the reference source is that published on the official listing bulletin of the WAEMU Regional Securities Exchange.

However, due to the multiplicity of the features of the financial instruments negotiated OTC on financial markets, a large number of financial products handled by BOAD are not directly listed on the markets. The fair value of these products is determined by using the valuation techniques with observable or unobservable data.

2.6.3. Evaluation framework

The Bank has a control framework in place for fair value measurement. This framework includes a validation of the fair value results by the Risk Division.

Valuation governance is based on the following lines of defence: Risk Directorate and Commitments Committee.

- **Risk Management**

The Risk Directorate is responsible for evaluating financial instruments at each accounting close and submits the results to the Commitments Committee for validation.

- **Commitments Committee**

The Commitments Committee conducts an independent review of and approves the fair value results.

2.7 Cash and Cash equivalents

Cash includes cash on hand and demand deposits.

Bank deposits of more than three (3) months are also classified as cash and cash equivalents given the clause specifying that they can be freed-up at any time without penalty. Only a request for early redemption at least three (03) working days before the desired redemption date must be sent to the Bank.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. They are held in order to meet the short-term (operational and functional) cash commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2.8 Financial assets at amortised cost

These are debt instruments that are classified at amortised cost if both of the following criteria are met: the contractual cash flows are solely payments of principal and interest on the principal and the business model qualifies as pure collection. This category of financial assets includes:

- Loans and advances to banks
- Loans and advances to customers
- Loans to staff
- Receives from shareholders
- Debt securities portfolio

2.8.1 Loans and advances to banks

Loans and advances to banks include interbank loans, related accrued interests and Interests receivable from BCEAO on BOAD's assets invested. As at 31 December 2024, all these receivables were due in less than a year.
They are recorded at amortised cost representing the nominal amount and accrued interest. These operations do not involve any transaction or commitment fees.

2.8.2 Loans and advances to customers

Main characteristics of loans and advances to customers

The Bank's portfolio on "loans and advances to customers" mainly correspond to loans granted to the public (non-commercial and commercial public) and private sectors.

Loans granted by BOAD are denominated in CFA Francs (XOF) and at fixed rates. They are accounted at the contract rate which corresponds to the market rate. Borrowers have the option to make early repayment of such amounts subject to conditions contained in loan agreements and conventions.
BOAD rate conditions as regards the non-commercial Energy sector are equivalent to those applied by the Energy Development Fund (FDE), which are themselves at market conditions.

Interests and commissions on receivables from customers

Interest and commissions on loans granted to customers are recorded in the period in which they were acquired using effective interest rate. Interests that have accrued but not yet due at the reporting date are recorded as interests on receivable loans.

Default interests are calculated on unpaid instalments after a grace period of one month.

Flat commissions (processing fees) are fees charged only once at the project evaluation. They are recorded in the income statement by linear spread over the lifespan of the loan. The financing arrangement fees are captured in income as soon as they are due.

2.8.2.1 Loans to States

Loans to States are initially recorded at fair value in the balance sheet and measured at amortized cost.

<u>Subsidies on loans to States</u>

Loans to States receive interests subsidy covered by allocations or the new subsidy mechanism fund that is consistent with market practice. Interests subsidy serve to reduce the amount of interest to be paid by a borrower to he Bank. Interest subsidies cover the difference between the interest rate applied by the Bank and the interest rate actually paid by the borrower for each loan tranche **(See Note 2.16.2 Allocations)**. This practice is common in the multilateral development bank market.
The shareholder States and donors grant subsidies to the Bank **(see 2.14 Allocated external funds et 2.16.2 Allocations from shareholder States)**. These grants are recognised as receivables during the year, with an impact on income for the year as defined by the standard in accordance with IAS 20.
They are used to subsidise interest on loans granted by the Bank by covering the difference between the interest rate applied by the Bank and that actually paid by the borrower. This mechanism makes it possible to grant concessional loans on the basis of market resources (*by lowering the average cost of the resource allocated to each of the loans concerned*).
It should be noted that in all cases, the Bank's customers who bear a lower interest rate than they would have paid without the subsidy will ultimately benefit from the subsidy.

<u>Index linking clauses in the loans to States</u>

The Bank incorporates an index linking clause in its loans to States portfolio.
Under this clause, the Bank could transfer to the borrowers the exchange rate risk borne by debts denominated in currencies other than euros. The exchange rate risk would thus be passed on to the borrowers in the form of repayments on the loans concerned, depending on changes in the structure of the Bank's debt.
The Bank's policy of hedging the currency risk on its non-euro debts plans a systematic hedging by acquiring forwards for each debt contracted in non-euro currencies **(see note 2.19 Derivatives and hedge accounting)**. Therefore, activating of this index linking clause is not topical and more of a safeguard measure than a risk management policy. Finally, the existing adjustment clause does not exclude recognizing these loans at amortized cost.
As the indexation clause is not active for the reasons mentioned above, the principal and interest repayment flows due by borrowers in CFA francs remain unchanged regardless of changes in the exchange rates of currencies outside the euro.

2.8.2.2 Impairment of loans and advances to customers

The Bank's portfolio is distributed into three buckets using the notion of significant deterioration since inception (initial recognition):

- **Bucket 1:** financial assets considered as performing loans with no credit downgrading or downgrading of credit risk by one notch since their initial recognition;

- **Bucket 2:** financial assets whose credit risk shows a downgrading by at least two notches since the initial recognition or whose rating is lower than the Gs5 (acceptable instrument with moderate credit risk See note 19.1.1.1) sensitivity limit in the case of the Bank or whose unpaid installments last between 30 and 89 days. Depending on the counterparty's financial situation and recovery prospects, restructured loans are classified in bucket 2 with at least the rate Gs6 (weak instrument with moderate credit risk See note 19.1.1.1) during the 18 months following their restructuring and a discount recorded;

- Bucket 3:
  - Non sovereign loans: financial assets in arrears for 90 days or more where the deterioration in credit risk is such that a loss is probable unless the specific circumstances demonstrate that the arrears are due to causes unrelated to the debtor's situation;
  - Sovereign loans: financial assets in arrears for 180 days or more where the deterioration in credit risk is such that a loss is probable unless the specific circumstances demonstrate that the arrears are due to causes unrelated to the debtor's situation

In addition to the late payment criterion, the assessment of default includes a qualitative analysis taking into account (i) intrinsic considerations relating to the counterparty, (ii) exogenous and forward looking factors and (iii) the history of the counterparty's relationship with the Bank.

For a given counterparty, the rating at the balance sheet date is considered to be the final rating for all exposure to the counterparty.

a) Expected losses approach to provisionning for buckets 1 and 2

Expected losses represent an estimate established by probabilistic weighting of credit losses. This weighting must integrate past events, current conditions and the forecast of future economic conditions.

The calculation of expected losses is carried out instrument by instrument by discounting at effective interest rates according to the formula. For bucket 2, the formula is presented below:

$$\boldsymbol{ECL_T} = \sum_{\boldsymbol{t=1}}^{\boldsymbol{T}} \frac{\boldsymbol{MPD_t * LGD_t * EAD_t}}{(\boldsymbol{1} + \boldsymbol{TIE}^{1})^{\boldsymbol{t}}}$$

where $ECL_T = expected\ credit\ loss\ at\ horizon\ or\ residual\ maturity\ T$
$MPD_t = marginal\ probability\ of\ default\ in\ year\ t.$
$LGD_t = Loss\ Given\ Default\ in\ year\ t$
$EAD_t = Exposure\ at\ Default\ in\ year\ t$
$TIE = Effective\ \ Interest\ Rate$
As permitted by the standard, at BOAD, the nominal interest rate of the instruments is used as the Effective Interest Rate
$T = \text{residual maturity in years (last maturity date of the loan } - \text{ closing date)}$
The determination of PD and LGD takes into account the calibration of the Bank's rating models with a "masterscale" mapped to GEM's[2]. This mapping made it possible to draw up a loan claims matrix by category of borrower (sovereign, public and private

[1] The Effective Interest Rate can be replaced by the nominal interest rate when it could not be calculated

[2] Global Emerging Markets (GEMs): rating database of counterparties subscribed to by most development banks in the west African sub region (BOAD included).

companies).

For the calculation of the EAD, all outstanding amounts as well as financing commitments are taken into account. A factor of conversion factor into credit equivalent of the balance to be disbursed is applied to the parts not yet disbursed from financing commitments.

The expected credit losses are recognized as cost of risk in the income statement.

It should also be noted that interest income is calculated on the basis of the gross value of the receivables.

b) Expected losses approach of impairment for bucket 3

Expected losses are calculated on an instrument-by-instrument basis. It is calculated as follows:

- the carrying amount (or the book value) of the instrument concerned, which consists of the disbursed amount not yet repaid, plus interest and costs already capitalised, to which the following items must be added or subtracted:
- (-) the present value of the estimated cash amounts recoverable from the financial guarantees received, taking into account the recovery periods;
- (+) costs and accrued interest not yet capitalised to be paid;
- (-) the present value of the amount of cash payments expected from the borrower;
- (-) the present value of the mortgage guarantees that can be realised with a precise estimate taking into account the recovery dates. If an estimate is not possible, the BOAD model will use a value of zero (0);
- (-) the discounted amount of the estimated recovery of goodwill received as collateral; if an estimate is not possible, the Bank will retain a value of zero (0);
- (-) finally, the discounted value of any cash inflow that can be reasonably and accurately estimated (insurance indemnity, liquidation bonus, exceptional income related to the loan concerned).

The recovery rate is calculated as the ratio between the total sum of amounts recovered and the total discounted sum of the debt to be recovered.

For the financial guarantees given, BOAD has chosen to treat them according to IFRS 9 (see 4.2.1c). The amount of exposure is equal to the amount of the guarantee given less repayments already made and future income expected from any counter-guarantees, but plus unpaid interest and accrued interest not yet due.

The amount of depreciation corresponds to the difference between the off-balance sheet amount of the instrument concerned and the discounted amounts at the effective interest rate of future cash flows (expected from the borrower, financial guarantees, etc.) at the reporting date. This difference is recognized in cost of risk in the income statement.

2.8.2.3 Originating, restructuring or renegotiating loans

When the loan contracts are modified, the Bank analyzes the reasons (renegotiation, reorganization or restructuring) for the modifications and assesses the substantial nature of the modifications made on a case-by-case basis.

a) Changes without substantial impacts

In the event of a change due to financial difficulties, the Bank considers that the credit risk of the loan has increased. As a result, the loan is classified in bucket 2 and is subject to a discount/mark-up equal to the difference between the discount of the initially expected contractual flows and the discount of the expected future capital and interest flows following the restructuring. The discount rate used is the initial effective interest rate.

In the case of changes not justified by financial difficulties, the Bank considers that the credit risk has remained unchanged. As a result, the loan does not change its bucket.

b) Changes with substantial impacts

When the change is substantial, in relation to financial difficulties, the contractual rights to the cash-flow of the original loan are deemed to have expired. In this case, a new loan is recorded at fair value, while the original loan is derecognized. The difference between the book value of the derecognized loan and the fair value of the new loan is recorded in profit or loss in the "cost of risk" item. Any impairment previously recorded on the loan is adjusted or fully reversed.

When the material change is due to a renegotiation without financial difficulties, a new loan is recognised at fair value and the original value of the loan is derecognised. The difference between the carrying amount of the derecognised loan and the fair value of the new loan is recognised in income as an expense.

2.8.2.4 Pre-financing of surveys or studies

Pre-financing of studies is an advance granted by the Bank to finance the cost of a feasibility study for a project. The main beneficiaries of pre-financing studies are WAEMU member states and their divisions through the Public Merchant Desk. The amount disbursed for the advance is initially classified under "Financial assets at amortised cost", under "customer receivables". Once the advance has been granted and disbursed, three (03) situations arise:

- the feasibility study leads to the viability of a project for which financing is granted by BOAD. Thus, the cost of pre-financing the study plus interest (at the fixed rate previously agreed in the study pre-financing advance contract) is added to the amount of the loan put in place to finance the implementation of the project;
- the feasibility study leads to the viability of a project whose financing is not provided by BOAD. In this case, the advance plus interest is repaid over a period defined in the study pre-financing advance agreement;
- the project studied is not viable, the study pre-financing advance is no longer repaid and constitutes a subsidy granted by the Bank. It is recorded as an expense for the year (final consumption) which marks an irreversible consumption of resources allocated to pre-financing studies.

2.8.2.5 Financial guarantees and financing commitments

Financing commitments given include amounts still to be paid under loan agreements signed with customers or in respect of subscribed equity interests not yet paid up.

Financing commitments received correspond to amounts not yet drawn down on loans granted to the Bank.

These financing commitments are recorded in off-balance sheet items for the amount corresponding to the portion not yet drawn down.

Some of the loans granted are covered by financial guarantees received. These financial guarantees enable the Bank to be reimbursed by the guaranteeing companies in the event of default by its customers. The Bank also grants financial guarantees (mainly signature commitments under guarantee or counter-guarantee agreements for short-, medium- or long-term facilities) which oblige it to reimburse the underwriters of the beneficiary of the guarantee in the event of the latter's default. **The value of these guarantees on the Bank’s off-balance sheet is their nominal value, which represents the amount that BOAD could receive in the event of a counterparty default.**

2.8.3 Loans to staff

Employee loans are loans granted to the Bank’s staff at market conditions. There are recognized at their nominal value. Although loans to staff are classified as “amortised cost financial assets”, there is no depreciation on thosehere according to the Bucket 1 and Bucket 2 provisioning rules. This is justified by the existence of a negligible credit risk, which is at the same time borne by the BOAD itself who must pay the salary. Therefore, making a provision would be self-provisioning of its own credit risk. However, when the staff member resigns from BOAD, the loan is removed from the category of staff loans and may be provisioned based on expectations of recovery of the debt from the resigning agent.

2.8.4 Debt securities portfolio

The portfolio of debt securities consists of instruments acquired to collect contractual cash flows and hold them until maturity. The expected flows from these instruments are only principal and interest payments.
All the securities held by the Bank are classified as financial assets at amortized cost like debt securities. These include bonds with fixed or determinable payments that are not quoted on active market.
The impairment model is the same as that applied to loans and advances to customers.

2.8.5 Receivables from shareholders

” Receivables from shareholders” includes allocations and amounts due but not yet paid.

2.9 Equity investments (equity securities)

Equity securities (equity investments) are shares held by the Bank in other entities from diverse sectors in accordance with its equity investments strategy (See Note 6.1).

Equity securities are equity instruments that are recognized at fair value into two distinct categories (fair value through profit and loss and fair value through OCI non-recyclable to profit and loss). All new equity investments will be analyzed line by line to ensure their classification in one of the above categories.

a) **Fair value through profit and loss**

This default classification is mandatory for equity instruments held for transactions. This classification was used by the Bank for holdings representing a collective investment fund (UCITS). The Bank's SICAV (Variable Capital Investment Companies) and Mutual Funds (Mutual Funds) fall into this category. Dividends and capital gains or losses on these instruments are recognised in net income. They are not subject to impairment.

b) **Fair value through OCI non-recyclable to profit and loss**

This classification was selected for all equity transactions of the Bank considered as strategic in line with its development mission. Dividends are recognized as income in the income statement. Any subsequent variation of the fair value (gains/losses) is recognized as other items in the comprehensive income statement and never recycled as income.

2.10 Fixed assets and amortizations

2.10.1 Recognition and evaluation

Fixed assets are recognized at their cost of acquisition. When significant components of fixed assets have different useful life, they are recognized as distinct fixed assets (major components). Subsequent expenses are only activated if there is probability that associated economic profits will go to the Bank. The loss or profit on fixed assets are recognized in the net income statement.

2.10.2 Amortizations and impairment test

Fixed assets are amortized on a straight line over their estimated useful life. Estimated residual values are considered as nil. Below is the different useful life:

	Amortization per component over the following duration
1. Constructions	
a. Land	Not amortizable
b. Construction work	40 years
c. Technical installations	20 years
d. Technical lots, fittings and facilities	15 years
e. Diverse facilities	10 years
2. Office materials and furniture	3 to 10 years
3. Housing equipment and furniture	3 to 10 years
4. Transportation material	3 years
5. Fittings and facilities	3 to 10 years

In the case of an impairment loss index, depreciable assets are reviewed annually to determine whether they have suffered a impairment loss.

Given that BOAD does not have complex assets (mainly office furniture, office equipment, buildings and simple fittings and installations) and that almost all of the fixed assets are located on the same site (headquarters), the depreciation tests are carried out on the basis of the results obtained from the physical inventory file of fixed assets which makes a precise point on the good or bad condition of each asset at each accounting decree. Fixed assets in poor condition are corrected as necessary subject to the other requirements of IAS 36.

Assets that are likely to depreciate are reviewed annually to determine whether they have suffered a loss in value. The book value of an asset is immediately captured in the recoverable amount if the book value exceeds its estimated recoverable amount. The recoverable amount is the highest amount between the fair value of the asset (minus selling costs) and its value-in-use. The residual values and useful life of assets are reviewed periodically and adjusted if necessary.

The amortization charges are recognized in the income statement under item "Depreciations" on line "general operating expenses".

2.10.3 Intangible assets

Only software is considered intangible assets. They are amortized over a period of 3 to 5 years. There is no goodwill associated with the business combination.

The softwares are installed on local servers in the BOAD has full control.

Software acquired through a SaaS (Software-as-a-Service) contract is not fixed and is therefore excluded from this item "Intangible assets". The expenses related to these are spread over the term of their operating licence in the income statement.

2.10.4 Investment properties

a) Recognition and measurement

Investment properties are initially measured at cost, including transaction costs and subsequently measured at amortised cost.

Subsequent expenses are recognized in the book value of the investment property when they increase the capacity of the investment property or when they are intended to replace significant parts of the investment property. The Bank has choosen the cost model, all the investment properties are measured at cost less accumulated depreciation and less accumulated impairment losses at closing.

b) Transfers to or from investment property classification

Transfers to, or from, investment property should only be made when there is a change in use. Transfers between categories do not change the book value of the property transferred, and they do not change the cost of the property for measurement or disclosure purposes.

c) Derecognition and disposals

An investment property should be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

d) Rental income from investment properties

The Bank recognises the lease payments associated with these leases as an income on a straight-line basis over the lease term. The benefits granted by the Bank under a rental contract form an integral part of the total net rental income over the entire duration of the rental contract.

2.11 Leases

Depending on the type of lease contract concluded, the Bank is in the position of lessee or lessor. Based on this position, and each time a contract is entered into, the Bank analyses it to identify whether or not a lease exists according to IFRS 16.

2.11.1 As a lessee

The Bank has several contracts for the Residences of Officials, the Special Adviser and the Heads of Resident Missions. Under these contracts, the assets concerned are identified (real estate complexes consisting of land and buildings) in an explicit manner but the right of use by the Bank is subject to restrictions (in particular in terms of the development and installation of leased premises, sub-lease or lease assignment) which deprives the Bank of a real right to control the use of the asset over the term or part of the term of the lease. Also, the majority of contracts are concluded for a term of less than or equal to 12 months.

Payments made under these contracts are charged to the income statement on a straight-line basis over the lease term. These payments can be adjusted according to the level of market rents and the Bank does not bear any risk relating to the residual value of the land and building. Consequently, the landlord retains substantially all the risks and rewards of ownership of the land and buildings. In addition, the Bank does not have any right to control the use of such residences subject to the contract. In light of the above, the Bank has not recorded any lease debt in its accounts.

2.11.2 As lessor

The Bank has entered into lease agreements for part of the business premises in its head office building and for the Cité du Personnel leisure centre. The beneficiaries are CAURIS SA, BAD, BOAD TITRISATION and CRRH-UEMOA.

Under the terms of these agreements, the Bank retains control and most of the risks and benefits of the leased premises, since any substantial changes to the leased premises can only be made with its prior authorisation. The Bank has put in place specific security measures deemed necessary. The contracts do not authorise subletting. The contracts also include a clause to review the amount of rent at each renewal, the rate of which may not exceed 10%, in order to reflect price trends on the rental market.

Consequently, all the contracts are classified as operating leases.

The asset (the Bank's building, part of which is leased) is recognised as a fixed asset by the lessor and depreciated on a straight-line basis over its useful life.

The asset is depreciated on a straight-line basis over its useful life, excluding residual value, while the lease payments are recognised in the income statement on a straight-line basis over the term of the lease. Lease payments and depreciation are recognised in the income statement.

2.12 Deposit from banks

Deposits from banks correspond to investments made in BOAD’s books by partner institutions such as ROPPA, AFD, NIMAO, etc.

2.13 Financial liabilities at amortized cost

This item includes debt represented by a security, other borrowings (debts from donors) and subordinated debts.

- Debts securities issued correspond to the outstanding bonds and securities debts issued by BOAD on the international financial market or the regional financial market of WAEMU. These issues are classified as “Financial liabilities at amortised cost” in the sub-item “Debt represented by a security”.
- Other debts from donors include BOAD's borrowings from its institutional partners such as AFD, EIB, PROPARCO, AfDB, IDA, KfW, etc. All these borrowings are at fixed rates. These liabilities are classified as “Financial liabilities at amortised cost” in the sub-item “Other borrowings”.
- Subordinated debt consists of instruments issued by the BOAD in public or private investment with characteristics of financial liabilities. They are either represented by a security issued on the market or mobilized from institutional partners. At the prudential level (Basel II & III), these are additional capital instruments given their ability to absorb losses before senior debt holders.

2.14 Allocated external funds

These are funds with external contributions from donors such as Agence Française de Développement (AFD), International Development Association (IDA), KfW, Green Fund, Credit Mixte Suisse (CMS), Union Economique et Monétaire Ouest Africaine (UEMOA), etc. The funds' resources are made up either of direct subsidies paid by the donor or of loans granted by the donor at a reduced interest rate (the interest rate differential compared with the market rate used to set up the fund). The use of the resources obtained by the Bank and recorded in these Funds is governed by the provisions of the agreements drawn up for this purpose. The Bank is obliged to repay them if the final destination of the resources does not correspond to that provided for in the contracts signed with the lenders. This situation highlights the existence of a debt, hence the recognition of these funds as liabilities.

Expenses incurred are debited directly to the fund created. No income or expense is recognised in the Bank's statement of comprehensive income in respect of these funds. Funds resources must be used by the BOAD for their purpose as defined in the contractual clauses with the donors, otherwise the BOAD would be obliged to reimburse the donors. In view of these obligations, the Assigned Funds were classified as liabilities on the BOAD’s balance sheet.

2.15 Pension commitments

2.15.1 Plan used by the Bank: Defined benefit scheme

The Bank uses the "defined benefit" system in which the employer agrees to pay specific benefits in the form of pensions or retirement benefits, depending on the employee's length of service and salary. These benefits are paid directly by the Bank to the beneficiary.

The pension plan is entirely financed by the Bank. Staff are not obliged to contribute to the scheme.

2.15.2 Determination of net liability under the defined benefit scheme

The Bank’s net defined benefit obligation is assessed by estimating the amounts of future benefits acquired by the staff during their actual and past periods. This amount is calculated based on the actuarial liability related to the Bank pension obligations, but less the fair value of the hedging assets of the pension fund.

The Bank does not have any assets ceiling to cover its pension plan.

The actuarial assumptions used are calculated annually by a qualified actuary using the Projected Unit credit method.

Revaluations of the net liability for defined benefit plans including actuarial gaps are recorded immediately under other items in the comprehensive income statement.

2.15.3 Actuarial assumptions

Actuarial assumptions as at the closing date are as follows:

Actuarial assumptions	2024	2023
Discount rate	6,10%	6,10%
Rate of salary increase	6%	6%
Rate of staff turnover	1%	1%
Retirement age	60 years	60 years
Mortality table	Table CIMA	Table CIMA

The risks related to the retirement benefit scheme/plan are rather related to the changes in discount rate and increases in salary. The discount rate applied in 2024 represents the current ceiling rate for the issue of BOAD bonds. It also corresponds to the interest rate of the last issue of back-to-back bonds issued by the BOAD in the WAEMU zone, the repayment of which (including coupons) is ensured by the cash flows and other pecuniary benefits generated by a portfolio of loans made available to WAEMU member states by the BOAD. In 2023, it corresponded to the average yield on government bonds acquired by the Bank.

The rate of salary increases has not changed.

2.16 Transactions on share capital and allocations

2.16.1 Capital

The Bank's capital is divided into shares with a nominal value of XOF 50,000,000. In accordance with Article 6 of the Articles of Association, the capital is divided between two categories of shareholders:

- Series A shareholders (regional shareholders), i.e. the WAEMU Member States, each of which subscribes an identical number of shares, and BCEAO;
- Series B shareholders (non-regional shareholders), i.e. States which are not members of the Union, as well as international financing organisations wishing to contribute to the development of the Union and approved by the Union's Council of Ministers.

The capital is paid up on the basis of a long-term payment schedule. As a result, the amount called up but not yet paid in is updated at each balance sheet date.

In order to present relevant and useful information, the difference is recorded in a debit sub-account of capital (cost related to the deferred payment of capital).

In accordance with Article 7 of the Articles of Association, the amount of the Bank's callable capital serves as a guarantee for its borrowings.

2.16.2 Allocations

Member countries make allocations annually to BOAD.

BOAD's right to these allocations is established at the adoption of the Bank’s updated financial outlook over a period of six (6) years. This application is made annually and as a result, the allocations are captured annually as income to the item “State allocations” which is an element of the item “Other operating results”. The allocations are therefore recognized as receivables during the fiscal year, with impact on the year's income under IAS 20.

This recognition helps cover expenses related to development activities namely studies conducted but captured as final consumption, interest rate subsidies for loans to States.

2.17 Investment income from the Central Bank

Interests paid by BCEAO on BOAD's assets invested with it, are captured as “Interests and related income” for the period in which they were earned.

Interests receivable from BCEAO as at the year-end reporting are recorded as assets under “loans and advances to banks”.

2.18 Interests and fees on debts

Interests and commitment fees are subject to a monthly subscription calculated on the basis of loans recorded at the reporting date.

Interests accrued but not due on loans are recorded at the end of the year and find their counterpart liabilities on the balance sheet under "Financial liabilities at amortized cost".

At each reporting date, loans, interests and commitment fees accrued but not due pertaining to loans in foreign currencies are valued at the last reported exchange rate.

2.19 Derivatives and hedge accounting

2.19.1 Derivatives

The Bank uses derivative instruments to hedge exchange risks. These instruments are mainly an exchange cross-currency swap specifically for the Eurobond 1 issue and forward exchange contracts on Eurobond 2 issue and other borrowings. Derivatives serve to cover the variability of cash flows resulting from exchange rates fluctuations on borrowings contracted in foreign currencies (SDR and USD). This relation is established from the date of issue of the borrowing and maintained throughout the contract terms.

The Bank assesses all its financial derivatives at fair value and changes in fair value are generally recognized through profit and loss. When the required conditions are met for the application of the fair value option, the debt in question is also assessed at fair value and changes in fair value are recognized as net income.

The Bank measures all its derivatives at fair value and records them either in a fair value or cash flow hedging relationship.

2.19.2 Fair value hedge

The Bank applies fair value hedge accounting to derivatives to hedge the exposure to currency risk associated with foreign currency borrowings. Under fair value hedge accounting, changes in fair value of the hedging instrument and changes in fair value of the hedged item attributable to the risk being hedged are recognized as profit and loss.

From the onset, the Bank documents the relation between the hedging instrument and the hedged item as well as the risk management objectives and its strategy to undertake hedging transactions. The hedge accounting stops being applied when the objective of the Bank's risk management for the hedging relationship changes or when the hedging instrument has matured, is sold or is abrogated or is exercised or when the hedge accounting does no longer meet required conditions for the hedge accounting.

In summary, when the hedge is at fair value, gains and losses on the hedge are recognised in profit or loss and foreign exchange gains and losses on the hedged item are also recognised in profit or loss. Given the effectiveness of hedging, gains and losses on hedging on one hand and foreign exchange gains and losses on debt on the other hand are offset in the income statement.

2.19.3 Cash flow hedge

When a derivative is recognized as cash flow hedge instrument, the effective portion of the change in fair value of the derivatives is recognized as other comprehensive income and accumulated in the cashflow hedge reserve. All other ineffective portion in the change in fair value of the derivative is recognized immediately as profit or loss.

The accumulated amount in equity is recognized as Other comprehensive income and reclassified to profit or loss at a date or dates when the anticipated cashflow hedged or the hedged item affects profit or loss.

If the anticipated transaction is no longer expected to occur and the hedge no longer meets the criteria for hedge accounting, or the hedging instrument expires, is sold, terminated, exercised or cancelled, the Bank ceases to apply prospective hedge accounting. If the anticipated transaction is no longer expected to occur, the balance in equity is reclassified to net income. In essence, when the hedge is cash flow, gains and losses on the hedge are recognised in other comprehensive income and foreign exchange gains and losses on the hedged item are recognised in net profit or loss. The part of the gains and losses on hedging corresponding to the foreign exchange risk on the hedged balance sheet item (outstanding debt and accrued interest) is recognised in profit or loss. Given the effectiveness of hedging, gains and losses on hedging and foreign exchange gains and losses on debt are offset in the income statement.

2.20. Accruals assets/ Accruals liabilities

2.20.1. Accruals assets

This item includes prepaid expenses, income receivable by the Bank and certain expenses incurred by the Bank which may be reimbursed by third parties, including the collection of unaccounted-for funds, and the provision of unaccounted-for funds to certain employees to make expenditures on behalf of the Bank.

2.20.2 Accruals accounts liabilities

This item records prepaid income, charges payable by the Bank whose invoices have not yet arrived at the closing date of the accounts and funds received pending their allocation to a specific project.

2.21 Other assets / other liabilities

2.21.1 Other assets

The item "Other assets" records the amounts disbursed by the Bank to various debtors other than customers, pre-financing of activities on behalf of certain partners, deposits paid by the Bank, Advances and instalments paid to certain persons, and allocations and subsidies receivable from Member States.

2.21.2 Other liabilities

The item "other liabilities" includes debts to the Bank's suppliers of goods and services as well as amounts owed to staff, social security institutions and tax authorities.

2.22 Non-current Assets Held for Sale

Non-current assets are classified as held for sale if it is highly likely that they will be recovered primarily through sale rather than through continuous use.

Non-current assets that are classified as held for sale are measured at the lower of book value and fair value less costs to sell. Any impairment prior to classifying an asset as held for sale and gains of losses for any subsequent increase in fair value less costs to sell of an asset are recognised in the statement of profit or loss.

2.23 Cashflow statement principles of presentation

The cashflow statement explains the change in the Bank's cashflows during the period under review.

The cashflows are distributed among the operating, investments and financing activities. Cash and cash equivalents appearing in the cashflow table should be compared with those presented in the financial statement. Flows from operating activities are presented using the indirect method whereby the result is adjusted of the effects of non-cash transactions, any deferrals or accruals from past entries or past/future operational cash payments and income or expenditure items related to the cashflows for investments or financing.

Cashflows related to investing and financing activities are presented separately according to major categories of gross cash inflows and outflows from investing and financing activities.

Cashflows from foreign currency transactions are recorded under the Bank's functional currency by applying the foreign exchange rate between the functional currency and the foreign currency as at the date of the cashflows.

2.24 Subsequent events

The Bank makes adjustments to its financial statements to reflect events that occurred between the reporting date and the date on which the said financial statements are authorized for issue, provided that these events relate to existing situations as at the reporting date.

If these events relate to events that occurred after the date of closing of the accounts but require disclosure, the balance sheet, income statement, cash flow statement and the statement of changes in equity are not adjusted. The nature and potential impact of these events are captured in note 26 below.

2.25 Approval of accounts

BOAD's individual accounts as at 31 December 2023 were approved by the Board of Directors at its 25 March 2024 meeting.

NOTE 3. IMPACT OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The standards and interpretations contained in the Bank's financial statements as at 31 December 2024 were supplemented by provisions of the new standards and interpretations for the 2024 financial year. These involve the following standards and amendments:

3.1 New provisions in force and published by IASB

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
1st January 2024	Non current liabilities with covenants – amendments to IAS 1 Classification of Liabilities as Current or Non-Current – Amendments to IAS 1	**The purpose of these amendments is :**

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
		• To remove the requirement for an "unconditional" right and to allow companies to classify a liability as non-current since they have a right to defer the settlement for at least 12 months after the reporting date. However, the classification is not affected by management's intentions or expectations as to whether the company will exercise its right to defer the settlement or will proceed to an early redemption. • on one hand to require, companies whose debts are charged with covenants to consider the risk of non-compliance with covenants in assessing whether they are classified as current or non-current and secondly, disclose in the notes to the financial statements those non-current liabilities subject to covenants, information to help users understand the risk that these liabilities will become repayable within 12 months after the reporting date. **The application of these amendments has no material impact on the Bank's accounts. In fact, all of the Bank's liabilities are classified in accordance with their future settlement dates. The Bank has no right to defer settlement of its liabilities. In addition, the Bank has always complied with its covenants and paid particular attention to compliance with covenants.**
1st January 2024	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	These amendments to IFRS 16 recommend that companies in a seller-lessee position in sale and leaseback contracts, include variable lease payments when measuring a lease liability arising from a sale and leaseback transaction at on initial recognition. On subsequent recognition subsequently, no gain or loss relating to the retained right of use must no longer be recorded, regardless of the measurement approach adopted by the seller-lessee. **The Bank has not entered into any lease or sale and leaseback contracts. It is therefore not affected by these amendments to IFRS 16.**
1st January 2024	Supplier finance arrangements - Amendments to IAS 7 and IFRS 7	These amendments focus on the disclosures required to enhance the current requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The finance arrangements entered into by BOAD with its donors are clearly and sufficiently disclosed in the notes to financial statements (disclosures on book values and maturities are presented). **Therefore, the application of this amendment will have no material impact on the presentation of the financial statements.**

3.2 Upcoming provisions

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
1st January 2025	Lack of exchangeability – Amendments to IAS 21	Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction.

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
		However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets. The amendments offer nothing less in proposing that companies use an exchange rate based on their best estimate rather than using an inaccessible official rate. **All the currencies in which the Bank intervenes are since then exchangeable into FCFA, this amendment will therefore have no impact on BOAD's accounts.**
1st January 2026	Annual Improvements to IFRS Accounting Standards: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	IFRS 1: Consistency improvement change with the hedge accounting requirements of IFRS 9. **IFRS 7**: Disclosures on (i) the deferred difference between fair value and transaction price; (ii) gain or loss on derecognition and (iii) credit risk. **IFRS 9**: Amendments relating to (i) the derecognition of lease liabilities and (ii) better clarification of transaction prices. **IFRS 10**: Amendments to IFRS 10 relating to the determination of a de facto agent. **IAS 7**: Amendments to IAS 7 relating to the Cost Method. **No impact resulting from these annual improvements is anticipated**
1st January 2026	Amendments to IFRS 9 and IFRS 7: Classification and measurement of financial instruments	▪ **Initial recognition and derecognition of financial assets and liabilities :** The guidance for applying IFRS 9 is amended to clarify the date of initial recognition or derecognition of financial assets and liabilities. Instead of a financial liability being required to be derecognized on its settlement date under the existing requirements, the new amendments allow an entity to consider a financial liability that will be settled in cash using an electronic payment system and to be discharged before the settlement date if, and only if, the entity has initiated a payment order through a less risky channel and without the possibility of cancellation by the entity. ▪ **Classification of financial instruments:** The guidance for applying IFRS 9 is amended to provide guidance on how an entity assesses whether the contractual cash flows of financial assets are consistent with a basic loan arrangement. This is intended to assist an entity in applying the requirements for measuring contractual cash flows to financial assets with environmental, social and governance (ESG) characteristics. The IASB clarifies that when measuring interest, an entity focuses on what it is being compensated for, rather than the amount of compensation which may indicate that the entity is being compensated for something other than the basic risks and costs of the loan.

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
		The amendments clarify that contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. **The provisions of this amendment could impact the classification of the Bank's loan products, whose business today integrates environmental considerations into all of its components.** ▪ Financial assets with non-recourse characteristics IFRS 9 is amended to improve the description of the term "non-recourse". According to the amendments, a financial asset is non-recourse if the ultimate right of an entity to receive cash flows is contractually limited to the cash flows generated by specified assets and not the performance of the issuer. **Since the Bank does not have such assets, the application of this amendment will have no impact on the accounts.** ▪ Contractually linked instruments The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in these instruments, a prioritization of payments to holders of financial assets by means of several contractually linked instruments (tranches) are established via a cascade payment structure, which results in a concentration of credit risk and a disproportionate distribution of losses between the holders of the different tranches. In such a structure, the requirements for contractually linked instruments in IFRS 9 apply only if the underlying pool includes one or more instruments that have contractual cash flows that are solely payments of principal and interest. Other cases are excluded from IFRS 9. **The Bank should take this into account in its investments in securitisation vehicles.**
1st January 2026	Amendments to IFRS7	▪ **Disclosures – investments in equity instruments designated at fair value through other comprehensive income (OCI)** The disclosure requirements in IFRS 7 for investments in equity instruments designated at fair value through OCI are amended. In particular, an entity is required to disclose the fair value gain or loss presented in OCI during the period, showing separately the fair value gain or loss that relates to investments derecognised during the period and the fair value gain or loss that relates to investments held at the end of the period. In addition, an entity is no longer required to disclose the fair value at the reporting date of each equity instrument designated at fair value through other comprehensive income; this information can be provided by class of instrument. ▪ Contractual conditions that may change the timing or amount of contractual cash flows The amendments introduce disclosure requirements for financial instruments that include contractual conditions that may change the timing or amount of contractual cash flows

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
		upon the occurrence (or non-occurrence) of a contingent event that is not directly related to changes in the risk and cost basis of the loan. **Such clauses are not included in loan and borrowing agreements signed by the Bank.** **The application of this standard therefore has no material impact.**
1st January 2026	Amendments to IFRS 7, 9 and 19 relating to renewable energy contracts	Contracts referring to renewable energy, also known as Power Purchase Agreements (PPAs) are contracts for the purchase and delivery of electricity produced from natural resources. The amendments relate to hedging accounting requirements to allow the use of contracts for electricity from nature-dependent renewable energy sources as a hedging instrument if certain conditions are met. They also introduce additional disclosure requirements to enable investors to understand the impact of these contracts on a company's future financial performance and cash flows. **The Bank has not signed a renewable energy purchase agreement. Therefore, the application of this change has no impact on its accounts.**
1st January 2027	IFRS 18, replaces IAS 1 Presentation of Financial Statements	The new standard, IFRS 18, replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements of IAS 1. IFRS 18 introduces new requirements (i) to present specified categories and defined subtotals in the statement of profit or loss, (ii) to provide information on management-defined performance measures (MPMs) in the notes to the financial statements and (iii) improve aggregation and disaggregation. In addition, some of the requirements of IAS 1 are moved to IAS 8 Accounting Policies, Accounting Changes, Estimates and Errors and IFRS 7 Financial Instruments for disclosures. **The application of this standard will result in changes to the notes to the Bank's financial statements.**
1st January 2027	New IFRS 19 standard	• The IASB has issued IFRS 19, which allows an eligible subsidiary to provide reduced disclosures when applying IFRS accounting standards in its financial statements. A subsidiary is eligible for reduced disclosures if it has no public accountability and its ultimate parent or any intermediate parent produces consolidated financial statements available for public use in accordance with IFRS accounting standards. This standard is optional for eligible subsidiaries and sets out the disclosure requirements to be provided by subsidiaries that choose to apply it. **Since BOAD is not a subsidiary, this standard has no impact on its individual accounts.**

NOTE 4. CASH AND CASH EQUIVALENTS

Analysis of the "Cash and cash equivalents" item (*see Note 2.7 on Summary of key accounting principles and policies*) comprises the following:

Cash and cash equivalents	Note	31 December 2024	31 December 2023
Cash accounts		87	76
BOAD HQ Current Account		108,429	65,623
Deposit Accounts for Resident Missions at BCEAO	4.1	207,960	202,786
Japan Eximbank Special Account		15	15
FDE Contribution Account	4.2	1,985	1,985
BOAD Settlement Account Lomé		50,399	53,634
Operating Account for Resident Missions		7,592	86
Bank and correspondent bank accounts		33,903	16,778
Short-term bank deposits (a)	4.3	105,500	78,500
Deposits/ Margin calls		33	33
TOTAL		515,905	419,516

4.1. The deposit accounts of Resident missions are detailed as follows:

Resident missions deposit accounts	31 December 2024	31 December 2023
Deposit Accounts BCEAO Abidjan	147	1,307
Deposit Accounts BCEAO Bamako	789	2,452
Deposit Accounts BCEAO Bissau	88	76
Deposit Accounts BCEAO Cotonou	1,249	1,998
Deposit Accounts BCEAO Dakar	4,646	11,559
Deposit Accounts BCEAO Lomé	197,988	180,781
Deposit Accounts BCEAO Niamey	10	2,471
Deposit Accounts BCEAO Ouagadougou	3,045	2,141
Total	207,960	202,786

4.2. This account records the resources of the Energy Development Fund (FDE) used to finance energy projects in the WAEMU region. The Bank is the fund manager.

4.3. Short-term bank deposits include the following:

Short-term bank deposits	31 December 2024	31 December 2023
Term deposit with BOA Group	12,000	0
Term deposit with Coris Bank Group	10,000	0
Term deposit with BSIC Group	10,000	0
Term deposit with NSIA	5,000	0
Term deposit with SONIBANK	15,000	15,000
Term deposit with ECOBANK NG	12,000	12,000
Term deposit with BIIC BN	6,500	6,500
Term deposit with BGFI CI	0	15,000
Term deposit with BAT CI	10,000	20,000
Term deposit with BICIM ML	10,000	10,000
Term deposit with MANSA BANK	0	0
Term deposit with BANQUE D'ABIDJAN	10,000	0
Term deposit with ORABANK	5,000	0
Total	105,500	78,500

NOTE 5. FINANCIAL ASSETS AT AMORTISED COST

The item « loans and receivables at amortised cost » (*see note 2.8 of summary of accounting principles and practices)* breaks down as follows:

Loans and receivables at amortized cost	Note	31 December 2024	31 December 2023
Loans and advances to banks	5.1	33,989	4,299
Loans and advances to customers	5.2	2,372,600	2,461,992
Loans and advances to staff		23,977	22,136
Securities portfolio	5.3	632,471	327,631
Receivables from shareholders		5,075	5,761
TOTAL		**3,068,111**	**2,821,820**

5.1 Loans and advances to banks

Loans and advances to banks include interbank loans and related interests. Loans and advances to banks per counterparty is detailed as at 31 December 2024 and 31 December 2023 as follows:

Counterparties	31 December 2024	31 December 2023
BCEAO- Interests on ordinary accounts	93	42
ORAGROUP	0	0
Interbank loans (*)	32,000	3,000
Interests receivable	1,896	1,257
TOTAL	33,989	4,299

(*) The details of interbank loans are as follows:

Counterparties	31 December 2024	31 December 2023
SUNU BANK	0	2,000
BSIC	5,000	0
BANK POUR LE COMMERCE ET L'INDUSTRIE	10,000	0
AFG HOLDING	15,000	0
AFRICAN LEASE TOGO	2,000	1,000
Subtotal 1-gross outstandings	32,000	3,000
Interest receivable	251	28
TOTAL	32,251	3,028

5.2 Loans and advances to customers

Receivables from customers include loans to member countries (non-commercial sector) and the commercial sector.

5.2.1 Break down per type, sector of activity and per country

A detailed analysis of receivables from customers per type of loans, sector of activity and per country is presented in Note 19.1 on credit risk.

5.2.2 Schedule of receivables from customers

The schedule of receivables from customers is presented as follows as at 31 December 2024 and 31 December 2023:

Items	31 December 2024	31 December 2023
Gross outstanding receivables from customers	2,565,446	2,635,499
of which gross outstanding loans	2,463,134	2,546,079
At most six months	172,907	135,422
More than six months and less than one year	173,530	170,643
More than one year and less than two years	318,407	309,744
More than two years and less than three years	294,631	296,256
More than three years and less than five years	495,011	489,378
More than five years	1,008,648	1,144,636
of which advance for financing studies	15,419	15,224
of which related receivable to loans	86,893	74,195
Total depreciation on loans and related receivables	-180,923	-162,858
of which depreciation of credit impaired (non-performing loans) (*)	-101,083	-89,465
of which depreciation on buckets 1 and 2	-79,840	-73,393
Deferred income from fees	-10,128	-9,660
Value adjustement on advances to customers (**)	-1,795	-988
Receivables from customers	*2,372,600*	*2,461,992*

(*) The total amount of depreciation of receivables in bucket 3 includes 55,809 M in depreciation on the principal, 13,338 M for studies and 31,936 M in interest and commissions on receivables in bucket 3.

(**) the amount corresponds to the discounts recorded on counterparties whose receivables have been subject to restructuring.

5.2.3 Variation table for credit impaired (non-performing loans)

Gross loans outstanding include bucket 3 receivables (credit-impaired or non-performing loans according the prudential sense of Basel II & III) that have evolved as follows:

	Balance as at	Changes of the period			Balance as at
	31 december 2023 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	31 december 2024 (e) = (a) + (d)
1. Gross outstanding of credit impaired (non-performing loans)	67,192	7,377	-13,879	-6,502	60,690
2. Depreciation	-56,418	-10,372	10,981	609	-55,809
3. Net outstanding of non performing loans = (1) + (2)	10,774	-2,995	-2,898	-5,893	4,881

5.3 Debt securities portfolio

5.3.1 Variation table for securities

The variation table of securities as at 31 December 2024 is as follows:

	Balance as at	Variations of the period			Balance as at
	31 december 2023 (a)	Increase (d)	Decrease (e)	Balance of the period (f) = (d) + (e)	31 december 2024 (e) = (a) + (d)
1. Gross outstanding of securities portfolio (premiums bonds included)	322,099	421,871	-115,151	306,720	628,819
2. Interest receivables of securities portfolio	9,749	20,606	-18,793	1,812	11,561
3. Depreciation	-4,217	-3,698	5	-3,693	-7,909
4. Net outstanding of securities portfolio = (1) + (2) + (3)	327,631	438,779	-133,939	304,840	632,471

5.3.2 Details of debt securities portfolio

The breakdown of the debt securities portfolio is as follows:

Securities portfolio	31 December 2024	31 December 2023
Treasury bonds Senegal	43,413	62,333
Treasury bonds Côte d'ivoire	32,884	29,143
Treasury bonds Benin	21,238	13,333
Treasury bonds Burkina Faso	58,293	44,334
Coris Bank Holdings bonds	4,500	7,500
Treasury bonds Mali	21,000	29,000
Treasury bonds Niger	46,000	41,000
Treasury bonds Togo	61,651	57,700
CRRH Bonds	4,918	6,018
EBID Bonds	11,347	7,312
SONATEL Bonds	6,000	8,000
DOLIP Bonds	132,754	1,502
BAOBAB SENEGAL	3,000	0
Treasury bills Guinnée Bissau	0	2,500
Treasury bills Mali	20,000	0
Treasury bills Niger	77,500	7,500
Treasury bills Côte d'Ivoire	35,000	0
Treasury bills sénégal	30,000	5,000
Treasury bills Togo	15,000	0
Treasury bills Bénin	5,000	0
Sub-total 1. Gross outstandings	*629,498*	*322,175*
Bonds premiums and discounts	-680	-76
Sub-total 2. Gross outstandings with premiums included	*628,819*	*322,099*
Interests receivable	11,561	9,749
Depreciation/securities portfolio (buckets 1 and 2)	-7,909	-4,217
TOTAL	632,471	327,631

5.3.3 Schedule of debt securities portfolio

The contractual schedule of debt securities portfolio in XOF' M as at 31 December 2024 and 31 December 2023 is as follows:

Maturity	31 December 2024	31 December 2023
At most six months	177,133	73,217
More than six months and less than one year	109,751	21,542
More than one year and less than two years	92,266	64,509
More than two years and less than three years	97,674	53,666
More than three years and less than five years	97,634	51,862
More than five years	48,233	57,379
Sub-total 1. Gross outstandings	622,691	322,175
Bonds premiums and discounts	-680	-76
Sub-total 2. Gross outstandings with premiums included	*622,011*	*322,099*
Interests receivable	11,561	9,749
Depreciation/securities portfolio (buckets 1 and 2)	-7,909	-4,217
TOTAL	625,663	327,631

5.4 Receivables from shareholders to be paid up

The item on « receivables from shareholders to be paid up » includes the following:

Receivables from shareholders	31 December 2024	31 December 2023
Endowment from member states receivable	5,029	5,029
Admission fee Guinea Bissau	46	732
TOTAL	5,075	5,761

NOTE 6. EQUITY INVESTMENTS

6.1. The Bank's equity investments strategy

Equity investment activity is consistent with the Articles of Association of the Bank, which, inter alia, provide: **(i)** in article 2, that "... The Bank shall provide financing particularly through equity participation, granting of loans..." and **(ii)** in article 32, that it "may constitute or participate in the establishment of the capital of institutions or companies". The set objective is to strengthen the equity capital and expertise of businesses operating in the Union.

In accordance with this mission and implementation of this strategy, BOAD provided assistance to all the countries in the Union by investing in the share capital of several companies. Many companies in the financial sector (banks, financial institutions) and non-financial sector businesses (energy, telecommunications, hotel, airline, etc.) have benefited from such financial support.

The Bank's equity investment strategy is as follows:

- **Objective**: fulfilling the Bank's development agenda while ensuring that it stays financially viable in accordance with the strategic orientations of the Bank.
- **Areas of intervention**: all sectors eligible for financing by the Bank.
- **Modes of intervention**: when entering into a transaction, the Bank must have sufficient visibility of the terms and conditions of exit, when the time comes. The transfer of equity shares will be traded for listed shares and at the best conventional conditions for unlisted shares.
- **Positioning in the governing bodies**: each of the Bank's equity participations is conditioned by the allocation of a seat on the company's governing body (board of directors, supervisory board, credit or investment committee, etc.).

In addition to the equity investment strategy, BOAD has taken measures to (i) adapt to the evolution and the requirements of WAEMU's financial sector (increase of minimum capital of banks and financial institutions) and (ii) take into account the special nature of the agricultural sector with regard to its importance in the economies of WAEMU countries.

6.2. Change in equity investments

6.2.1 Equity investments variation table

Changes in gross equity investments (*see note 2.12 of summary of accounting principles and practices)* are as follows:

Changes in equity investments	2024	2023
Gross outstanding of equity investments as at 1st January	98,979	95,885
Increases	5,859	18,364
Decreases	-570	-15,271
Gross outstanding of equity investments as at 31 December	**104,268**	**98,979**
Gains /losses of equity investments designated at fair value through OCI non-recyclable	50,285	58,152
Gains /losses of sold equity investments designated at fair value through OCI non-recyclable	3,108	2,666
Net outstanding of equity investments as at 31 December	**157,661**	**159,796**

6.2.2 Breakdown of equity securities per counterparty

Equity investments recognized in the balance sheet between the 31 December 2024 and 31 December 2023 are detailed per counterparty in the tables below:

a) Instruments recognized at fair value through profit or loss

N°	Country	Equity investments	Percentage of interest (%)	31 December 2024			
				Gross outstanding (a)	Gains /losses of equity investments designated at fair value through P&L (b)	Gains/ Losses recognised in P&L (c)	Balance sheet value (d) = (a) + (b) + (c)
1	BN	FOAI - Sicav ABDOU DIOUF	15%	2,500	1,169	47	3,716
2	h-uemoa	FEFISOL	8%	16	37	0	53
3	SN	FCP/IFC BOAD	100%	5,000	1,459	397	6,856
		TOTAL		7,516	2,666	443	10,625

N°	Country	Equity investments	Percentage of interest (%)	31 December 2023			
				Gross outstanding (a)	Gains /losses of equity investments designated at fair value through P&L (b)	Gains/ Losses recognised in P&L (c)	Balance sheet value (d) = (a) + (b) + (c)
1	BN	FOAI - Sicav ABDOU DIOUF	14.5%	2,500	1,263	-94	3,669
2	h-uemoa	FEFISOL	8.2%	16	37	0	53
3	SN	FCP/IFC BOAD	100.0%	5,000	1,209	251	6,459
		TOTAL		7,516	2,509	156	10,181

b) Instruments recognized at fair value through non-recyclable other comprehensive income

N°	Country	Equity investments	Percentage of interest (%)	31 December 2024			
				Gross outstanding (a)	Gains /losses of equity investments designated at fair value through P&L (b)	Gains/ Losses recognised in P&L (c)	Balance sheet value (d) = (a) + (c)
1	BN	SOAGA	19.3%	103	-0	91	193
2	SN	BNDE	1.9%	1,000	-2,057	356	1,356
3	h-uemoa	CAURIS CROISSANCE II	17.7%	4,268	-83	-2,015	2,252
4	TG	GARIS. A.	11.6%	1,500	747	1,530	3,030
5	MA	BDM Mali	16.0%	600	3,316	23,482	24,082
6	BN	BOA Bénin	2.3%	98	-1,271	1,653	1,751
7	NG	SONIBANK Niger	7.1%	1,082	-111	2,223	3,305
8	CI	BHCI Côte d'Ivoire	0.18%	150	57	-90	60
9	NG	BOA Niger	5.7%	137	-2,096	1,781	1,918
10	TG	BIA Togo	0.0%		-	-	0
11	h-uemoa	Afreximbank	0.3%	2,500	1,776	7,648	10,148
12	SN	Banque Régionale de Marché (BRM)	4.0%	1,610	1,026	-583	1,026
13	BF	Banque de l'Habitat du BF	0.9%	200	11	64	264
14	CI	BRVM	9.2%	56	-21	579	635
15	CI	DC/BR (BRVM)	9.1%	140	-	378	518
16	TG	CICARE	2.0%	999	283	1,024	2,023
17	MA	MANDE Hotel	16.7%	50	-8	217	267
18	CI	CIPREL	2.0%	584	-200	1,278	1,862
19	TG	ASKY (EX SPCAR)	14.0%	5,990	3,543	3,685	9,675
20	CI	RASCOM	7.1%	1,600	-	-1,600	0
21	h-uemoa	PROPARCO	0.7%	6,659	321	1,106	7,765
22	TG	BOAD-Titrisation	100.0%	500	-0	-500	0
23	TG	CRRH-UEMOA	15.2%	3,468	544	1,978	5,446
24	h-uemoa	Fonds Agricole pour l'Afrique (FAA)	3.1%	2,189	149	-1,676	513
25	TG	ORAGROUP	2.1%	1,642	-1,026	1,094	2,736
26	BF	Fidélis Finance (ex Burkina Bail)	6.5%	689	452	916	1,605
27	SN	CNCAS	4.49%	1,573	-197	-32	1,541
28	CI	Nouvelle BRS CI/ORA Bank CI	24.5%	16,995	-12,645	11,853	28,848
29	CI	Banque de l'Union Côte d'Ivoire (BDU-CI)	9.6%	1,100	-287	1,449	2,549
30	BF	Banque de l'Union Burkina Faso (BDU-BF)	10.1%	1,100	536	2,142	3,242
31	Kenya	FAER	4.9%	5,844	-175	-1,056	4,788
32	BF	AMETHIS WEST AFRICAN (AWA)	11.1%	1,040	-27	-59	981
33	CI	Air Côte d'Ivoire	7.9%	10,320	-471	-7,101	3,219
34	h-uemoa	Investisseurs & Partenaires/Dévoppement (IPDEV2)	11.0%	1,018	42	-242	776
35	Bn	Société Immobilière d'Aménagement Urbain SImAU	10.0%	500	253	585	1,085
36	SN	Banque Outarde	11.3%	2,000	40	-593	1,407
37	h-uemoa	Fonds I&P Afrique Entrepreneurs 2 (IPAE 2)	3.3%	1,400	-67	-289	1,110
38	NG	Banque de l'Habitat du Niger	7.0%	825	30	-354	471
39	h-uemoa	Fonds d'investissements dédié au développement des services financiers dans l'UEMOA	36.3%	6,945	240	-424	6,521
40		ECP Africa Fund IV	1.8%	2,621	287	762	3,383
41	CI	MANSA BANK	7.6%	1,200	341	341	1,541
42	h-uemoa	ADIWALE Fund I	6.4%	1,735	-403	-612	1,122
43	h-uemoa	AFIG Fund	4.0%	2,592	-365	-698	1,894
44	h-uemoa	Africa 50 Infrastructure Acceleration Fund	0.0%	131	0	0	131
TOTAL				96,753	-7,515	50,287	147,038

N°	Country	Equity investments	Percentage of interest (%)	31 December 2023			
				Gross outstanding (a)	Gains /losses of equity investments designated at fair value through P&L (b)	Gains/ Losses recognised in P&L (c)	Balance sheet value (d) = (a) + (b) + (c)
1	BN	SOAGA	19.3%	103	0	91	193
2	SN	BNDE	9.1%	1,000	-140	2,413	3,413
3	h-uemoa	CAURIS CROISSANCE II	17.7%	4,268	-462	-1,932	2,336
4	TG	GARIS. A	11.6%	1,500	-365	783	2,283
5	MA	BDM Mali	16.0%	600	1,536	20,166	20,766
6	BN	BOA Bénin	2.3%	98	195	2,923	3,022
7	NG	SONIBANK Niger	7.1%	1,082	116	2,334	3,416
8	CI	BHCI Côte d'Ivoire	0.3%	150	-7	-147	3
9	NG	BOA Niger	5.7%	137	-294	3,877	4,014
10	TG	BIA Togo	5.2%	392	36	351	743
11	h-uemoa	Afreximbank	0.3%	2,500	2,277	5,872	8,372
12	SN	Banque Régionale de Marché (BRM)	4.0%	1,610	-1,210	-1,610	-
13	BF	Banque de l'Habitat du BF	0.9%	200	28	52	252
14	CI	BRVM	9.2%	56	111	600	656
15	CI	DC/BR (BRVM)	9.1%	140	159	378	518
16	TG	CICARE	2.0%	999	243	740	1,739
17	MA	MANDE Hotel	16.7%	50	-4	225	275
18	CI	CIPREL	2.0%	584	207	1,477	2,061
19	TG	ASKY (EXSPCAR)	16.8%	5,990	4,217	142	6,132
20	CI	RASCOM	7.1%	1,600	-	-1,600	-
21	h-uemoa	PROPARCO	0.7%	6,659	-226	785	7,444
22	TG	BOAD-Titrisation	100.0%	500	-	-500	0
23	TG	CRRH-UEMOA	15.3%	1,543	58	1,434	2,977
24	h-uemoa	Fonds Agricole pour l'Afrique (FAA)	3.1%	2,189	-100	-1,825	364
25	TG	ORAGROUP	2.1%	1,642	-1,831	2,120	3,761
26	BF	Fidélis Finance (ex Burkina Bail)	14.3%	689	175	464	1,153
27	SN	CNCAS	7.9%	1,573	-1,412	164	1,738
29	CI	Nouvelle BRS CI/ORA Bank CI	24.5%	16,995	3,777	24,498	41,493
30	CI	Banque de l'Union Côte d'Ivoire (BDU-CI)	9.6%	1,100	782	1,736	2,836
31	BF	Banque de l'Union Burkina Faso (BDU-BF)	10.1%	1,100	157	1,606	2,706
32	Kenya	FAER	4.9%	5,844	-1,030	-881	4,963
33	BF	AMETHIS WEST AFRICAN (AWA)	11.1%	1,040	181	-32	1,008
34	CI	Air Côte d'Ivoire	7.9%	10,320	3,090	-6,630	3,690
35	h-uemoa	Investisseurs & Partenaires/ Dévoppement (IPDEV2)	11.0%	1,018	38	-284	734
36	Bn	Société Immobilière d'Aménagement Urbain SImAU	10.0%	500	316	332	832
37	SN	Banque Outarde	11.3%	2,000	33	-633	1,367
38	h-uemoa	Fonds I&P Afrique Entrepreneurs 2 (IPAE2)	3.3%	1,306	69	-223	1,083
39	NG	Banque de l'Habitat du Niger	7.0%	825	-110	-384	441
40	h-uemoa	Fonds d'investissements dédié au développement des services financiers dans l'UEMOA	36.3%	3,922	-320	-664	3,258
41		ECP Africa Fund IV	1.8%	2,666	-572	475	3,140
42	CI	MANSA BANK	7.6%	1,200	250	0	1,200
43	h-uemoa	ADIWALE Fund I	6.4%	1,181	180	-209	971
44	h-uemoa	AFIG Fund	4.0%	2,592	-38	-333	2,259
		TOTAL		91,463	10,107	58,152	149,615

NOTE 7. ADJUSTMENTS ACCOUNTS AND OTHER ASSETS

Adjustment accounts and other assets include the following items:

Others assets	Note	31 December 2024	31 December 2023
Derivative assets	7.1	108,895	43,680
Accruals assets	7.2	9,458	4,338
Other adjustement accounts	7.3	11,860	11,879
TOTAL		130,214	59,898

7.1 Derivative assets

The breakdown of derivative assets by type of hedging relationship is as follows

Derivative assets	31 December 2024	31 December 2023
Derivative assets-fair value hedge	0	0
Derivative assets-cash flow hedge	108,895	43,680
TOTAL	108,895	43,680

The BOAD has in its books a part of the debts denominated in foreign currency (dollars and SDRs) which exposes it to exchange risk. Exchange rate risk is the possibility of losses due to unfavourable market exchange rates. The Bank may therefore experience a decline in profitability due to unfavourable changes in the exchange rate of certain currencies against the euro, since the parity between the euro and the FCFA is fixed. In order to hedge against currency fluctuations, the Bank has introduced hedging contracts (foreign exchange purchase and sale contracts) on its non-euro currency borrowings (SDR and dollars). Through these contracts, the Bank covers 100% of its exposure to foreign exchange risk.

The Bank's policy is to align the core terms of hedging contracts with those of the hedged items. All hedging contracts for the Bank's bond loans have the same maturity as principal and interest loans. The only special feature is the relatively long maturity of loans contracted with certain institutional lenders. The hedging contracts relating to them cover relatively short periods and are therefore subject to renewal upon expiry. These renewals ensure full and permanent debt coverage in accordance with the Bank's risk management policy.

Hedging instruments are only forward purchases.

The types of hedging relationship is (i) fair value for the principal coverage of borrowing lines with institutional lenders and (ii) Cash flow hedging for principal and interest coverage of debt represented by a security consisting of bonds and subordinated debt (hybrid debt) in dollars.

The banking partners in the hedging relationship are international banks such as BNP, JPM, Standard Bank Natixis, Société Générale, etc.

As at 31 December 2024 the "Derivative assets - currency risk hedging instruments" item has a balance of CFAF 108,895 million compared to CFAF 43,680 million as at 31 December 2023. The change in the value of hedging is explained by (i) the rise in dollar and SDR prices over the period and (i) the signing of new hedging relationships in 2024.

The value of the coverage is as follows:

Instruments	Type of coverage	31 December 2024	31 December 2023
Euro bund coverage 2017 - 2027	cash flow	54,449	19,247
Euro bund coverage 2019 - 2031	cash flow	50,757	24,434
Hybrid debt coverage 2024 - 2028	cash flow	3,689	0
Coverage of other debts with institutional lenders	Fair value	0	0
TOTAL		108,895	43,680

7.2 Accruals assets

This item includes prepaid expenses, income receivable by the Bank and certain expenses incurred by the Bank which may be reimbursed by third parties, including cases of judicial recovery and the making available of unaccounted for funds to certain employees in order to make expenditures on behalf of the Bank.

Accruals assets	31 December 2024	31 December 2023
Deferred expenses	1,954	2,219
Accruals and prepaid expenses (*)	3,695	1,406
Accrued receivables (**)	2,867	193
Other accruals (***)	942	520
TOTAL	9,458	4,338

* the change in prepaid expenses as of December 31, 2024 is due to payments made during the year 2024 for credit insurance premiums relating to the period after December 31, 2024.

** the change in income receivable as at 31 December 2024 is due to dividends receivable from certain investments and income receivable from mutual funds in connection with the securitisation of certain receivables.

*** the other accounts for accrued income consist of payments due on certain investment instruments.

7.3 Others assets

Other assets records the amounts disbursed by the Bank to various debtors other than customers, pre-financing of activities on behalf of certain partners, deposits paid by the Bank, Advances and instalments paid to certain persons, and operating grants and subsidies to be received from Member States.

Others assets	31 December 2024	31 December 2023
Sundry debtors	1,067	2,938
Prefinancing of studies (*)	2,580	1,865
Deposits paid	104	64
Advances and prepayments made	1,722	477
Other endowments and subsidies to be received (**)	6,387	6,536
TOTAL	11,860	11,879

* Pre-financing of activities are amounts paid by the Bank for certain projects or activities on behalf of external partners. These sums are then reimbursed by these partners at the end of the activities concerned upon presentation of supporting documents.

** the WAEMU Member States committed in 1994 to pay allocations and an annual grant to the Bank from 1995 to 2033 to cover accounting losses caused by the devaluation of the FCFA franc against the French franc. The balance of these allocations and subsidies receivable from States amounts to 6,387 M at 31 December 2024.

NOTE 8. TANGIBLE AND INTANGIBLE ASSETS

8.1 Tangible assets

The net book value of tangible assets as at 31 December 2024 and 31 December 2023 is as follows:

Tangible assets	31 December 2024	31 December 2023
Cost of acquisition	27,864	26,226
Allocations and reversal of depreciations	-20,898	-19,815
Net outstanding of tangible assets	**6,966**	**6,411**

The breakdown by category of tangible assets is shown in the table below (in XOF' M):

Items	Lands	Buildings	Properties under construction	Fittings and fixtures	Total
Cost of acquisition					
Balance as at 1st January 2023	415	13,695	702	10,138	24,950
Acquisitions	0	0	790	921	1,711
Transfers	0	0	-155	0	-155
Disposals	0	0	0	-281	-281
Revaluation acquisitions	0	0	0	0	0
Other revaluations	0	0	0	0	0
Balance as at 1st January 2024	415	13,695	1,337	10,778	26,226
Acquisitions	340	0	2,168	1,998	4,506
Transfers	0	0	-2,689	0	-2,689
Transfers to investment properties	0	0	0	0	0
Sales	0	0	0	-179	-179
Balance as at 31 December 2024	755	13,695	817	12,597	27,864
					0
Cumulative amortizations and disposals					0
Balance as at 1st January 2023	0	11,064	0	7,846	18,909
Amortization charges	0	345	0	846	1,191
Reversals of depreciation (disposals)	0	0	0	-10	-10
Impairment losses recognized during the period	0	0	0	-276	-276
Reversals of depreciation	0	0	0	0	0
Balance as at 1st January 2024	0	11,409	0	8,406	19,815
Amortization charges	0	385	0	868	1,253
Reversals of amortization (disposals)	0	0	0	0	0
Transfers to investment properties	0	0	0	-170	-170
Impairment losses recognized during the period	0	0	0	0	0
Balance as at 31 December 2024	0	11,794	0	9,104	20,898
Net value of tangible assets as at 31 December 2024					6,966

8.2 Investment properties

The investment properties consist solely of the leisure center of the staff city. The contract provides for an initial non-cancellable rental period of two years. Rents are payable in advance quarterly. Subsequent renewals are negotiated by mutual agreement between the parties. No conditional rent is charged.

The net book values of investment properties are presented below:

Investment properties	31 December 2024	31 December 2023
Cost of acquisition	836	770
Allocations and reversal of depreciations	-231	-191
Net outstanding of intangible assets	605	579

The evolution of the net book value of investment properties between 31 December 2023 and 31 December 2024 is as follows:

Investment properties (amounts in XOF 'M)	31 December 2024	31 December 2023
Balance as at 1st January	770	770
Increases	65	-
Transfers from tangible assets		-
Amortization charges and reversal of amortizatio	- 231	- 191
Gains and losses in fair value		-
Balance as at 31 December	605	579

Taking into account the fact that the asset has not undergone any degradation, its fair value is estimated equal to the cost generated by the Bank for its acquisition, or FCFA 770 million. It should be noted that the asset is on someone else's land and consequently, its value is not influenced by the evolution of land prices in the area.

8.3 Intangible assets

Intangible assets consist solely of software installed on the Bank's local servers under its control.

The net book values of intangible assets are as follows:

Intangible assets	31 December 2024	31 December 2023
Cost of acquisition	3,131	3,052
Allocations and reversal of depreciations	-1,826	-1,760
Net outstanding of intangible assets	**1,305**	**1,292**

The net book value of intangible assets between 31 December 2024 and 31 December 2023 is as follows:

Acquisitions of intangible assets (in XOF 'M)		Allocations and reversal of depreciations (in XOF 'M)	
Balance as at 1st January 2024	3,052	Balance as at 1st January 2024	1,760
Acquisitions	151	Amortization charges	66
Disposals	0	Write-back of amortization	0
Transfers	-72	Transfers	0
Classified as assets held for sale	0	Classified as assets held for sale	0
Balance as at 31 december 2024	3,131	Balance as at 31 december 2024	1,826
Net value on balance sheet as at 31 december 2024			1,305

8.4 Non-current assets held for sale

The Bank has been declared the owner of a property by judicial auction, which is presented as a non-current asset held for sale. The necessary formalities (change of title, securing, cleaning, etc.) prior to initiating the active transfer program were completed in early 2023. The procedures for the sale (collection and analysis of offers from potential buyers, etc.) were carried out during the 2024 financial year. At the date of preparation of these financial statements, the Bank has identified potential borrowers. The file will be submitted to the Board of Directors of the Bank during 2025 for approval, which may enable the sale to be concluded with one of the licensees already identified.

Assets held for sale have been recognised at the lower of acquisition cost (corresponding to the sum of the auction price and all costs and expenses incurred until the property is actually acquired, which amounted to **12,711 MF CFA**) and fair value less costs to sell. Any gain or loss on disposal and the costs of sale will be taken to net profit or loss. There is no accumulated income or expense included in other comprehensive income relating to assets held for sale.

NOTE 9. FINANCIAL LIABILITIES AT AMORTIZED COST

Financial liabilities at amortized cost consist of loans by the Bank and debts attached to them (accrued interest and fees).

9.1 Breakdown of item ''financial liabilities at amortized cost''

Details of this item as at 31 December 2024 and 31 December 2023 is as follows (in XOF' M)

Liabilities at amortized cost	31 December 2024	31 December 2023
A) Deposits from banks (Cauris ROPPA, AFD)	**7,913**	**6,814**
I-Debts represented by a security		
BOAD bond issues (*)	1,543,374	1,478,539
BOAD bills	0	0
Maturities of less than one year/debts repr. by securities	0	0
Sub-total I	***1,543,374***	***1,478,539***
II- Other loans from foreign partners		
Accrued interest on debts represented by a security	29,980	28,908
Deferred charges on bonds and bonds	0	0
Sub-total II	***29,980***	***28,908***
B) Total debts represented by a security (I+II)	**1,573,354**	**1,507,447**
I- Debts attached to loans and & debts repr.		
Loans to finance long-term projects	794,609	617,148
Loans for financing long-term studies	380	430
Maturities within one year/borrowings	0	0
Sub-total I	***794,989***	***617,578***
II- Debts related to other borrowings		
Accrued interest and commissions on other borrowings	*5,620*	*2,564*
Deferred charges on other borrowings	*-28,519*	*-2,900*
Sub-total II	***-22,898***	***-336***
C) Total others debts (I+II)	*772,090*	*617,241*
D) Subordinated debts (**)	**128,736**	**59,363**
Total I+II+III+IV	**2,482,092**	**2,190,865**

(*) The total outstanding of bonds only consists of eurobonds issued in 2017, 2019 and

2021 on the international financial market.

(**) the subordinated debt (hybrid debt) consists of instruments issued by BOAD as a private placement. It has an initial maturity of 30 years with a non-call of 05 years. In terms of IFRS Accounting Standards, it is a debt instrument without a capital component due to the existence of contractual clauses that will require BOAD to pay coupons when certain events occur outside its control. From a prudential perspective, the instrument meets the criteria for full integration into the effective own funds in the tier 2 category. It is taken into account in the calculation of the debt ratio (Effective own funds/Financial liabilities) and capital adequacy ratios.

9.2 Table of changes in borrowings

The borrowings variation per counterparty between 31 December 2023 and 31 December 2024 is as follows:

Changes in deposits from banks

Debts	Balance as at 31 december 2023	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2024
Deposits from Banks	6,814	1,701	-602	0	0	7,913
						0
TOTAL	6,814	1,701	-602	0	0	7,913

Changes in debt securities issued

Debts	Balance as at 31 december 2023	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2024
Debentures	1,478,539	0	0	63,210	1,625	1,543,374
Bonds	0	0	0	0	0	0
TOTAL	1,478,539	0	0	63,210	1,625	1,543,374

Changes in other debts by counterparties

Debts	Balance as at 31 december 2023	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2024
IDA	154,736	853	-7,585	1,477	0	149,480
KfW	151,863	19,679	-25,438	0	0	146,104
AFD	146,506	0	-15,190	0	0	131,316
BEI	0	0	0	0	0	0
BAD	42,381	22,958	-10,763	0	0	54,576
BDC	0	0	0	0	0	0
BADEA	0	0	0	0	0	0
BNP Fortis	4,019	0	-547	0	0	3,473
BDA	19,679	0	0	0	0	19,679
OPEC	32,798	0	0	0	0	32,798
SMBC	65,596	0	0	0	0	65,596
CDP 1 60M Euros	0	19,679	0	0	0	19,679
CDP2 75 M Euros	0	49,197	-9,839	0	0	39,357
FinDev Canada	0	6,560	0	0	0	6,560
HSBC	0	63,186	0	0	0	63,186
SOCIETE GENERALE	0	63,186	0	0	0	63,186
TOTAL BY COUNTERPARTIES	617,578	245,296	-69,362	1,477	0	794,989

Changes in subordinated debts

Debts	Balance as at 31 december 2023	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2024
BADEA	59,363	0	0	3,777	0	63,140
CDP	0	65,596	0	0	0	65,596
TOTAL	59,363	65,596	0	3,777	0	128,736

TOTAL BY COUNTERPARTIES	2,162,293	312,593	-69,965	68,463	1,625	2,475,011

The variation in borrowings by counterparty between 31 December 2022 and 31 December 2023 is as follows:

Changes in deposits from banks

Debts	Balance as at 31 december 2022	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2023
Deposits from Banks	7,171	294	-652	0	0	6,814
						0
TOTAL	**7,171**	**294**	**-652**	**0**	**0**	**6,814**

Changes in debt securities issued

Debts	Balance as at 31 december 2022	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2023
Debentures	1,512,572	0	0	-35,586	1,553	1,478,539
Bonds	19,557	0	-19,557	0	0	0
TOTAL	**1,532,130**	**0**	**-19,557**	**-35,586**	**1,553**	**1,478,539**

Changes in other debts by counterparties

Debts	Balance as at 31 december 2022	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2023
IDA	147,699	13,775	-5,298	-1,441	0	154,736
KfW	133,134	45,917	-27,187	0	0	151,863
AFD	161,696	0	-15,190	0	0	146,506
BEI	1,260	0	-1,260	0	0	0
BAD	53,144	0	-10,763	0	0	42,381
BDC	0	0	0	0	0	0
BADEA	9,584	0	-9,584	0	0	0
BNP Fortis	4,566	0	-547	0	0	4,019
BDA	19,679	0	0	0	0	19,679
OPEC	32,798	32,798	-32,798	0	0	32,798
SMBC	0	65,596	0	0	0	65,596
TOTAL BY COUNTERPARTIES	**563,558**	**158,086**	**-102,626**	**-1,441**	**0**	**617,578**

Changes in subordinated debts

Debts	Balance as at 31 december 2022	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2023
BADEA	0	58,925	0	438	0	59,363
TOTAL	**0**	**58,925**	**0**	**438**	**0**	**59,363**
	-2,155,883	**-2,096,958**	**-2,155,883**	**-2,155,445**	**-2,155,883**	**-2,096,520**
TOTAL DEBTS	**2,102,859**	**217,305**	**-122,835**	**-36,588**	**1,553**	**2,162,293**

9.3 Maturity of financial liabilities at amortized cost

Maturity	31 December 2024	31 December 2023
At most six months	41,489	31,106
More than six months and less than one year	38,861	28,531
More than one year and less than two years	173,736	57,360
More than two years and less than three years	611,686	144,378
More than three years and less than five years	128,458	619,842
More than five years	1,490,127	1,281,076
Sub-total outstanding	2,484,357	2,162,293
Debts attached to loans and & debts repr.	7,081	28,571
TOTAL	2,491,438	2,190,865

9.4 The Bank's debt-equity ratio

The WAMU Council of Ministers decided to limit the Bank's total outstanding borrowings, at any time, to three times its equity. As at 31 December 2024, the Bank's outstanding borrowings represented 177 % of its equity capital out of the regulatory threshold of 300%.

NOTE 10. EARMARKED FUNDS

Earmarked funds are funds with external contributions from some donors. The resources of the Funds are made up either of a direct grant from the lender or of loans at reduced interest rates granted by the lender (the difference between the rate and the market rate used to set up the Fund). The use of the resources obtained by the Bank and registered in these funds is governed by the provisions laid down in the agreements established for this purpose. The Bank is obliged to reimburse them if the final destination of the resources does not correspond to that provided for in the contracts concluded with the donors.

As at 31 December 2024 and 31 December 2023 funds are made up of the following:

Earmarked funds	Funders	31 December 2024	31 December 2023
Belgian Technical Assistance Fund	Royaume de Belgique	217	215
Dutch Fund	Pays bas	34	34
IDA Counterpart Fund	IDA	490	430
AFD Research Fund	AFD	310	310
AFD Counterpart Fund	AFD	26	26
Environmental Partnership Fund	Fonds de Partenariat Environnemental	4	4
KfW Counterpart Fund	KfW	4,577	4,896
China Cooperation Fund	CHINE	139	139
AFD IV Capacity Improvement Fund	AFD	30	30
Energy Development Fund	FDE	1,985	1,985
Crop Insurance Fund	UEMOA	2,873	2,836
Regional Collaboration Centre (RCC)	Centre Régional de Collaboration (CRC)	807	640
New subsidy mechanism fund	Fonds du nouveau mécanisme de bonifi	33,745	21,495
CMS Fund for Interest Subsidy	CMS	1,000	1,000
Global environment fund	FEM	9,373	10,563
Climate change fund	Fonds d'Adaptation	12,071	12,200
Green Climate Fund	Fonds Vert pour le Climat	25,225	16,216
Regional initiatives supports fund	UEMOA	383	383
PACAN KFW Funds	KfW	3,772	6,232
RSE Project ressources	RSE	5	5
Fonds Etudes Climat	FEM	1,000	0
AFD-Bonif/SONG-TAABA	AFD	6,351	-
Digital Transformation Fund (KfW)	KFW	874	-
TOTAL		105,291	79,638

NOTE 11. ADJUSTMENT ACCOUNTS AND OTHER LIABILITIES

As at 31 December 2024, the adjustment accounts and other liabilities were as follows:

Others liabilities	Note	31 December 2024	31 December 2023
Derivatives liabilities	11.1	3,366	3,488
Accruals liabilities	11.2	24,351	14,393
Other liabilities	11.3	15,601	5,031
TOTAL		43,319	22,913

11.1 Derivatives liabilities

The Bank has put in place hedging instruments to protect itself against the exchange risks of its debts denominated in dollars and SDRs and against the risk of changes in the rates of its variable rate borrowings (see note 7.1).

The derivative liabilities correspond to the negative value of the hedging instruments as at 31 December 2024

The breakdown of derivative liabilities by type of hedging relationship is as follows:

Derivatives liabilities	31 December 2024	31 December 2023
Derivatives liabilities-fair value hedge	1,794	3,488
Derivatives liabilities-cash flow hedge	1,573	-
TOTAL	3,366	3,488

The amount of derivative liabilities as at December 31, 2024 amounts to 3,366 M FCFA and relates to the hedging of borrowing lines raised in dollars and SDRs and variable interest rate hedges in order to make them fixed in accordance with the Assets Liabilities management policy of the Bank. This level of financial liability results from (i) the increase in dollar and SDR prices relative to the guaranteed price levels obtained by the BOAD when hedging contracts were implemented and (ii) the decrease in Euribor rates.

The value of the coverage is as follows :

Instruments	Type of coverage	31 December 2024	31 December 2023
Eurobond Coverage 2017-2027	Cash flow	-	-
Eurobond Coverage 2019-2031	Cash flow	-	-
Fair Value Hybrid Debt Coverage 2024-2028	Cash flow	-	-
Coverage of other debts to institutional lenders	Fair value	1,794	3,488
Coverage Rate	Cash flow	1,573	-
Total		3,366	3,488

This item records prepaid income, charges payable by the Bank whose invoices have not yet arrived at the closing date of the accounts and funds received pending their allocation to a specific project.

11.2 Accruals liabilities

This item records prepaid income, charges payable by the Bank whose invoices have not yet arrived at the closing date of the accounts and funds received pending their allocation to a specific project.

Details of accruals liabilities are as follows:

Accruals liabilities	31 December 2024	31 December 2023
Deferred income (*)	12,098	10,263
Accrued liabilities (**)	6,281	3,886
Advanced payments (***)	5,973	244
TOTAL	24,351	14,393

* the revenue to be regularised are receipts received on suspense accounts but not yet identified at the cut-off date and receipts received on securitised receivables awaiting repayment to the Securitisation Fund.

** the accrued expenses relate to the expenses of the year for which the invoices have not yet been received by the closing date.

*** the pre-recognised proceeds are mainly related to interest prepayments on treasury bills that will be spread over the maturity of the bills pro rata temporis.

The change in this item as at 31 December 2024 is due to the (i) amount of prepaid income related to treasury bills and (ii) accrued expenses relating to invoices not received by the closing date.

11.3 Other liabilities

The item "other liabilities" includes debts to the Bank's suppliers of goods and services as well as amounts owed to staff, social security institutions and the Tax Administration.

Details of other liabilities accounts are as follows:

Other liabilities	31 December 2024	31 December 2023
Sundry creditors (*)	1,986	967
Suppliers payables	13,616	4,064
TOTAL	15,601	5,031

*the various creditors consist of amounts due to Bank staff, social security institutions and the tax authorities.

The change in the item "other liabilities" at 31 December 2024 compared to 31 December 2023 is due to supplier debts payable to the Securitisation Mutual Funds for repayments of amounts owed on the securitised receivables.

NOTE 12. PROVISIONS

This item covers the amount of liabilities under benefit plans for severance payments upon retirement benefits. The table below compares the opening balance with the closing balance of the net liabilities for defined benefit plans.

13. Provision for define benefit liability	2024	2023
	kFCFA	kFCFA
Present value of the obligation	-	-
Opening balance	11,937,917	10,005,711
Cost of services rendered during the period	842,144	754,488
Contributions made by participants	0	0
Financial cost	777,912	662,782
Actuarial difference due to		
a) Changes in demographic assumptions	0	0
b) Changes in financial assumptions	0	79,990
c) Experience adjustments	216,338	495,593
d) Total	216,338	575,584

13. Provision for define benefit liability	2024	2023
Service provision	-640,665	-60,648
Cost of past services	0	0
Payments	0	0
Closing balance	**13,133,646**	**11,937,916**
Completely unfinanced schemes	13,133,646	11,937,916
Partly or fully financed schemes		
Fair value of assets of the scheme	n.a.	n.a.
Opening balance	0	0
Expected returns	0	0
Actuarial difference	0	0
Contributions made by the employer	0	0
Contributions made by the participants	0	0
Benefits payment	0	0
Payments	0	0
Closing balance	**0**	**0**
Net assets/liabilities recognized in the balance sheet		
Current value of the bonds	13,133,646	11,937,917
Fair value of assets of the scheme	0	0
Surplus/deficit	13,133,646	11,937,917
Amount not recognized as an asset because of limit 58(b)	0	0
Net assets/liabilities recognized in the balance sheet	**13,133,646**	**11,937,917**
Total cost		
Cost of services rendered during the period	842,144	754,488
Cost of past services	0	0
Effect of all payments	0	0
Cost of services provided as net income	**842,144**	**754,488**
Financial cost	777,912	662,782
Interests	0	0
Net interest on net income	**777,912**	**662,782**
Actuarial difference	216,338	575,584
Additional returns on assets of the scheme	0	0
Effect of the limit of paragraph 58(b)	0	0
Revaluation of net pension liab. under fixed benefit scheme	**216,338**	**575,584**
Total cost	**1,836,394**	**1,992,854**
The cumulative actuarial difference recorded in profit and loss	5,711,648	5,495,310

13. Provision for define benefit liability	2024	2023
Reconciliation of net liabilities recorded	-	-
Opening balance	11,937,917	10,005,711
Total charge in net income	1,620,056	1,417,270
Services	-640,665	-60,648
Remeasurements of net liabilities in other comprehensive income	216,338	575,584
Closing balance	13,133,646	11,937,917

Principal actuarial assumptions		
Discount rate	6.10%	6.10%
Future salary growth	6.00%	6.00%
Future mortality rate	TH / TF 2002 multiplied by 200%	
The duration of the defined benefit obligation is	8.4	9.8

The total forecasted charge for contributions to the defined benefit plan for 2025 amounts to XOF 1,747 M. Also, the Bank plans to provide services amounting to XOF 1,062 M in 2025.

12. Provision for retirement benefits						
Sensitivity analysis	-	-	-	-	-	
At the reporting date, the reasonable possible changes of one of the relevant acturial assumptions would have impacted the defined benefit obligation by the following amounts (any other assumption remains constant):						
			Changes of assumptions (*)			
Significant actuarial assumptions			2024		2023	
Discount rate	-1%	5.10%	8.42%	14,238,910	9,8%	13,013,806
Future salary growth	+1%	7%	8.34%	14,228,789	8,9%	13 005 455
Future mortality rate	Rate x 50%	50%	-0.13%	13,116,944	-0,1%	11,921,625

* The sensitivity test results show that a 1% discount rate decrease would result in an obligation of 14,238,910 KFCFA vs 13,133,646 KFCFA in the accounts, an increase of 8,42%. Similarly, an increase of 1% in the rate of wage increase increases the obligation from 13,133,646 K FCFA to 14,228,789 KFCF, an increase of 8.34%.

NOTE 13. EQUITY

13.1 Details of equity

The equity as at 31 December 2024 and 31 december 2023 is as follows:

Equity capital	31 December 2024	31 December 2023
Subscribed capital	1,525,750	1,511,000
Callable capital	-892,170	-892,170
Unpaid Capital	-230,529	-274,818
Cost related to deferred paying-up of capital	-9,281	-17,911
Capital (A)	**393,770**	**326,102**
Share premium (B)	**2,622**	**2,622**
Reserves allocated to development activities	76,050	76,050
Other reserves	26	26
Retained earnings	706,554	677,492
Reserves and retained earnings (C)	**782,629**	**753,568**
Net income for the period (D)	**39,402**	**36,453**
Net gains on investments in equity instruments designated at fair value thro	50,284	58,152
Cashflow hedging reserves	-17,580	1,092
Remeasurements of defined benefit liability	-1,538	-1,321
Other comprehensive income (E)	**31,167**	**57,923**
EQUITY CAPITAL (A+B+C+D+E)	**1,249,590**	**1,176,668**
Subordinated debts (F)	**128,736**	**59,363**
EQUITY CAPITAL AND SUBORDINATED DEBTS (A+B+C+D+E+F)	**1,378,326**	**1,236,031**

13.2 BOAD capital structure

a) The table below outlines the Bank's capital structure as at 31 December 2024 in nominal value and share distribution. Each share confers the same rights and duties to its holder.

SHAREHOLDERS	SUBSCRIBED CAPITAL	%	Number of shares	CALLED-UP CAPITAL	PAID UP CAPITAL	UNPAID CAPITAL	CALLABLE CAPITAL
	(1)=(2)+(5)			(2)=(3)+(4)	(3)	(4)	(5)
CATEGORY A							
BENIN	95,400	6.25	1,908	46,913	28,463	18,450	48,487
BURKINA	95,400	6.25	1,908	46,913	16,163	30,750	48,487
COTE D'IVOIRE	95,400	6.25	1,908	46,913	22,313	24,600	48,487
GUINEE BISSAU	95,400	6.25	1,908	46,913	16,163	30,750	48,487
MALI	95,400	6.25	1,908	46,913	28,463	18,450	48,487
NIGER	95,400	6.25	1,908	46,913	16,163	30,750	48,487
SENEGAL	95,400	6.25	1,908	46,913	22,313	24,600	48,487
TOGO	95,400	6.25	1,908	46,913	28,463	18,450	48,487
BCEAO	547,950	35.91	10,959	141,604	131,764	9,840	406,346
	1,311,150	85.93	26,223	516,908	310,268	206,640	794,242
CATEGORY B							
France	84,300	5.53	1,686	27,960	18,780	9,180	56,340
Germany	34,750	2.28	695	34,750	34,750	0	0
Belgium (1)	16,950	1.11	339	5,940	3,216	2,724	11,010
EIB	22,700	1.49	454	19,700	19,700	0	3,000
AfDB	20,750	1.36	415	16,250	1,500	14,750	4,500
EXIM BANK OF INDIA	750	0.05	15	188	188	0	563
CHINA	18,150	1.19	363	5,460	3,984	1,476	12,690
MOROCCO	16,250	1.07	325	6,425	1,385	5,040	9,825
	214,600	14.07	4,292	116,673	83,502	33,170	97,928
	1,525,750	100%	30,515	633,581	393,770	239,810	892,170
UNSUBSCRIBED CAPITAL	183,600		3,672				
AUTHORIZED CAPITAL(*)	1,709,350		34,187				

(*) In December 2022, the Bank's governing bodies authorised a capital increase of XOF 554 M, thus raising the Bank's authorised capital from XOF 1,155 M to XOF 1,709 M. At the end of the 2024 financial year, this increase amounted to 422,100 MFCFA and releases to 116,350 MFCFA.

b) The table below presents the detail of the "unpaid capital" appearing in the capital structure.

	31 December 2024	31 December 2023
Unpaid Capital without cost related to deffered paying-up of capital (a)	230,529	274,818
Cost related to deferred paying-up of capital (b)	9,281	17,911
Unpaid capital (a+b)	**239,810**	**292,729**

13.3 Effective equity (core tier 1 capital)

The Bank's effective equity is broken down as at 31 December 2024 and 31 December 2023 as follows:

Items	31 December 2024	31 December 2023
A- Tier 1 capital * (=1+2) (a)	**1,185,899**	**1,085,238**
1- Capital and other funds	393,770	326,102
2- Reserves and other funds	792,128	759,136
B 1- Additionnal equity excluding subordinated debt	**76,196**	**83,457**
Effective own funds for risks (=A+B)	**1,262,095**	**1,168,694**
B 2 - Additional equity (component of subordinated debt classified as Tier 2)	128,736	59,363
Effective equity (A+B 1+B 2)	**1,390,831**	**1,228,057**
C- Unpaid own funds (c)	- 12,505	7,974
Equity capital and Subordinated debts (A+B 1+B 2+C)	**1,378,326**	**1,236,031**

(a): **Tier 1 capital** refers to component of equity requirements for risks which represents the higher quality capital, enabling the Bank for going concern
(b) **Additional own funds:** these are own funds of lower quality than the Tier 1 capital but with the capacity to absorb losses, in the event of liquidation. or difficulties considered significant by BOAD. They consist of (i) subordinated debt (hybrid debt) and (ii) other equity (gains on securities measured at fair value by other comprehensive income).
(c) **Unpaid equity** corresponds to equity items without consideration received in cash. They include i) the reserves for hedging the exchange risk linked to the interest on hedged debts, ii.) the unpaid share of issue premiums and iii.) the unpaid share of Member States allocations.

* Equity requirement for risks

NOTE 14. INTERESTS AND FEES

Details of this item are as follows:

Margin on interests and fees	2024	2023
Interests and related income	183,144	167,722
Interests and related charges	-93,534	-78,448
Sub-total on interests (A)	*89,610*	*89,274*
Fees and commissions (income)	8,213	4,397
Fees and commissions (charges)	-3,059	-4,991
Sub-total on fees (B)	*5,153*	*-594*
TOTAL (A) + (B)	**94,763**	**88,680**

14.1. Interests

Interests and related income

Interests and related income	2024	2023
Interests and related income/ interbank loans	7,007	4,001
Interest on loans to customers	149,053	140,843
Interest on staff loans	241	222
Interest on securities portfolio	24,521	20,729
Commission on loan commitments	2,323	1,928
TOTAL	**183,144**	**167,722**

Interests and related charges

Interests and related charges	2024	2023
Interest charges on debts represented by a security	-62,299	-61,785
Interest charges on other debts	-26,907	-12,403
Commissions/commitments received	-806	-393
Credit insurance commission	-3,523	-3,867
TOTAL	-93,534	-78,448

14.2. Fees

Fees and commissions (income)

Fees and commissions (income)	2024	2023
Commission obtained as processing fees	2,137	1,614
GARI's commission on guarantees	23	306
Other flat commissions	626	0
Commission on guarantees/bond issues	0	0
Commission on financial arrangements and advisory services	4,623	1,978
Commssions on FEM and FA	803	499
Retroceded commissions to partners	0	0
TOTAL	8,213	4,397

Fees and commissions (charges)

Fees and commissions (charges)	2024	2023
Other charges/debts represented by securities	-1,229	-3,914
Other fees on borrowings	-1,831	-1,045
Charges and losses on investment securities	0	0
Profit or loss on securities portfolio	0	-31
TOTAL	-3,059	-4,991

NOTE 15. EXCHANGE RISK AND HEDGING INSTRUMENTS

Foreign exchange gains and losses are due to the Bank's resource mobilization in foreign currencies, excluding euros, from its financial partners and on the international financial market for project financing. These gains and losses have been hedged with forward purchase and swap transactions. The Bank's procedures for exchange risk management are described in Note 19.2.1 on Exchange risk.

As at 31 December 2024, the impact on the income statement from the valuation of the Bank's foreign currency debt (excluding euros) with various financial partners is as follows:

Exchange risk and hedging instruments	2024	2023
Exchange gain consumed	316	2,063
Potential exchange gain	0	43,317
Sub-total forex gains (A)	*316*	*45,380*
Foreign exchange loss consumed	-262	-1,808
Potential foreign exchange loss	-68,463	-6,729
Sub-total forex losses (B)	*-68,726*	*-8,537*
Net forex loss of C = (A) + (B)	*-68,410*	*36,843*
Loss/profit on hedging instruments	84,009	-20,174
Net profit/loss on currency transactions	**15,599**	**16,669**

Analysis of the sensitivity of gains and losses on foreign exchange transactions:

	2024			2023		
Sensitivity of Net Gains/Losses on Foreign Exchange Transactions to Income	Impact on potential foreign exchange gains and losses on debt	impacts on potential gains and losses on hedging	Net impact on the result for the period	Impact on potential foreign exchange gains and losses on debt	impacts on potential gains and losses on hedging	Net impact on the result for the period
100 basis points increase in the dollar rate against the euro	-11,191	11,191	0	-10,509	10,509	0
Dollar rate down 100 basis points against the euro	11,191	-11,191	0	10,509	-10,509	0
100 basis points increase in the SDR rate against the euro	-473	473	0	-490	490	0
100 basis points cut in the SDR rate against the euro	473	-473	0	490	-490	0

The Bank has implemented effective foreign exchange hedges that fully neutralize the impact of any currency changes on earnings.

NOTE 16. DIVIDENDS RECEIVED

Details of dividends on the Bank's equity investments are as follows:

Dividends received	2024	2023
Dividends from BRVM	168	0
Dividends from DC BR	98	91
Dividends from BOA Bénin	353	460
Dividends from CIPREL	382	415
Dividends from BOA NG	488	491
Dividends from BDM-SA	0	1,482
Dividends from AFREXIMBank	1,232	126
Dividends from SONIBANK	0	0
Dividends from PROPARCO	66	0
Dividends from CICA-RE	67	56
Dividends from SOAGA	139	156
Dividends from BDU BF	246	107
Dividends from BDU CI	287	277
Dividends from IB BANK	0	18
Dividends from SICAV ABDOU DIOUF	159	120
Dividends from ORABANK CI	0	1,272
Dividends from ASKY	386	456
Dividendes FAA	8	0
TOTAL	4,079	5,528

NOTE 17. COST OF RISK

The cost of risk as at 31 December 2024 and as at 31 December 2023 is presented as follows:

Cost of risk	December 2024	December 2023
Depreciations on receivables from customers	-29,906	-39,780
Write-back of depreciations on receivables from customers	9,093	7,283
Depreciations on securities portfolio	-3,698	-1,881
Write-back of depreciations on securities portfolio	5	915
Losses on receivables covered by depreciations	-3,501	-5,256
Depreciations on other assets	-9,227	-14,014
Write-back of depreciations on other assets	0	13,406
TOTAL	-37,234	-39,327

The breakdown of the cost of risk per bucket is detailed as follows:

Distribution by bucket of the cost of risk	December 2024	December 2023
Bucket 1	-821	940
Bucket 2	-9,369	-24,149
Bucket 3	-27,044	-16,118
TOTAL	-37,234	-39,327

The change in depreciation on bucket 2 between the two periods comes mainly from the consideration of the socio-political situation in Mali and Burkina in adjusting the ratings of counterparties based in these countries and, by extension, in estimating expected credit losses.

Evolution of provisions	Balance as at	Period Movements			Accumulated balance as of
	31/12/2023 (a)	Increases / Allocations (b)	Decreases / Recoveries (c)	Balance 31/12/2024 (d) = (b) + (c)	31/12/2024 (e) = (a) + (d)
Provisions on gross outstanding loans	169,990	37,586	-10,981	26,605	196,595
Provisions on securities portofolio	4,217	3,693	0	3,693	7,909
Provisions on others assets	1,308	6,936	0	6,936	8,244
Total provisions (*)	175,515	48,215	-10,981	37,234	212,749

* the provisions increased from 175,515 MFCFA on December 31, 2023 to 212,479 MFCFA, resulting in a risk cost of 37,234 M FCFA mainly related to the provisions for customer receivables.

NOTE 18. OTHER OPERATING INCOME

Other operating income amounts to XOF -38,249 M as at 31 december 2024 against XOF -35,253 M as at 31 december 2023. The breakdown is as follows:

18.1 Endowment of member countries

Member countries's allocations are granted to BOAD in the form of operating grants and are therefore recognised as income for the period. They are used to cover certain operating expenses such as expenses related to development activities, namely studies carried out under irreversible consumption, interest subsidies on certain loans to member States, etc.

The amount of the endowment of member countries remains unchanged at 31 December 2024 compared to 31 December 2023 and amounts to 3,200 MFCFA.

18.2 Costs related to development activities

This item includes charges related to the development activities of BOAD, including subsidies of non-market projects and preliminary studies for the financing of development activities.

Charges related to development activities	2024	2023
Interest subsidy	-1,352	-1,556
Punctual assistance to member states	-800	-
TOTAL	-2,152	-1,556

18.3 General operating expenditures

The Bank's general operating expenditure is detailed as follows:

General operating costs	2024	2023
Staff overheads (*)	-23,888	-21,763
Amortizations and depreciations - Property, equipment and intangible assets	-1,358	-1,339
Other operating costs	-14,194	-14,408
TOTAL	-39,440	-37,510

(*) The details of staff overheads as at 31 December 2024 and 31 December 2023 are as follows:

Detail of staff overheads	2024	2023
Wages and salaries	-20,356	-18,747
Social security contributions	-1,090	-1,050
Other short-term benefits	-1,486	-1,106
Health insurance funds	-114	-106
Defined benefit plan expenses (*)	-842	-754
TOTAL	-23,887	-21,763

(**) Apart from the amount presented in personnel expenses, the expenses for the financial year for defined benefit plans include a financial cost which stands at XOF 778 M, recorded in financial expenses (*see note 12*).

NOTE 19. RISK MANAGEMENT

The main objective of the Bank's risk management is to ensure its long-term financial viability and operational resilience while pursuing its corporate purpose. Accordingly, BOAD adopts and applies international best banking practices (in terms of policies, systems and processes) in order to promote a sound and prudent risk culture across all its

activities.
This note provides information on the main types of financial risk to which the Bank is exposed in the course of its activities, in particular credit risk, market risk, liquidity risk and operational risk. It also contains information on the objectives, policies, procedures, limits and controls that enable BOAD to identify, assess, monitor, report, reduce and control these risks.
The Bank is not subject to the regulations of its Member States. However, it has adopted the recommendations of the Basel Committee on Banking Supervision and the best practices of its peers as a reference for its risk management system.
BOAD regularly reviews its risk and control policies, including its monitoring procedures, in line with best banking practice.

19.1. Credit risk

Credit risk represents the financial loss incurred by the Bank when customers or counterparties of a financial instrument fail to meet their contractual obligations. Credit risk is the main source of risk for the Bank and stems essentially from its lending and cash investment.
The credit risk management relies on standards and procedures, management tools, rating systems, a risk hedging and impairment policy and a close monitoring mechanism.
The overall organization of credit risk management is characterized by:

- a well-structured grant process, based on a clear separation between the business lines and the commitment lines (notice of second opinion), which allows for an objective double-check;
- commitment limits fixed in proportion to the tier 1 capital and approved by the Bank's decision-making organs;
- an internal rating system consisting of models specific to each customer portfolio item (sovereign, corporate, bank, project in creation, capital investment at the corporate level, capital investment in banks) based on both quantitative and qualitative variables specific to the customer and its socio-economic environment;
- a depreciation (impairment) policy and a fair value measurement of equity investments based on IFRS 9

19.1.1 Description of the Bank’s internal portfolio rating system

All counterparties financed by the Bank are rated at least once a year. To this end, the Bank provides six (6) models: “Sovereign” (member countries), “Corporates” (businesses in portfolio), “Bank” (banks in portfolio), “Project finance” (financing of start-up projects), “Bank private equity” (equity investments in banks) and “Corporate private equity” (equity investments in businesses).

19.1.1.1 BOAD’s internal master scale

The Bank's internal rating grid includes 21 scale ratings, supplemented by risk assessment. Each scale corresponds to default probability. The Bank’s internal master scale with a mapping to external ratings is as follows:

	PD	GEMs	Moodys	SP	Fitch	Appreciation	Risk_Class
1	0.00%	GI1	Aaa	AAA	AAA	Excellent	Extremely low risk
2	0.00%	GI2	Aa1	AA+	AA+	Alright	Very low risk
3	0.00%	GI3	Aa2	AA	AA		
4	0.00%	GI4	Aa3	AA-	AA-		
5	0.01%	GI5	A1	A+	A+	GOOD	Low risk
6	0.01%	GI6	A2	A	A		
7	0.04%	GI7	A3	A-	A-		
8	0.09%	GI8	Baa1	BBB+	BBB+		
9	0.17%	GI9	Baa2	BBB	BBB		
10	0.42%	GI10	Baa3	BBB-	BBB-		
11	1.34%	Gs1	Ba1	BB+	BB+	Pretty good	Moderate risk
12	1.45%	Gs2	Ba2	BB	BB		
13	2.06%	Gs3	Ba3	BB-	BB-		
14	2.74%	Gs4	B1	B+	B+	Acceptable	
15	3.48%	Gs5	B2	B	B		
16	4.61%	Gs6	B3	B-	B-	Weak	
17	7.00%	Gs7	Caa1	CCC+	CCC+	Special attention	High risk
18	9.45%	Gs8	Caa2	CCC	CCC		
19	19.70%	Gs9	Caa3	CCC	CCC		
20	32.87%	Gs10	Caa3	CC	CC		Very high risk
21	100.00%	D	D	D	D	Default	Default

19.1.1.2 Qualitative and quantitative factors considered in rating

For each scoring model, qualitative and quantitative elements with specific weighting have been retained. Weighting is based on statistical methods, expert opinion and outcomes of a benchmarking with other multilateral development banks. The scores are statistically transformed into default probabilities under the constraint of the central trend and a rating cap defined for each model.

19.1.2 Intervention limits for credit risks

The Bank’s intervention limits are defined in relation to its risk capital which corresponds to the paid-up capital plus net reserves and similar funds less non value items according to the risk appetite matrix as approved by the Council of Ministers in the Bank's Risk Appetite Statement.

Risk appetite statement - Risk appetite matrix

		Appetence	Tolerance	Capacity
	BOAD target rating			
	Bank's rating	BBB+	BBB	BBB-
	Quality of credit portfolio			
	Weighted average rating by outstandings (credit portfolio)	Gs3	Gs4	Gs5
	Liquidity			
	LCR	>210%	>200%	150%
	Month of coverage	>12	>10	9
	Capital adequacy			
	(Outstanding loans + Equity investments)/Effective equity (tier 1 capital) (Moodys approach)	<300%	<350%	400%
	Effective equity (tier 1 capital) / total assets + guarantees (Fitch approach)	>27%	>26%	25%
	Outstanding Equity investments / Outstanding loans	<4%	<4.5%	<5%
	Debt/Effective equity (tier 1 capital)	<275%	<290%	300%
*	Venture Capital Utilisation Rate (Economic Capital / Effective equity (tier 1 capital))	<70%	<80%	90%
	Allocation by type of risk			
*	Venture capital allocated to operations (90.00% of the Bank's total venture capital)	<70%	<80%	90%
*	*Credit risk (75.00% of the Bank's total venture capital)*	<70%	<72.50%	75%
*	*Equity investment (15.00% of the Bank's total venture capital)*	<10%	<12.5%	15%
*	ALM risk (2.00% of the Bank's total risk capital)	<1.5%	<1.75%	2%
*	Operational Risk (3.00% of the Bank's total Venture Capital)	<2.5%	<2.75%	3%
*	Non-material risk (5.00% of the Bank's total venture capital)			5%
	Allocation by counterparty category			
*	Sovereigns (40.00% of the Bank's total risk capital allocated to operations)	<30%	<35%	40%
*	Non-sovereign (60.00% of the Bank's total risk capital allocated to operations)	<50%	<55%	60%
*	*Public companies (10.00% of the Bank's total venture capital allocated to operations)*	*7.5%*	*8.5%*	*10%*
*	*Private companies (25.00% of the Bank's total venture capital allocated to operations)*	*20%*	*22.5%*	*25%*
*	*Banks and financial institutions (25.00% of the Bank's total venture capital allocated to operations)*	*20%*	*22.5%*	*25%*
	Sector allocation (non-sovereign portfolio)			
*	Energy and Water (15.00% of the Bank's total Venture Capital allocated to operations)	10%	12.5%	15%
*	Sanitation, transport and environment (10.00% of the Bank's total venture capital allocated to operations)	5%	7.5%	10%
*	Finance and insurance (25.00% of the Bank's total venture capital allocated to operations)	*20%*	*22.5%*	*25%*
	Concentration Overall regional project, all operations of non-sovereign borrowers (15.00% of the Bank's total venture capital allocated to operations)			
*	Concentration global regional project	10%	12.5%	15%
	Global country concentration, all operations and all borrowers combined (25.00% of the Bank's total venture capital allocated to operations)			
	Global country concentration, all operations and all borrow ers combined (25.00% of the Bank's total venture capital allocated to operations)	20%	22.5%	25%
	Single State (5.00% of the Bank's total venture capital allocated to operations)			
	Single State	4%	4.5%	5%
*	**Single country concentration of non-sovereign borrowers across all operations (20.00% of the Bank's total risk capital allocated to operations)**			
	Single country concentration	15,0%	17.5%	20%
*	**Related parties/single group, all operations of non-sovereign borrowers (3.00% of the Bank's total risk capital allocated to operations)**			
	Related parties/single group, all operations of non-sovereign borrow ers (3.00% of the Bank's total risk capital allocated to operations)	2%	2.5%	3%
	Sole debtor, all operations combined, of non-sovereign borrowers (1.00% of the Bank's total risk capital allocated to operations)			
*	Sole debtor, all operations combined, of non-sovereign borrow ers (1.00% of the Bank's total risk capital allocated to operations)	0.5%	0.8%	1%

19.1.3 Dominant sectors of activity

The outstanding loan is broken down per sector of activity as at 31 December 2024 and 2023:

Sectors of activity	31/12/2024	%	31/12/2023	%
Finance and Insurance	333,011	14%	289,041	11%
Agriculture, Rural Development and Social Projects	638,929	26%	640,792	25%
Industries	70,658	3%	128,214	5%
Energy and Water	383,351	16%	442,536	17%
Transport infrastructure and equipment, sanitation and urban development	976,778	40%	970,318	38%
Information and communication technologies	23,392	1%	21,647	1%
Hospitality and Tourism and other services	37,016	2%	53,531	2%
TOTAL	**2,463,134**	**100%**	**2,546,079**	**100%**

19.1.4 Analysis of the portfolio's creditworthiness

The Bank has clearly defined limits and procedures to enable it streamline, measure and manage risks, as well as formalize aggregate limits for its commitments per sector and operational limits (counterparties / related counterparties).

19.1.4.1 Maximum exposure of the Bank in terms of credit risk

The Bank's maximum balance sheet and off-balance sheet exposure (*in terms of gross outstandings*) to credit risk prior to consideration of guarantees received for 2024 and 2023 is as follows:

Maximum exposure of the Bank in terms of credit risk	31/12/2024	%	31/12/2023	%
Loans and advances to banks	33,989	1%	4,299	0%
Loans and advances to customers (gross outstandings)	2,463,134	80%	2,546,079	86%
Loans and advances to staff	23,977	1%	22,136	1%
Debt securities portofolio (gross outstandings)	446,998	15%	322,175	11%
Receivables from shareholders	5,075	0%	5,761	0%
Derivatives assets *	108,895	4%	43,680	1%
TOTAL	**3,082,069**	**100%**	**2,944,130**	**100%**

(*) Potential loss that the Bank would have incurred on foreign currency borrowings if no hedging instruments had been put in place

19.1.4.2 Exposure of the Bank by financial assets categories

Exposures by type of financial asset category and taking into account credit risk mitigation are as follows:

<u>**FINANCIAL ASSETS NON-SUBJECTED TO IMPAIRMENT REQUIREMENTS (DESIGNATED AT FAIR VALUE)**</u>

in Millions of XOF	31 December 2024		31 December 2023	
	Maximum exposure to credit risk	Credit risk mitigation Collaterals held Financial guarantees	Maximum exposure to credit risk	Credit risk mitigation Collaterals held Financial guarantees
Equity investments designated at fair value through P&L	10,625	0	10,181	0
Equity investments designated at fair value through OCI non-recyclable	147,036	0	148,364	0
Derivative exchange rate hedging instruments	108,895	0	43,680	0
Total	266,556	0	202,226	0

FINANCIAL ASSETS SUBJECTED TO IMPAIRMENT REQUIREMENTS

in Millions of XOF	31 December 2024		31 December 2023	
	Maximum exposure to credit risk	Credit risk mitigation Collaterals held Financial guarantees	Maximum exposure to credit risk	Credit risk mitigation Collaterals held Financial guarantees
Loans and advances to banks	33,989	0	4,299	-
of which impaired assets at the reporting date	0	0	0	-
Loans and advances to customers	2,463,134	341,691	2,546,079	37,103
of which impaired assets at the reporting date	60,690	0	67,192	-
Loans and advances to staff	23,977	0	22,136	-
of which impaired assets at the reporting date	0	0	0	-
Debt securities portfolio	446,998	0	322,175	-
of which impaired assets at the reporting date	0	0	0	-
Receivables from shareholders	0	0	5,761	-
of which impaired assets at the reporting date	0	0	0	-
Total Financial assets at amortized cost	2,968,098	341,691	2,900,450	37,103
of which impaired assets at the reporting date	60,690	0	67,192	-

OFF-BALANCE SHEET COMMITMENTS SUBJECTED TO IMPAIRMENT REQUIREMENTS

in Millions of XOF	31 December 2024		31 December 2023	
	Maximum exposure to credit risk	Credit risk mitigation Collaterals held Financial guarantees	Maximum exposure to credit risk	Credit risk mitigation Collaterals held Financial guarantees
Sureties and other guarantees	17,500	-	40,000	-
of which impaired commitments at the reporting date	0	-	0	-
Loans commitments given	2,749,441	-	2,275,474	-
of which impaired commitments at the reporting date	0	-	0	-
Total	2,766,941	-	2,315,474	-
of which impaired commitments at the reporting date	0	-	0	-

It should be noted that, in terms of cover for the loans granted by the Bank, the loan contracts provide not only for guarantees and collateral security (mortgages on real estate, pledges or liens on equipment, materials or inventories) but also for personal guarantees (sureties), delegations of insurance policy indemnities, credit guarantees and the setting up of payment mechanism agreements. However, the Bank's model for calculating expected losses only includes financial guarantees as eligible credit risk mitigation tools.

19.1.4.3 Exposure of the Bank per country and per window

The outstanding loans per country and per window is broken down as at 31 December 2024 and 31 December 2023 as follows:

COUNTRIES	31/12/2024			Total 2024	31/12/2023			Total 2023
	FDC	FDE	Bank		FDC	FDE	Bank	
BENIN	140,537	10,329	113,823	264,689	137,042	11,281	113,590	261,914
BURKINA FASO	143,186	14,302	147,918	305,406	147,155	14,320	182,359	343,834
IVORY COAST	98,663	26,426	350,600	475,689	100,919	27,031	332,882	460,832
GUINEA BISSAU	111,152	16,350	6,002	133,504	102,593	13,696	6,234	122,524
MALI	154,009	9,616	148,907	312,532	165,697	10,568	160,008	336,273
NIGER	135,494	23,356	85,629	244,479	142,506	25,714	91,977	260,197
SENEGAL	145,448	21,569	240,724	407,741	143,913	24,158	237,764	405,835
TOGO	148,655	46	170,394	319,095	154,430	77	200,162	354,669
TOTAL	1,077,143	121,995	1,263,996	2,463,134	1,094,255	126,846	1,324,978	2,546,079

19.1.5 The Bank's depreciation policy

Depending on its activities, the Bank manages two types of credit risk, namely sovereign credit risk and non-sovereign credit risk.

19.1.5.1 Sovereign risk and non-sovereign risk

a) Sovereign risk

Sovereign or non-commercial credit risk is related to loans granted to member States of the Union. The Bank manages this risk by suspending all disbursements and presentation of any project requests to a country in default.

b) Non-sovereign risk

The non-sovereign or market credit risk refers to loans granted by the Bank to borrowers in the private sector or commercial public entities.

c) Distribution of loan outstandings per risk category and per rating

The table below presents the breakdown of the Bank's loans and investment securities portfolio (assessed at amortized cost) in terms of outstandings per rating scale:

2024							
Portfolio exposure in terms of outstanding amounts by rating		Sovereign		Non-Sovereign		Ensemble	
Appreciation	Rating	Outstanding	(%)	Outstanding	(%)	Outstanding	(%)
Pretty good	Gs1	0	0%	0	0%	0	0%
Pretty good	Gs2	251,425	14%	0	0%	251,425	10%
Pretty good	Gs3	0	0%	158,180	25%	158,180	6%
Acceptable	Gs4	206,918	11%	65,809	10%	272,727	11%
Acceptable	Gs5	0	0%	184,106	29%	184,106	7%
Increasing	Gs6	482,503	27%	46,780	7%	529,284	21%
Special attention	Gs7	133,457	7%	14,223	2%	147,680	6%
Special attention	Gs8	265,493	15%	80,199	12%	345,692	14%
Special attention	Gs9	252,945	14%	23,643	4%	276,588	11%
Special attention	Gs10	227,973	13%	8,790	1%	236,763	10%
Default	D	0	0%	60,690	9%	60,690	2%
Customer receivables		*1,820,714*	*100%*	*642,421*	*100%*	*2,463,134*	*100%*
Pretty good	Gs1	0	0%	0	0%	0	0%
Pretty good	Gs2	32,885	12%	0	0%	32,885	7%
Pretty good	Gs3	0	0%	4,918	3%	4,918	1%
Acceptable	Gs4	21,238	7%	127,504	78%	148,742	33%
Acceptable	Gs5	0	0%	14,348	9%	14,348	3%
Increasing	Gs6	105,065	37%	0	0%	105,065	24%
Special attention	Gs7	0	0%	0	0%	0	0%
Special attention	Gs8	58,293	20%	4,500	3%	62,793	14%
Special attention	Gs9	21,000	7%	11,250	7%	32,250	7%
Special attention	Gs10	46,000	16%	0	0%	46,000	10%
Default	D	0	0%	0	0%	0	0%
Securities portfolio (*)		*284,479*	*100%*	*162,519*	*100%*	*446,998*	*100%*
Total		*2,105,193*	*200%*	*804,940*	*100%*	*2,910,133*	*100%*

(*) Bonds are excluded due to their very short maturity.

OFF-BALANCE SHEET COMMITMENTS

Portfolio exposure in terms of outstanding amounts by rating		Sovereign		Non-Sovereign		Ensemble	
Appreciation	Rating	Outstanding	(%)	Outstanding	(%)	Outstanding	(%)
Pretty good	Gs1	-	0%	-	0%	-	0%
Pretty good	Gs2	-	0%	-	0%	-	0%
Pretty good	Gs3		0%		0%	0	0%
Acceptable	Gs4		0%		0%	0	0%
Acceptable	Gs5		0%		0%	0	0%
Increasing	Gs6	2,210,546	100%	538,894	100%	2,749,441	100%
Special attention	Gs7		0%		0%	0	0%
Special attention	Gs8		0%		0%	0	0%
Special attention	Gs9		0%		0%	0	0%
Special attention	Gs10		0%		0%	0	0%
Default	D	-	0%		0%	0	0%
Customer receivables		*2,210,546*	*100%*	*538,894*	*100%*	*2,749,441*	*100%*
Pretty good	Gs1		0%		0%	-	0%
Pretty good	Gs2		0%		0%	-	0%
Pretty good	Gs3		0%		0%	0	0%
Acceptable	Gs4		0%		0%	0	0%
Acceptable	Gs5		0%		0%	0	0%
Increasing	Gs6		0%		0%	0	0%
Special attention	Gs7		0%		0%	0	0%
Special attention	Gs8		0%		0%	0	0%
Special attention	Gs9		0%		0%	0	0%
Special attention	Gs10		0%		0%	0	0%
Default	D		0%		0%	-	0%
Securities portfolio (*)		*0*	*0%*	*0*	*0%*	*0*	*0%*
Total		*2,210,546*	*100%*	*538,894*	*100%*	*2,749,441*	*100%*

d) Distribution of loan outstandings per financial assets and per risk credit categories

FINANCIAL ASSETS AT AMORTISED COST - LOANS AND ADVANCES TO CUSTOMERS

Items	Credit risk classes	31 December 2024				Credit risk classes	31 December 2023			
		Carrying amount					Carrying amount			
		Healthy or impaired assets			Total		Healthy or impaired assets			Total
		Assets subject to ECL one year (Bucket 1)	Assets subject to ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)			Assets subject to ECL one year (Bucket 1)	Assets subject to ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)	
Sovereign	1,3374%<PD<1,449%	0	0	0	0	1,7288%<PD<2,3787%	235,022	267,543	0	502,564
	1,449%<PD<2,0626%	100,362	151,063	0	251,425	2,3787%<PD<3,0915%	107,623	111,662	0	219,285
	2,0626%<PD<2,7432%	0	0	0	0	3,0915%<PD<4,0069%	56,237	6,606	0	62,843
	2,7432%<PD<3,484%	94,167	112,750	0	206,918	4,0069%<PD<5,6797%	0	320,669	0	320,669
	3,484%<PD<4,6082%	0	0	0	0	5,6797%<PD<8,1335%	0	30,572	0	30,572
	4,6082%<PD<7,0004%	0	482,503	0	482,503	8,1335%<PD<13,6442%	0	279,594	0	279,594
	7,0004%<PD<9,45%	0	133,457	0	133,457	13,6442%<PD<25,4468%	0	263,006	0	263,006
	9,45%<PD<19,7%	0	265,493	0	265,493	25,4468%<PD<100%	0	240,535	0	240,535
	19,7%<PD<32,87%	0	252,945	0	252,945		0	0	0	0
	32,87%<PD<100%	0	227,973	0	227,973		0	0	0	0
	PD = 100%	0	0	0	0		0	0	0	0
Total Sovereign		**194,529**	**1,626,184**	**0**	**1,820,714**		**398,882**	**1,520,186**	**0**	**1,919,069**
Non Sovereign	1,3374%<PD<1,449%	0	0	0	0	1,7288%<PD<2,3787%	161,044	0	0	161,044
	1,449%<PD<2,0626%	0	0	0	0	2,3787%<PD<3,0915%	42,079	24,103	0	66,181
	2,0626%<PD<2,7432%	158,180	0	0	158,180	3,0915%<PD<4,0069%	117,043	22,494	0	139,537
	2,7432%<PD<3,484%	64,112	1,697	0	65,809	4,0069%<PD<5,6797%	0	57,852	0	57,852
	3,484%<PD<4,6082%	162,999	21,107	0	184,106	5,6797%<PD<8,1335%	0	126,856	0	126,856
	4,6082%<PD<7,0004%	0	46,780	0	46,780	8,1335%<PD<13,6442%	0	5,341	0	5,341
	7,0004%<PD<9,45%	0	14,223	0	14,223	13,6442%<PD<25,4468%	0	2,905	0	2,905
	9,45%<PD<19,7%	0	80,199	0	80,199	25,4468%<PD<100%	0	0	0	0
	19,7%<PD<32,87%	0	23,643	0	23,643	PD=100%	0	0	67,295	67,295
	32,87%<PD<100%	0	8,790	0	8,790		0	0	0	0
	PD = 100%	0	0	60,690	60,690		0	0	0	0
Total Non Sovereign		**385,291**	**196,439**	**60,690**	**642,421**		**320,165**	**239,551**	**67,295**	**627,010**
Depreciations		-4,705	-75,134	-55,809	-135,647		-4,969	-68,423	-56,418	-129,810
Total		**575,116**	**1,747,490**	**4,881**	**2,327,487**		**714,078**	**1,691,314**	**10,877**	**2,416,269**

FINANCIAL ASSETS AT AMORTISED COST - DEBT SECURITIES PORTFOLIO

Items	Credit risk classes	31 December 2024				Credit risk classes	31 December 2023			
		Carrying amount					Carrying amount			
		Healthy or impaired assets			Total		Healthy or impaired assets			Total
		Assets subject to ECL one year (Bucket 1)	Assets subject to ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)			Assets subject to ECL one year (Bucket 1)	Assets subject to ECL at maturity (Bucket 2)	Impaired assets (Bucket 3)	
Sovereign	1,3374%<PD<1,449%	0	0	0	0	1,7288%<PD<2,3787%	49,476	42,000	0	91,476
	1,449%<PD<2,0626%	25,885	7,000	0	32,885	2,3787%<PD<3,0915%	10,000	3,333	0	13,333
	2,0626%<PD<2,7432%	0	0	0	0	3,0915%<PD<4,0069%	0	0	0	0
	2,7432%<PD<3,484%	18,571	2,667	0	21,238	4,0069%<PD<5,6797%	0	57,700	0	57,700
	3,484%<PD<4,6082%	0	0	0	0	5,6797%<PD<8,1335%	0	0	0	0
	4,6082%<PD<7,0004%	0	105,065	0	105,065	8,1335%<PD<13,6442%	0	44,334	0	44,334
	7,0004%<PD<9,45%	0	0	0	0	13,6442%<PD<25,4468%	0	29,000	0	29,000
	9,45%<PD<19,7%	0	58,293	0	58,293	25,4468%<PD<100%	0	41,000	0	41,000
	19,7%<PD<32,87%	0	21,000	0	21,000		0	0	0	0
	32,87%<PD<100%	0	46,000	0	46,000		0	0	0	0
	PD = 100%	0	0	0	0		0	0	0	0
Total Sovereign		**44,456**	**240,024**	**0**	**284,479**		**59,476**	**217,367**	**0**	**276,843**
Non Sovereign	1,3374%<PD<1,449%	0	0	0	0	1,7288%<PD<2,3787%	6,018	0	0	6,018
	1,449%<PD<2,0626%	0	0	0	0	2,3787%<PD<3,0915%	9,502	0	0	9,502
	2,0626%<PD<2,7432%	4,918	0	0	4,918	3,0915%<PD<4,0069%	6,312	1,000	0	7,312
	2,7432%<PD<3,484%	127,504	0	0	127,504	4,0069%<PD<5,6797%	0	0	0	0
	3,484%<PD<4,6082%	13,681	667	0	14,348	5,6797%<PD<8,1335%	0	7,500	0	7,500
	4,6082%<PD<7,0004%	0	0	0	0	8,1335%<PD<13,6442%	0	0	0	0
	7,0004%<PD<9,45%	0	0	0	0	13,6442%<PD<25,4468%	0	0	0	0
	9,45%<PD<19,7%	0	4,500	0	4,500	25,4468%<PD<100%	0	0	0	0
	19,7%<PD<32,87%	0	11,250	0	11,250	PD=100%	0	0	0	0
	32,87%<PD<100%	0	0	0	0		0	0	0	0
	PD = 100%	0	0	0	0		0	0	0	0
Total Non souverain		**146,102**	**16,417**	**0**	**162,519**		**21,832**	**8,500**	**0**	**30,332**
Depreciations		-1,328	-6,582		-7,909		-294	-3,923		-4,217
Total		**189,230**	**249,859**	**0**	**439,089**		**81,014**	**221,944**	**0**	**302,958**

e) Analysis of restructured loans per bucket

in Millions of XOF	2024			2023		
	Healthy assets		Impaired assets (Bucket 3)	Healthy assets		Impaired assets (Bucket 3)
	Assets subject to ECL one year (Bucket 1)	Assets subject to ECL at maturity (Bucket 2)		Assets subject to ECL one year (Bucket 1)	Assets subject to ECL at maturity (Bucket 2)	
Loans and advances to customers	22,136	33,294	15,073	4,560	5,399	14,711
Amortised cost before change	22,136	33,476	15,698	4,560	5,399	15,698
Net gain or loss on modification	0	-182	-625	0	0	-987

19.1.5.2 Determination of impairments on loans and receivables

a) General principles

The Bank's impairment assessment model is based on the following two steps:

- assessing whether there has been a significant increase in credit risk since initial recognition and ;
- measure the impairment provision on the basis of an expected loss over 12 months if there has been no significant increase in credit risk since initial recognition or on the basis of an expected loss over life (i.e. expected loss at maturity) if there has been a significant increase in credit risk since initial recognition.

All new relationships are subject to a rigorous approval process and require a minimum initial credit rating. The rating of each of the Bank's market counterparties is updated in order to protect itself, to a certain extent, against possible risks of insolvency of its relationships due to either a deterioration in the environment or a lack of good governance that would affect the financial situation of the companies concerned.

Significant increase in credit risk or significant deterioration

The assessment of the significant increase in credit risk is made at the level of each transaction on the basis of indicators and thresholds that vary according to the type of counterparty and its internal rating. The indicator used to assess the significant increase in credit risk is the counterparty's internal credit rating. The internal rating system is described in section 19.1.1. This assessment is based on a relative criterion expressed as the number of notches down from the original rating. The deterioration in credit quality is considered significant, and the transaction is classified in bucket 2, on the basis of an internal credit rating at the valuation date of less than or equal to Gs5 (sensitivity threshold). The rules for transfers between buckets are presented above in note 2.8.2.2.

b) Breakdown of gross outstanding and related ECL per bucket and per category of counterparty

Counterpart categories	Bucket 1		Bucket 2		Bucket 3		TOTAL 2024			
	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	%	ECL	%
Sovereign	194,529	-463	1,626,184	-54,580	0	0	1,820,714	74%	-55,043	41%
Bank	204,721	-1,650	98,975	-5,683	0	0	303,696	12%	-7,333	5%
Public	46,380	-193	16,575	-1,048	0	0	62,956	3%	-1,241	1%
Private	134,190	-2,399	80,889	-13,822	60,690	-55,809	275,769	11%	-72,030	53%
TOTAL LOANS (A)	**579,820**	**-4,705**	**1,822,624**	**-75,134**	**60,690**	**-55,809**	**2,463,134**	**100%**	**-135,647**	**100%**
Sovereign	44,456	-63	240,024	-4,164	0	0	284,479	64%	-4,227	53%
Bank	140,102	-1,189	5,167	-182	0	0	145,269	32%	-1,371	17%
Public	0	0	0	0	0	0	0	0%	0	0%
Private	6,000	-76	11,250	-2,236	0	0	17,250	4%	-2,311	29%
TOTAL SECURITIES (B)	**190,558**	**-1,328**	**256,441**	**-6,582**	**0**	**0**	**446,998**	**100%**	**-7,909**	**100%**
TOTAL ECL (A+B)	**770,378**	**-6,033**	**2,079,064**	**-81,715**	**60,690**	**-55,809**	**2,910,133**	**100%**	**-143,557**	**100%**

Counterpart categories	Bucket 1		Bucket 2		Bucket 3		TOTAL 2023			
	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	%	ECL	%
Sovereign	326,889	-678	1,463,609	-50,018	0	0	1,790,497	70%	-50,696	39%
Bank	160,784	-1,513	139,739	-7,408	0	0	300,524	12%	-8,921	7%
Public	81,993	-477	56,578	-2,069	0	0	138,571	5%	-2,546	2%
Private	149,380	-2,300	99,812	-8,928	67,295	-56,418	316,486	12%	-67,647	52%
TOTAL LOANS (A)	**719,047**	**-4,969**	**1,759,737**	**-68,423**	**67,295**	**-56,418**	**2,546,079**	**100%**	**-129,810**	**100%**
Sovereign	59,476	-88	217,367	-3,634	0	0	276,843	90%	-3,722	88%
Bank	13,832	-110	8,500	-289	0	0	22,332	7%	-399	9%
Public	0	0	0	0	0	0	0	0%	0	0%
Private	8,000	-96	0	0	0	0	8,000	3%	-96	2%
TOTAL SECURITIES (B)	**81,308**	**-294**	**225,867**	**-3,923**	**0**	**0**	**307,175**	**100%**	**-4,217**	**100%**
TOTAL ECL (A+B)	**800,355**	**-5,263**	**1,985,604**	**-72,346**	**67,295**	**-56,418**	**2,853,254**	**100%**	**-134,027**	**100%**

c) Distribution of gross outstanding and related ECL per bucket and per sector

Sectors of activity	Bucket 1		Bucket 2		Bucket 3		TOTAL 2024			
	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	%	ECL	%
Agriculture, Rural Development and Social Projects	34,672	-115	604,257	-20,513	0	0	638,929	26%	-20,629	15%
Industries	22,317	-448	29,215	-4,067	19,125	-14,388	70,658	3%	-18,903	14%
Energy and Water	118,927	-772	236,144	-15,181	28,280	-28,212	383,351	16%	-44,165	33%
Transport infrastructure and equipment, sanitation and urban development	163,510	-1,259	813,269	-24,929	0	0	976,778	40%	-26,188	19%
Information and communication technologies	12,811	-30	0	-1,185	10,581	-10,582	23,392	1%	-11,797	9%
Finance and Insurance	224,800	-1,981	106,483	-6,109	1,727	-1,655	333,011	14%	-9,745	7%
Hospitality and Tourism and other services	2,784	-100	33,256	-3,150	977	-971	37,016	2%	-4,221	3%
ECL LOANS (A)	**579,820**	**-4,705**	**1,822,624**	**-75,134**	**60,690**	**-55,809**	**2,463,134**	**100%**	**-135,647**	**100%**
Finance and Insurance	190,558	-1,328	256,441	-6,582	0	0	446,998	100%	-7,909	100%
ECL SECURITIES (B)	**190,558**	**-1,328**	**256,441**	**-6,582**	**0**	**0**	**446,998**	**100%**	**-7,909**	**100%**
TOTAL ECL (A+B)	**770,378**	**-6,033**	**2,079,064**	**-81,715**	**60,690**	**-55,809**	**2,910,133**	**100%**	**-143,557**	**100%**

Sectors of activity	Bucket 1		Bucket 2		Bucket 3		TOTAL 2023			
	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	%	ECL	%
Agriculture, Rural Development and Social Projects	80,220	-176	560,572	-18,062	0	0	640,792	25%	-18,239	14%
Industries	40,756	-645	69,190	-3,411	18,268	-13,674	128,214	5%	-17,731	14%
Energy and Water	177,871	-1,042	238,754	-12,631	25,911	-25,840	442,536	17%	-39,513	30%
Transport infrastructure and equipment, sanitation and urban development	236,287	-1,365	734,032	-23,154	0	0	970,318	38%	-24,519	19%
Information and communication technologies	11,051	-32	0	-1,073	10,596	-7,290	21,647	1%	-8,395	6%
Finance and Insurance	151,390	-1,478	135,376	-7,288	2,275	-1,200	289,041	11%	-9,966	8%
Hospitality and Tourism and other services	21,473	-229	21,814	-2,804	10,244	-8,413	53,531	2%	-11,445	9%
ECL LOANS (A)	**719,047**	**-4,967**	**1,759,737**	**-68,423**	**67,295**	**-56,418**	**2,546,079**	**100%**	**-129,808**	**100%**
Finance and Insurance	81,308	-294	225,867	-3,923	0	0	307,175	0%	-4,217	100%
ECL SECURITIES (B)	**81,308**	**-294**	**225,867**	**-3,923**	**0**	**0**	**307,175**	**100%**	**-4,217**	**100%**
TOTAL ECL (A+B)	**800,355**	**-5,261**	**1,985,604**	**-72,346**	**67,295**	**-56,418**	**2,853,254**	**200%**	**-134,025**	**200%**

d) Distribution of gross outstanding and related ECL per bucket and per country

COUNTRIES	Bucket 1		Bucket 2		Bucket 3		TOTAL 2024			
	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	ECL	Gross value of outstanding amounts	%	ECL	%
BURKINA FASO	0	0	305,262	-12,426	144	-72	305,406	12%	-12,497	10%
BENIN	111,997	-619	149,277	-4,596	3,415	-3,164	264,689	11%	-8,379	6%
IVORY COAST	296,806	-2,395	171,220	-4,011	7,663	-5,780	475,689	19%	-12,186	9%
GUINEE BISSAU	0	0	133,504	-3,301	0	0	133,504	5%	-3,301	3%
MALI	0	0	295,331	-18,531	17,201	-16,051	312,532	13%	-34,582	27%
NIGER	0	0	242,895	-17,709	1,583	-1,583	244,479	10%	-19,293	15%
SENEGAL	63,154	-747	317,001	-7,804	27,586	-26,136	407,741	17%	-34,687	27%
TOGO	107,863	-944	208,134	-6,756	3,099	-3,023	319,095	13%	-10,722	8%
ECL LOANS (A)	**579,820**	**-4,705**	**1,822,624**	**-75,134**	**60,690**	**-55,809**	**2,463,134**	**100%**	**-135,647**	**104%**
BURKINA FASO	0	0	62,793	-960	0	0	62,793	14%	-960	23%
BENIN	18,571	-36	2,667	-11	0	0	21,238	5%	-48	1%
IVORY COAST	25,885	-27	7,000	-11	0	0	32,885	7%	-38	1%
GUINEE BISSAU	0	0	0	0	0	0	0	0%	0	0%
MALI	0	0	21,000	-478	0	0	21,000	5%	-478	11%
NIGER	0	0	46,000	-2,029	0	0	46,000	10%	-2,029	48%
SENEGAL	9,000	-107	43,414	-453	0	0	52,414	12%	-560	13%
TOGO	137,102	-1,158	73,568	-2,639	0	0	210,670	47%	-3,797	90%
HORS-UEMOA	0	0	0	0	0	0	0	0%	0	0%
ECL SECURITIES (B)	**190,558**	**-1,328**	**256,441**	**-6,582**	**0**	**0**	**446,998**	**100%**	**-7,909**	**188%**
TOTAL ECL (A+B)	**770,378**	**-6,033**	**2,079,064**	**-81,715**	**60,690**	**-55,809**	**2,910,133**	**100%**	**-143,557**	**100%**

COUNTRIES	Bucket 1		Bucket 2		Bucket 3		TOTAL 2023			
	Valeur brute des encours	ECL	Valeur brute des encours	ECL	Valeur brute des encours	ECL	Valeur brute des encours	%	ECL	%
BURKINA FASO	0	0	343,141	-11,932	692	0	343,834	14%	-11,932	9%
BENIN	112,368	-542	145,512	-3,765	4,034	-3,280	261,914	10%	-7,586	6%
IVORY COAST	293,301	-2,287	159,349	-3,720	8,183	-5,770	460,832	18%	-11,778	9%
GUINEE BISSAU	0	-10	122,524	-2,691	0	0	122,524	5%	-2,701	2%
MALI	0	0	322,926	-18,032	13,347	-8,890	336,273	13%	-26,922	21%
NIGER	0	0	258,614	-17,812	1,583	-1,583	260,197	10%	-19,395	15%
SENEGAL	184,422	-1,030	194,732	-3,394	26,681	-27,025	405,835	16%	-31,449	24%
TOGO	128,956	-1,099	212,938	-7,078	12,774	-9,870	354,669	14%	-18,047	14%
ECL LOANS (A)	**719,047**	**-4,969**	**1,759,737**	**-68,423**	**67,295**	**-56,418**	**2,546,079**	**100%**	**-129,810**	**100%**
BURKINA FASO	0	0	51,834	-896	0	0	51,834	17%	-896	21%
BENIN	10,000	-19	3,333	-16	0	0	13,333	4%	-35	1%
IVORY COAST	2,143	-3	27,000	-33	0	0	29,143	9%	-36	1%
GUINEE BISSAU	0	0	0	0	0	0	0	0%	0	0%
MALI	0	0	29,000	-654	0	0	29,000	9%	-654	16%
NIGER	0	0	41,000	-1,899	0	0	41,000	13%	-1,899	45%
SENEGAL	55,333	-162	15,000	-4	0	0	70,333	23%	-165	4%
TOGO	13,832	-110	58,700	-422	0	0	72,532	24%	-532	13%
HORS-UEMOA	0	0	0	0	0	0	0	0%	0	0%
ECL SECURITIES (B)	**81,308**	**-294**	**225,867**	**-3,923**	**0**	**0**	**307,175**	**100%**	**-4,217**	**100%**
TOTAL ECL (A+B)	**800,355**	**-5,263**	**1,985,604**	**-72,346**	**67,295**	**-56,418**	**2,853,254**	**100%**	**-134,027**	**100%**

e) Changes of gross outstanding and related ECL between buckets

FINANCIAL ASSETS AT AMORTISED COST - LOANS AND ADVANCES TO CUSTOMERS

in Millions de FCFA	Healthy assets				Impaired assets (Bucket 3)		Total		
	Assets subject to ECL one year (Bucket 1)		Assets subject to ECL at maturity (Bucket 2)						
	Gross carrying amount	Value adjustments for losses	Gross carrying amount	Value adjustments for losses	Gross carrying amount	Value adjustments for losses	Gross carrying amount	Value adjustments for losses	Net carrying amount
As at 1st january 2024	**719,047**	**-4,969**	**1,759,737**	**-68,423**	**67,295**	**-56,418**	**2,546,079**	**-129,810**	**2,416,269**
Transfers of assets during life from one bucket to another	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers from ECL 12 months (Bucket 1) to ECL Maturity (Bucket 2)	-136,942	-330	136,942	330	0	0	0	0	0
Return from ECL Maturity (Bucket 2) to ECL 12 months (Bucket 1)	0	0	0	0	0	0	0	0	0
Transfers to ECL Maturity Impaired (Bucket 3)	0	0	-7,526	-906	7,526	906	0	0	0
Return from ECL Maturity Impaired (Bucket 3) to ECL Maturity (Bucket 2) / ECL 12 months (Bucket 1)	0	0	9,176	0	-9,176	0	0	0	0
Total after transfers	582,105	-5,299	1,898,329	-68,999	65,645	-55,512	2,546,079	-129,810	2,416,269
	0	0	0	0	0	0	0	0	0
Changes in gross carrying amounts and value adjustments for losses	-2,285	-58	-72,605	-45	-8,056	609	-82,945	507	-82,438
New production: purchase, new loans, origination, etc.	172,475	-1,318	212,235	-6,761	0	0	384,709	-8,079	376,631
Derecognition: disposal, repayment, maturity, etc.	-174,759	1,260	-284,839	6,716	-4,955	3,500	-464,553	11,476	-453,077
Transfer to loss	0	0	0	0	-3,101	0	-3,101	0	-3,101
Others changes	0	0	0	0	0	-2,891	0	-2,891	-2,891
	0	0	0	0	0	0	0	0	0
Total	579,820	-5,357	1,825,724	-69,043	57,589	-54,902	2,463,134	-129,303	2,333,831
Changes in carrying amount attributable to accounting valuation methods spécificss (with no material impact on the amount of the impairment loss) (1)				- 6,344				- 6,344	
As at 31 december 2024	579,820	- 5,357	1,825,724	- 75,388	57,589	- 54,902	2,463,134	- 135,647	2,333,831

FINANCIAL ASSETS AT AMORTISED COST - DEBT SECURITIES PORTFOLIO

in Millions de FCFA	Healthy assets				Impaired assets (Bucket 3)		Total		
	Assets subject to ECL one year (Bucket 1)		Assets subject to ECL at maturity (Bucket 2)						
	Gross carrying amount	Value adjustments for losses	Gross carrying amount	Value adjustments for losses	Gross carrying amount	Value adjustments for losses	Gross carrying amount	Value adjustments for losses	Net carrying amount
As at 1st january 2024	81,308	-294	225,867	-3,923	0	0	307,175	-4,217	302,958
Transfers of assets during life from one bucket to another	-47,333	-66	47,333	66	0	0	0	0	0
Transfers from ECL 12 months (Bucket 1) to ECL Maturity (Bucket 2)	-47,333	-66	47,333	66	0	0	0	0	0
Total after transfers	33,974	-359	273,201	-3,857	0	0	307,175	-4,217	302,958
	0	0	0	0	0	0	0	0	0
Changes in gross carrying amounts and value adjustments for losses	156,584	-1,068	-16,760	-2,625	0	0	139,824	-3,692	136,131
New production: purchase, new loans, origination, etc.	162,458	-1,113	53,250	-2,785	0	0	215,708	-3,897	211,811
Derecognition: disposal, repayment, maturity, etc.	-5,874	45	-70,010	160	0	0	-75,884	205	-75,679
Total	190,558	-1,427	256,441	-6,482	0	0	446,998	-7,909	439,089
Changes in carrying amount attributable to accounting valuation methods									
spécificss (with no material impact on the amount of the impairment loss) (1)									
As at 31 december 2024	190,558	- 1,427	256,441	- 6,482	-	-	446,998	- 7,909	439,089
Contractual amounts of financial assets removed from the balance sheet during the period and still subject to enforcement measures							-		

19.1.6 Considerations of forward looking informations

19.1.6.1 Information on macroeconomic scenarios at 31 December 2024

BOAD has identified key economic variables that could impact its credit risk and expected credit losses. Among the main economic variables, the GDP growth rate appears to be the relevant indicator given the Bank's risk profile.

The impact of this economic variable on expected credit losses was determined by performing an analysis of the main components, to estimate the historical impact of changes in this variable on the market default rate at which the bank's customers are trading and on the components of expected credit losses.

The forecast of this economic variable (the "core economic scenario") is derived from reliable external sources such as the WAEMU Commission and represents the best estimate of the economy over the next few years. The impact of this economic variable on PD was determined by performing a statistical regression analysis to understand the historical impact of changes in this variable on default rates. In addition to the basic economic scenario, the bank uses two other scenarios (Optimistic scenario and Pessimistic scenario in the expected credit loss model. These probability-weighted expected credit losses are determined by taking each of the scenarios into the expected credit loss model and multiplying it by the appropriate weighting for the scenario. The central scenario, optimistic scenario and pessimistic scenario are weighted at 63.27%, 10.87% and 25.87% respectively. Scenario weightings are determined by a combination of statistical analysis and credit expert judgment, taking into account the range of possible outcomes that each scenario represents
The GDP history used and presented in the table below was obtained from the WAEMU Commission website.

Year	2022	2023	2024	2025	2026
GDP growth rate_Optimistic	6.33%	8.73%	8.01%	7.59%	7.53%
GDP growth rate_Central	5.94%	8.34%	7.62%	7.19%	7.14%
GDP growth rate_Pessimistic	5.54%	7.94%	7.22%	6.8%	6.74%

Projections in the optimistic and pessimistic scenarios are obtained by adding or subtracting a standard deviation (calculated on historical data of the variable) from the commission's projections.

At the end of December 2024, the net allocations from Stage 1/ Stage 2 provisions represented 27.37% of the BOAD risk cost compared to 72.63% for the share of Stage 3 proven risk.

19.1.6.2 Sensitivity analysis of macroeconomic scenarios for calculating expected credit losses on bucket 1 and 2 loans

Variation in ECL of a switch to 100% of the scenario		
Central scenario	Optimistic scénario	Pessimistic scenario
0.08%	-1.06%	+0.23%

This sensitivity on ECLs was defined according to central parameters.

The calculated ECL are derived from the provisioning model without adjustments.

19.2. Market risk

19.2.1. Exchange risk- operations in foreign currencies

Exchange risk is the possibility of recording losses due to an unfavorable evolution of exchange rate on the market. At BOAD, the exchange risk arises out of the fact that a part of the loans is issued in foreign currencies, while the balance sheet assets is quoted in XOF. The Bank can therefore record losses in profitability, due to adverse changes in the price of currencies against the Euro. Parity between Euro and XOF is fixed.

19.2.1.1 Hedge accounting

To hedge the fluctuations in these currencies price, the Bank signed hedging agreements (forward contracts and cross currency swap) on its borrowings in SDR and dollars. Through these agreements, the Bank has hedged 100% of its foreign currency risk excluding euros. As at the closing date, most agreements signed have a maturity of less than a year renewable at each maturity. The Bank's policy is to align the essential conditions of hedging agreements with hedged items'ones.

Economic link determination

The Bank determines the existence of an economic link between the hedging instrument and the hedged item depending on the currency, amount and schedule of their respective cashflows.
The essential conditions (such as nominal value, maturity and underlying) of the hedging instrument and the hedged item are in perfect agreement. The characteristics of the loans and their hedging instruments are identical. As a result, the two vary in opposite directions at the instigation of the same risk. In accordance with IFRS 9-B6.4.14, there is an economic link between the loans denominated in currencies other than euros of the Bank and the hedging instruments put in place.

Coverage ratio

The Bank covers all of its exposure to currency exchange risk (excluding euros). The amounts covered are the same as the notional amounts of the cover. As a result, the coverage ratio is 100%.

Sources of ineffectiveness

For all of the hedging instruments, the ineffectiveness could arise from certain decision-making affecting the maturities and timelines of the hedged items such as the early repayments of certain loans questionning the concordance between the characteristics of the hedged items and the instruments cover.

As of December 31, 2024, hedge ineffectiveness is considered not significant

Notional schedule

As of December 31, 2024, the schedule for the notional hedges is the same as that for the hedged loans.

The following table presents the fair value and notional amounts of derivative financial assets and liabilities as at 31 December 2024 and 2023 respectively:

		31 December 2024			31 December 2023		
Financial instruments	Notes	Assets	Liabilities	Notional/ Outstanding	Assets	Liabilities	Notional/ Outstanding
Derivative assets-fair value hedge	7	0	0	0	-	-	-
Derivative assets-cash flow hedge		108,895	0	1,174,738	43,680	-	1,142,322
Derivatives liabilities-fair value hedge	11	0	1,794	48,496	-	3,488	58,849
Derivatives liabilities-cash flow hedge		0	1,573	252,743	-	-	-
Total		108,895	3,366	1,475,977	43,680	3,488	1,201,171

The derivative assets come from the positive variation of the value of all the derivatives instruments (on the dollar and SDR credit lines and on 2027 and 2031 Eurobonds at 31 December 2023).

19.2.1.2 Debt structure as at 31 December 2024

The debt structure of the principal of the other borrowings from external partners and debts represented by securities are presented as at 31 December 2024 as follows:

Debt structure as at 31 December 2024							
Currencies	Currency amount	Exchange rate as at 31/12/2024	Present outstanding amount (millions of XOF)		% of total borrowings (D)	excluding Euro (A)	borrowings (B)
USD	1,772,411	631.400	1,119,100		45.36%	95.94%	45.36%
DTS	57,543	822.832	47,348		1.92%	4.06%	1.92%
TOTAL EXCLUDING Euros (A)	0	-	1,166,449	47.28%	47.28%	100.00%	0.00%
Euro	1,982,827	655.957	1,300,649	52.72%	52.72%	0.00%	52.72%
TOTAL EXCLUDING F CFA (B)			2,467,098	100%			
F CFA for domestic bond issues ('C)					0.00%		
TOTAL BORROWINGS D= (B)+('C)			2,467,098		100%		100%

The debt structure of the principal of the other borrowings from external partners and debts represented by securities are presented as at 31 December 2023 as follows:

Debt structure as at 31 December 2023							
Currencies	Currency amount	Exchange rate as at 31/12/2023	Present outstanding amount (millions of XOF)		% of total borrowings (D)	excluding Euro (A)	borrowings (B)
JPY	-	-	-				
USD	1,770,354	593.630	1,050,935		48.76%	95.54%	48.76%
DTS	61,505	797.447	49,047		2.28%	4.46%	2.28%
CHF	0	-	0		0.00%	0.00%	0.00%
TOTAL EXCLUDING Euros (A)			1,099,982	51.03%	51.03%	100.00%	
Euro	1,609,096	655.957	1,055,498	48.97%	48.97%		48.97%
TOTAL EXCLUDING F CFA (B)			2,155,480	100%			
F CFA for domestic bond issues ('C)			0		0.00%		
TOTAL BORROWINGS D= (B)+('C)			2,155,480		100%		100%

19.2.1.3 Analysis of sensitivity to exchange risk

Exchange rate sensitivity is measured in terms of impact of exchange rate variations on loan repayments. A positive impact is equivalent to a savings made on the repayment amount (gain) while a negative impact means an increased cost on repayment (loss). The market value as at closing of the accounts (31/12/2024) is the real value as at that date

and +/-1% variations are anticipated value in the quarter following the date of reporting. It should be noted that all loans are granted in XOF and repaid in XOF.
The balance sheet impact of the analysis of sensitivity to exchange risk is nil due to the hedges put in place. (see Note 15)

19.2.2. Interest rate risk

It is the risk for the Bank to see its profitability negatively affected by adverse changes in interest rates. Interest rate risk occurs when assets of a given rate and period are backed by liabilities of a period and/or a different type of rate.

19.2.2.1 Sources of exposure to interest rate risk and mitigating strategy of the Bank

The Bank's exposure to interest rate risk is caused by (i) sensitivity to interest rate associated with the margin between the rate that the Bank applies to its assets and the rate at which it contracted borrowings that finance its assets (ii) sensitivity to interest rate associated with the margin the Bank earns on its assets funded on equity capital and (iii) rate of interest associated with the margin that the Bank earns on its assets funded both on equity and loans.

The Bank's financial policy seeks to optimize profitability by ensuring a correct affiliation between the characteristics of each asset category and those of the corresponding liability. It is worth noting that the Bank's assets and liabilities are at fixed rates. Thus, the Bank does not apply any hedging accounting to hedge against the interest rate risk

19.2.2.2 Interest rate risk sensitivity analysis

The Bank's balance sheet may be analyzed based on several parameters including: (i) balance sheet and off-balance sheet, (ii) Banking activity only, or (iii) FDC and FDE activities only. Then, based on the yield curve, there is a +/-1% variation of different market rates. The results of the analysis are summarized in the table below:

Scope (excluding off-balance sheet commitments)	31/12/2024		31/12/2023	
	Variation	Impact on 2024 results	Variation	Impact on 2023 results
Banking activity Only	+ 100 basis points	5815	+ 100 basis points	8016
Banking activity Only	- 100 basis points	-5815	- 100 basis points	-8016
FDC activity Only	+ 100 basis points	-1834	+ 100 basis points	-2895
FDC activity Only	- 100 basis points	1834	- 100 basis points	2895

It appears from the sensitivity test that the Bank's balance sheet profile presents a gap of resources on FDC and FDE activities. It should be noted that the Bank does not borrow at variable rates according to its interest rate management policy.

19.3. Liquidity risk

Liquidity risk is the institution's risk of not meeting its financial commitments on time and at reasonable cost. This is addressed by measuring the degree of processing and adequacy between resources and its use. The Asset-Liability management (ALM) committee, by analyzing the gaps and durations, sees to the adequacy, in terms of amount and duration, uses and resources, thereby contributing to liquidity risk management.

19.3.1 Details of maturities of assets and liabilities

Details of maturities of assets and liabilities on an undiscounted basis is presented as at 31 December 2024 as follows:

	DURING 2025			BEYOND		
	]0 month; 1 month]	]1month;6 months]	]6 months ; 12 months]	]1 year; 5 years]	>5 years	Total
Cash + Bank - opening balance	410,405	0	0	0	0	410,405
Term deposits	42,000	63,500	0	0	0	105,500
Assets held for sale	0	0	12,711	0	0	12,711
Loans and advances to banks	5,000	28,989	0	0	0	33,989
Loans and advances to customers	19,423	153,484	275,842	1,108,049	815,802	2,372,600
Loans and advances to staff	457	2,237	3,080	10,961	7,241	23,977
Debt securities portfolio	6,792	170,342	109,751	287,574	58,013	632,471
Equity investments	0	0	0	0	157,661	157,661
Shareholders receivables	0	0	0	0	5,075	5,075
Derivatives assets	0	0	0	58,138	50,757	108,895
Accruals assets	0	0	9,458	0	0	9,458
Other assets	0	0	0	0	11,860	11,860
TOTAL ASSETS excluding tangible and intangible assets (A)	484,077	418,551	410,841	1,464,723	1,106,409	3,884,601
Deposits from banks (CAURIS, ROPPA, AFD)	7,913	0	0	0	0	7,913
Debts securities issued	0	0	0	536,690	1,016,030	1,552,720
Other debts	1,420	32,157	38,861	377,190	481,178	930,806
Subordinated debts	0	0	0	0		0
Earmarked funds	0	0	0	0	105,291	105,291
Provisions	0	0	0	0	13,185	13,185
Derivatives liabilities	0	0	0	1,794	1,573	3,366
Accruals liabilities	0	0	24,351	0	0	24,351
Others liabilities	0	0	0	0	15,601	15,601
Financial Guarantees issued	0	0	0	17,500	0	17,500
TOTAL LIABILITIES (excluding equity) (B)	9,332	32,157	63,213	933,174	1,632,858	2,670,733

Details on maturities of assets and liabilities as at 31 December 2023 are presented as follows:

	DURING 2024			BEYOND		
	]0 month; 1 month]	]1month;6 months]	]6 months; 12 months]	]1 year; 5 years]	>5 years	Total
Cash + Bank - opening balance	341,016	0	0	0	0	341,016
Term deposits	0	78,500	0	0	0	78,500
Assets held for sale	0	0	12,711	0	0	12,711
Loans and advances to banks	0	0	4,299	0	0	4,299
Loans and advances to customers	22,570	112,852	260,063	1,095,378	971,129	2,461,992
Loans and advances to staff	422	2,065	2,844	10,119	6,685	22,136
Debt securities portfolio	7,917	65,301	21,542	170,036	62,835	327,631
Equity investments	0	0	0	0	159,796	159,796
Shareholders receivables	0	0	5,761	0	0	5,761
Derivatives assets	0	0	0	19,247	24,434	43,680
Accruals assets	0	0	4,338	0	0	4,338
Other assets	0	0	0	0	11,879	11,879
TOTAL ASSETS excluding tangible and intangible assets (A)	371,925	258,717	311,558	1,294,780	1,236,759	3,473,740
Deposits from banks (CAURIS, ROPPA, AFD)	6,814	0	0	0	0	6,814
Debts securities issued	0	0	28,908	499,516	979,024	1,507,447
Other debts	1,420	22,873	28,195	322,064	242,690	617,241
Earmarked funds	0	0	0	0	59,363	59,363
Provisions	0	0	0	0	79,638	79,638
Derivatives liabilities	0	0	0	0	11,938	11,938
Accruals liabilities	0	0	0	3,488	0	3,488
Other liabilities	0	0	14,393	0	5,031	19,425
Financial Guarantees issued						
TOTAL LIABILITIES (excluding equity) (B)	8,233	22,873	71,496	825,068	1,377,684	2,305,354

Furthermore, the Bank has a liquidity policy, which ensures that, at any time, the Bank has a liquidity reserve to make disbursements on its banking and administrative operations, as well as for debt servicing. The standard practice is to hold liquid assets of at least nine (9) to twelve (12) months of net disbursements on loans (*disbursements on loans minus repayments obtained and repayment of debt incurred*).

19.3.2 Details of liquidity reserves

Details of liquidity reserves are as follows as at 31 December 2023 and 31 December 2024:

	2024		2023	
Liquidity reserves	Carrying amount	Fair value	Carrying amount	Fair value
Cash accounts	87	87	76	76
Balances with central banks	376,381	376,381	324,130	324,130
Cash and balances with other banks	108,630	108,630	83,086	83,086
Other cash and cash equivalents	30,806	30,806	12,225	12,225
Unencumbered debt securities issued by sovereigns	466,980	428,543	276,844	276,844
Undrawn credit lines granted by central banks (*)	0	0	0	0
Other assets eligible for use as collateral with central banks	2,135,340	2,162,200	2,215,793	2,230,998
Total liquidity reserves	3,118,224	3,106,647	2,912,153	2,927,358

(*) BOAD has not a credit lines granted by central Bank (BCEAO).

19.3.3 Details of the liquidity guarantees

Details of the liquidity guarantees are as follows as of 31 December 2023 and 31 December 2024:

		2024				
		Encumbered		Unencumbered		Total
	Note	Pledged as collateral	Other	Available collateral	Other	
Cash and cash equivalents	4	33	0	515,872	0	515,905
Trading assets		0	0	0	0	0
Derivative assets held for risk management	7	0	0	108,895	0	108,895
Loans and advances	5.2	0	0	2,372,600	0	2,372,600
Investment securities	5.2	0	0	632,471	0	632,471
Non financial assets	7.2 ; 7.3 et 8	0	0	42,905	0	42,905
Total assets		33	0	3,672,743	0	3,672,775

		2023				
		Encumbered		Unencumbered		Total
	Note	Pledged as collateral	Other	Available collateral	Other	
Cash and cash equivalents	4	33	0	419,483	0	419,516
Trading assets		0	0	0	0	0
Derivative assets held for risk management	7	0	0	43,680	0	43,680
Loans and advances	5.2	0	0	2,461,992	0	2,461,992
Investment securities	5.2	0	0	327,631	0	327,631
Non financial assets	7.2 ; 7.3 et 8	0	0	37,210	0	37,210
Total assets		33	-	3,289,997	-	3,290,030

*The total financial asset recognised in the statement of financial position that has been pledged as collateral for liabilities at 31 december 2024 and 2023 is shown in the preceding table.

The amount pleadged as collateral concerns only the cash collateral for derivatives.

At 31 december 2024, for derivative liabilities held for risk management, bank has posted cash collateral with its counterparties for which it has recognised receivable of FCFA 33 million (same amount at 31 december 2023). Theses receivables are regarded as encumbered and included in cash and cash equivalent.

19.4. Operational risk

The implementation of operational risk is based on the Basel standards for compliance with international best practices.
The approach aims at achieving the following objectives: (i) increase risk control by developing a risk culture at the Bank, (ii) understand upstream risks caused by the development of activities, (iii) keep top management informed about major risks and their monitoring mechanisms and (iv) improve internal controls.
This will help in directing efforts based on the priority nature of the risks and taking measures to improve the internal control system.
The operational risk management approach is based on the establishment and annual updating of the risk map. The methodology used has the following characteristics:

- the approach per business with the creation and updating of a process mapping;
- the identification of risks using the Basel risk categories help in refining the risk types;

- the rating of the risks identified;
- the rating of net risks from a grid defining the levels of probability and severity (impact);
- the identification of action plans to reduce such risks;
- the appointment of a risk owner for each identified risk.

The incidents database is developed and updated with incidents collected through the Operational Risk Correspondents, an automated tool and gradually consolidated to obtain the sufficient depth losses for their analysis.

19.5 Climate-related risks

Risks induced by climate change may have future negative effects on the Bank's activities. These risks include transition risks (e.g. changes to sustainability regulations and reputational risks) and physical risks (although the risk of physical damage is low due to the Bank's activities and geographical location).

The Bank is firmly committed to the progressive roll-out of **IFRS S1** and **IFRS S2** with the objective of achieving full implementation of these sustainability standards within a 2-year horizon. The initial results of this commitment are presented below.

19.5.1 Integrating ESG aspects into the Bank's activities and risk management system

This integration follows a complementary movement of ambition and commitment on the part of the WADB in terms of compliance with E&S standards and the strengthening of regulatory requirements. Within this framework, the Bank is carrying out several actions, namely joining several task forces and launching programmes. The actions most relevant to the application of the new IFRS Sustainability standards are as follows:

- the task force on climate-related financial disclosures (TCFD): this is an initiative born out of COP21 to make companies' climate strategy transparent. The Bank's implementation of the task force's recommendations puts it in a better position to apply IFRS sustainability standards;

- the Task Force on Nature and Biodiversity (TCND): after joining, the Bank is currently testing the framework in a pilot;
- the 'ESG by design' programme launched by the Bank in March 2022, particularly its E&S Risk management (ESRM) component.

This programme is designed to anchor our action in sustainability and systematise ESG in all strata of the Bank and its processes through three actions which consist of:

(i) clarify E&S norms and standards: broaden the analysis framework and extend the exclusion list, with a focus on the transition to financing more environmentally sustainable and socially responsible projects,
(ii) produce a new risk map, including extra-financial standards and the duty of care: include a declaration of extra-financial performance, which must present information on the way in which the Bank takes into account the social and environmental consequences of its activity,
(iii) formalising three (3) lines of defence or levels of analysis (LOD 1, LOD 2 and LOD 3): strengthening the system of lines of defence in terms of environmental, social and governance analysis and integrating additional players for second opinions between the lines, particularly in the event of divergence.

19.5.2 Line of Defense 2 and the "Credit Risk" Function

The Bank's objective at this level is to take into account the impact of climate on risk-weighted assets (RWA). It is imperative to understand that climate risk can transform into credit risk, and will therefore require an additional capital charge and/or an adjustment to transaction pricing.
It will be necessary to refine LOD2 E&S by strengthening our expertise in ESG risk, and more specifically environmental risk (Climate, then Biodiversity).
This expansion of our risk framework, initially to Climate, underpins our decarbonization strategy, to which the Bank is committed and which is currently being established. The E&S risk management system therefore aims to meet the obligations of extra-financial transparency and the duty of vigilance regarding the risks of serious harm to the environment, human rights, fundamental freedoms and the fight against modern slavery.

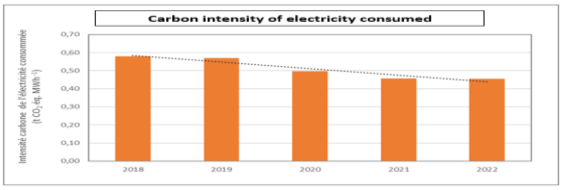
19.5.3 Commitment to a carbon neutral project

The Bank has indicated that it is committed to an internal process aimed at achieving carbon neutrality (this provision is part of IFRS S2) by 2030. The year 2022 was chosen as the reference year for the inventory. This carbon audit was carried out by a specialist consultancy in close collaboration with the Bank for the collection of data, the selection of emission factors and the analysis of the results. This inventory concerns only Scope 1, Scope 2 and Scope 3 (excluding category 15, which relates to GHG emissions associated with the portfolio of projects financed by the BOAD).

The results of this first carbon assessment are as follows:

BOAD's carbon footprint

Categories of emissions	t CO2eq. year-1	Contribution (%)
Scope 1	672	22.3%
Scope 2	1 126	37.5%
Scope 3	1 210	40.2%
Carbon footprint	3 008	100%
GHG emissions per employee	9.14 t CO2eq per employee	



The carbon footprint per employee for the 329 employees of BOAD reached 9.14 tCO2eq in 2022, which is well below the 20 t CO2eq. per employee of the *Agence Française de Développement* (French Development Agency) at the beginning of its carbon neutrality process in 2007.

Headquarters	t CO_2eq. year^{-1}	Contribution (%)
Scope 1	**630,735**	**22.6%**
vehicle fleet	63,990	2.3%
Generators	24,289	0.9%
Air-conditioning systems	542,456	19.4%
Scope 2	**958,697**	**34.2%**
Electricity – *CEET (Power Company)*	958,697	34.3%
Solar electricity	0,000	0.0%
Scope 3	**1 209,561**	**43.2%**
business trips	681,782	24.4%
Commuting	413,722	14.8%
Management of Resident Missions	3,500	0.1%
Internet et telecommunication.	8,441	0.3%
consumables	9,179	0.3%
Computer hardware	92,937	3.3%
Total	2 798,992	100.0%

The BOAD is firmly committed to reducing its GHG emissions through an NZI (Net Zero Initiative) approach. The next stage of the exercise will be to define a net zero trajectory for each of the Bank's entities responsible for emissions.

With regard to scope 3 (category 15), the Bank has chosen to carry out, with the assistance of experts, a materiality analysis of its balance sheet over two financial years in terms of the Climate and Biodiversity impacts of the operations financed in line with the Climate strategy approved by its Board of Directors. In addition, the review of sectoral policies currently being finalised has introduced the notion of sustainability.

NOTE 20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below presents the classification of the Bank’s assets and liabilities as well as their fair value as at 31 December 2024.

20.1 Classification of financial instruments

As at 31 december 2024, the classification of financial assets and liabilities is as follows:

Financial instruments	Financial assets and liabilities			Financial assets and liabilities at amortized cost	Total amount of book value	Total amount of fair value
	through profit and loss	through OCI recyclable	through OCI non recyclable			
- Cash and cash equivalents	0	0	0	515,905	515,905	515,905
- Loans and advances to banks	0	0	0	33,989	33,989	33,989
- Debt Securities portfolio	0	0	0	632,471	632,471	591,061
- Loans and advances to customers	0	0	0	2,372,600	2,372,600	2,372,600
- Loans and advances to staff	0	0	0	23,977	23,977	23,977
- Shareholders receivables	0	0	0	5,075	5,075	5,075
- Equity investments	10,625	0	147,036	0	157,661	157,661
- Derivative assets	108,895	0	0	0	108,895	108,895
Total amount of financial assets	119,520	0	147,036	3,584,016	3,850,572	3,809,162
Borrowings	0	0	0	2,482,092	2,482,092	2,339,801
Derivative liabilities	3,366	0	0	0	3,366	3,366
Total amount of financial liabilities	3,366	-	-	2,482,092	2,485,459	2,343,167

As at 31 december 20223 the classification of financial assets and liabilities is as follows:

Financial instruments	Financial assets and liabilities			Financial assets and liabilities at amortized cost	Total amount of book value	Total amount of fair value
	through profit and loss	through OCI recyclable	through OCI non recyclable			
- Cash and cash equivalents	0	0	0	419,516	419,516	419,516
- Loans and advances to banks	0	0	0	4,299	4,299	4,299
- Debt Securities portfolio	0	0	0	327,631	327,631	327,631
- Loans and advances to customers	0	0	0	2,461,992	2,461,992	2,461,992
- Loans and advances to staff	0	0	0	22,136	22,136	22,136
- Shareholders receivables	0	0	0	5,761	5,761	5,761
- Equity investments	10,181	0	149,615	0	159,796	159,796
- Derivative assets	43,680	0	0	0	43,680	43,680
Total amount of financial assets	53,862	1	149,616	3,241,336	3,444,812	3,444,812
Borrowings	0	0	0	2,190,865	2,190,865	2,190,865
Derivative liabilities	3,488	0	0	0	3,488	3,488
Total amount of financial liabilities	3,488	-	-	2,190,865	2,194,353	2,194,353

20.2 Levels of fair values

The following table presents the analysis of financial instruments measured at fair value at the reporting date, based on the level of the fair value hierarchy in which their measurement is classified. Amounts are based on the values recognized in the statement of financial position.

Fair values include all differences deferred between the transaction price and the fair value at initial recognition when the fair value is determined using a valuation technique based on unobservable data:

	Active market prices (level 1)		Evaluation techniques, of which all critical data are based on observable market data (level 2)		Evaluation techniques, of which all critical data are not based on observable market data (level 3)		Total amount	
	2024	2023	2024	2023	2024	2023	2024	2023
Derivative assets	-	-	108,895	43,680	-	-	108,895	43,680
Equity investments designated at fair value through P&L	-	-	10,625	10,181	-	-	10,625	10,181
Equity investments designated at fair value through OCI non-recyclable	6,404	10,797	-	-	140,634	138,817	147,038	149,615
Total amount of financial assets	**6,404**	**10,797**	**119,520**	**53,862**	**140,634**	**138,817**	**266,559**	**203,477**
Derivative liabilities			3,366	3,488	-	-	3,366	3,488
Total amount of financial liabilities	**-**	**-**	**3,366**	**3,488**	**-**	**-**	**3,366**	**3,488**

The following table shows a reconciliation of the opening balances to the ending balances for instruments measured at fair value as at 31 December 2024 and 31 December 2023:

2024	Trading assets		Loans and advances to customers	Investment securities			Trading liabilities	Total
	Asset backed securities	OTC structured derivatives		Asset backed securities	Retained interest in securitisations	Equities	OTC structured derivatives	
Balance at 1 January	-	-	-	-	-	138,817	-	138,817
Total gains or losses :	-	-	-	-	-	-3,473	-	-3,473
in profit or loss	-	-	-	-	-	-	-	-
in OCI	-	-	-	-	-	-3,473	-	-3,473
Purchases	-	-	-	-	-	-	-	-
Issues	-	-	-	-	-	5,791	-	5,791
Settlements	-	-	-	-	-	-503	-	-503
Transferts into Level 3	-	-	-	-	-	-	-	-
Transferts out of Level 3	-	-	-	-	-	-	-	-
Balance at 31 December 2024	-	-	-	-	-	140,632	0	140,632

2023	Trading assets		Loans and advances to customers	Investment securities			Trading	Total
	Asset backed securities	OTC structured derivatives		Asset backed securities	Retained interest in securitisations	Equities	OTC structured derivatives	
Balance at 1 January	-	-	-	-	-	123,687	-	123,687
Total gains or losses :	-	-	-	-	-	12,038	-	12,038
in profit or loss	-	-	-	-	-	-	-	-
in OCI	-	-	-	-	-	12,038	-	12,038
Purchases	-	-	-	-	-	-	-	-
Issues	-	-	-	-	-	18,364	-	18,364
Settlements	-	-	-	-	-	-15,271	-	-15,271
Transferts into Level 3	-	-	-	-	-	-	-	-
Transferts out of Level 3	-	-	-	-	-	-	-	-
Balance at 31 December 2023	-	-	-	-	-	138,817	0	138,817

Other instruments measured at fair value are classified in level 1 and level 2.

The instruments held by the Bank are valued using the same fair value methods as in previous years. There is no transfer of instruments between the different fair value levels.

20.3 Valuation techniques of fair values

The table below records the valuation techniques of fair values at level 2 and 3 for financial instruments recognized at fair value in the balance sheet and key non-observable data used.

Type of financial instrument	Valuation techniques	Significant unobservable inputs	Fair value sensitivity to unobservable inputs
Forward foreign currency contracts	Futures price fixing Fair value is calculated using quoted forward exchange rates at the reporting date and commuted value measurements based on high-quality contract yield curve / yield curves.	All inputs of values calculation are observables	There is'nt any sensivity to anobservalbe inputs
Equity investments/securities	Sales comparison approach/ Discounted Cash Flow/ Net book value The fair value is estimated based (i) on the last market prices of comparable assets (normally up to 12 months), entered into under normal market conditions or a firm bid on more than 15% of the existing stock or (ii) the net present value is calculated using a discount rate of equity investments with similar risk/yield couple adjusted to take account of finance structure (provided that the entity has generated positive cashflow from operating activities during at least the two previous years), or (iii) the mathematical value based on the last financial statements available.	- Risk-adjusted disopunted rate ; - Percentage of interest in the shareholding and the net asset	The estimated fair value would increase (decrease) if: - Risk-adjusted disopunted rate were lower (higher); - -Percentage of interest in the shareholding and the net asset increase (decrease).

NOTE 21. LEASES

21.1. As a lessor

21.1.1 Future minimal payments

As at 31 décember 2024, the amount of future minimum payments for non-cancellable lease contracts is as follows:

In millions of F CFA	2024	2023
Less than one year	141	91
Between one and five years	623	421
More than five years	961	657

22.1.2 Amounts recognized as net income

Income from lease contracts is recognized as" other operating income "as follows:

Items	2024	2023
Office rental income	141	91
Income from investment properties	0	0
TOTAL	141	91

21.2. As a lessee

21.2.1 Future minimal payments

As at 31 December 2024, future minimum payments for non-cancellable simple lease contracts are as follows:

In millions of F CFA	2024	2023
Less than one year	212	196
Between one and five years	934	872
More than five years	538	1,371

21.2.2 Amounts recognized as net income

Items	2024	2023
Conditional rent payments	193	182
TOTAL	193	182

NOTE 22. TRANSACTIONS WITH RELATED PARTIES

22.1. Loans to member countries

The outstanding loans to member countries is broken down as at 31 December 2024 as follows:

COUNTRIES	Number of loans	Amount disbursed on signed loans					% Outstanding amounts	Undisbursed amounts
		FDC (1)	FDE (2)	PSCM (3)	PSPUM (4)	TOTAL (4) = (1+2+3)		
BURKINA	86	143,186	14,302	90,292	16,771	264,550	14.54%	205,557
BENIN	114	140,537	10,329	46,733	9,224	206,824	11.37%	305,058
GUINEE BISSAU	52	111,152	16,350	5,955	-	133,457	7.33%	64,692
MALI	80	154,009	9,616	64,335	24,984	252,945	13.90%	215,394
NIGER	94	135,494	23,356	61,123	8,000	227,973	12.53%	282,117
IVORY COAST	102	98,663	26,426	73,480	52,856	251,425	13.82%	484,430
SENEGAL	124	145,448	21,569	106,661	22,001	295,680	16.25%	392,698
TOGO	76	148,655	46	38,123	-	186,824	10.27%	235,602
TOTAL	728	1,077,143	121,995	486,702	133,837	1,819,677	100.00%	2,185,546

As at 31 December 2023, the distribution of outstanding loans to States was as follows:

COUNTRIES	Number of loans	Amount disbursed on signed loans					% Outstanding amounts	Undisbursed amounts
		FDC (1)	FDE (2)	PSCM (3)	PSPUM (4)	TOTAL (4) = (1+2+3)		
BURKINA	81	147,155	14,320	95,162	17,718	274,354	14.3%	156,440
BENIN	106	137,042	11,281	54,462	7,108	209,894	11.0%	283,545
GUINEE BISSAU	52	102,593	13,696	6,234	0	122,524	6.4%	73,671
MALI	76	165,584	10,568	63,173	23,568	262,893	13.7%	175,791
NIGER	91	142,646	25,714	118,669	8,000	295,029	15.4%	255,524
IVORY COAST	89	100,919	27,031	73,894	34,869	236,713	12.4%	345,168
SENEGAL	110	143,913	24,158	115,140	40,279	323,490	16.9%	280,994
TOGO	69	154,430	77	33,783	0	188,289	9.8%	183,259
TOTAL	674	1,094,282	126,846	560,517	131,541	1,913,187	100.0%	1,754,391

Loans granted to member countries are subject to intervention limits presented in Note 20.1.1. They are granted for a maximum period of eighteen (18) years (duration of FDC loans) with a five (5) years' grace period.

22.2. Loans guaranteed by AGF West Africa (Ex GARI Fund)

The Bank holds shares in the capital of the AGF West Africa Funds (Ex-GARI Fund). Outstanding loans guaranteed by AGF West Africa Funds (Ex-GARI Fund) amounts to XOF 12,769 M as at 31 december 2024 for a guaranteed amount of XOF 5,843 M.
Details of these outstandings and their guarantees are as follows:

Items	Outstanding amounts as at 31 December 2024	Guaranteed part	Guarantee ratio
NIGERLAIT	0	0	0%
USINE PHARMAC. DO-PHARMA	2,928	982	34%
MODERN. USINE PHARMAQUICK	602	301	50%
PHARMIVOIRE RCI	1,928	886	46%
MDS BURKINA	144	86	60%
SCS CARTONNERIE	2,251	1,129	50%
MOULIN MODERNE DU MALI	2,011	1,006	50%
PARENTERUS	2,905	1,453	50%
TOTAL	12,769	5,843	

22.3. Remunerations of senior executives and corporate officers

The remuneration of senior executives and corporate officers is as follows

Items	2,024	2,023
Salaries and gratuities	9,375	7,822
Pension contributions	512	463
Financial costs and services/pension	480	418
Financial costs/pension	428	355
Compensation to Board of Directors	25	64
Sub-total 1	**10,820**	**9,122**
Pension benefit obligations	7,446	6,490
Sub-total 2	**7,446**	**6,490**

The remuneration of the President and Vice-Presidents are fixed by the governing bodies (*Council of Ministers and Board of Directors*) while remunerations of Managers are based on the Bank's salary scale.
Retirement commitments correspond to benefits granted to senior executives upon their final departure from the Bank.

NOTE 23. OFF-BALANCE SHEET COMMITMENTS

23.1 Commitments received

These commitments are funding agreements given to the Bank by foreign lenders and the guarantees received from regional funds for customers. These commitments are as follows:

Commitments received	31 December 2024	31 December 2023
Loan commitments to be drawn (a)	384,657	349,541
Guarantees received from Regional Funds (b)	7,940	12,562
Guarantees received from international insurers (c)	333,751	301,980
Total	**726,348**	**664,083**

a) Commitments to be drawn are the remainder of loans yet to be mobilized on loans obtained from donors.
b) The Bank receives for its loans guarantees that are not financial (mortgage, pledge, collateral, etc.).
c) The Bank covers the credit risk of part of its outstanding loans through insurance policies signed with international insurers. The guarantee on the outstanding amount covered by these policies as at 31 December 2024 amounts to XOF 333,751 M.

23.2 Commitments given

The commitments given are mainly related to loan and equity agreements signed with various beneficiaries of BOAD's financing. These commitments are presented as follows:

Commitments given	31 December 2024	31 December 2023
Loan commitments given (a)	2,749,441	2,275,474
Advances for the financing of studies	35,662	30,026
Equity investment commitments (b)	79,691	60,745
Sureties and other guarantees	17,500	40,000
Credit insurance premiums to be paid (c)	21,137	22,708
Total	2,903,432	2,428,953

(a) Loan commitments given correspond to financing agreements whose execution depends on the compliance with suspensive conditions or whose actual disbursement depends on drawing requests from the borrower.

(b) Commitments for equity investments relate to BOAD’s unpaid subscriptions to the capital of the following companies. The detail is presented as follows:

COMMITMENTS FOR EQUITY INVESTMENTS (in XOF 'M)	31 December 2024	31 December 2023
Cauris Croissance II Fund	1,791	1,791
Amethis West Africa (AWA)	282	282
Investors and Partners for Development Fund 2	482	482
Investment fund dedicated to the development of financial services in WAEMU	3,055	6,078
I&P Afrique Entrepreneurs 2 (IPAE2) Fund	600	694
Cauris Croissance IV fund	5,000	5,000
ECP Africa Fund IV	379	334
AFIG Fund II	408	408
ADIWALE FUND I	765	1,319
Seed Funds	12,000	12,000
Infrastructure Funds	26,238	26,238
Infrastructure Acceleration Fund (IAF)	5,989	6,120
I&P Afrique Entrepreneurs 3 (IPAE2) Fund	5,000	0
African Green Infrastructure Alliance Project Development Fund (AGIA-PD)	9,839	0
BOAD Titrisation Togo	800	0
BOAD Market Solutions in Ivory Coast	2,300	0
Air Côte d'Ivoire (third capital increase)	4,763	0
TOTAL	79,691	60,746

(c) During the 2023 financial year, the Bank concluded credit insurance policies with insurers having a better international rating (A, A+, etc.). The purpose of this transaction is to reduce the Bank's exposure risk and to benefit from the effect of the better rating of these insurers which should enable the Bank, in time, to improve its own rating. The cost of committing to future payments under these policies amounts to XOF 21,137 M as at 31 December 2024 compared to XOF 22,708 M as at 31 December 2023.

NOTE 24. EFFECTS OF THE SECURITY AND SOCIO-POLITICAL SITUATION ON THE FINANCIAL STATEMENTS OF THE BANK

24.1 Conflict in Ukraine

The conflict between Russia and Ukraine, which began in February 2022, is having an impact on the WAEMU zone, particularly through the increase in the price of fuel and certain essential goods, leading to widespread inflation in the zone. Public counterparties, the Bank's main customers, could be impacted by this situation, which would increase their deficit and therefore their credit quality. Private counterparties are also facing this difficult economic situation. Nevertheless, it should be noted that at the balance sheet date, no counterparty had been prevented from fulfilling its obligations to BOAD as a result of this situation.

24.2 Israeli-Palestinian conflict

Since October 7, 2023, there has been a conflict in the Middle East. This conflict has had repercussions on the WAEMU region, particularly through increased prices for fuel and certain products that must travel the Asia-Africa route. Some counterparties could be impacted by this situation. However, as of the financial statements closing date, no counterparty has been prevented from fulfilling its obligations to BOAD in connection with this situation.

24.3 Security and socio-political context within the ECOWAS zone

BOAD's area of operation remains impacted by the socio-political and security situation in certain countries.

BOAD, in accordance with its prudent provisioning policy, has taken this evolving political situation into account in preparing its financial statements as of December 31, 2024.

NOTE 25. SUBSEQUENT EVENTS

As of the date of closing of the accounts on December 31, 2024 by the BOAD Board of Directors, the Bank's Management has not noted any subsequent event likely to influence the financial situation and results of the Bank.