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BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD)

Statutory Auditors' report on the 2019 half year financial information

This is a free translation into English of the independent auditors' review report on the condensed financial information issued in French and is provided solely for the convenience of English-speaking users.

For the six months period ended June 30, 2019
B.O.A.D.

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*This report contains 3 pages
Appendice contains 32 pages*



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BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD)

Registered office : 68, Avenue de la Libération, PO. Box 1172
Share Capital: XOF 1 155 000 000 000

Statutory Auditors' Report on Review of Interim Financial Information
From January 1, 2019 to June 30, 2019

Introduction

We have reviewed the accompanying condensed statement of financial position of Banque Ouest Africaine de Développement (BOAD) as at June 30, 2019, the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed interim financial information.

Board of directors is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD)

Statutory Auditors' report on the 2019 half year financial information

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at June 30, 2019 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

Emphasis of Matter

Without qualifying the conclusion expressed above, we draw your attention to Note 4 "Significant changes in accounting principles – first application of IFRS 16" to the condensed interim financial information which describes the impacts of the first-time application of IFRS 16 "Leases

Lomé, September 27, 2019

Statutory Auditors

KPMG Togo

Toussaint de Souza

Partner



BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD)

Statutory Auditors' report on the 2019 half year financial information

APPENDIX:

**Condensed financial statements for the
period ended June 30, 2019**



INTERIM FINANCIAL REPORT AS AT 30 JUNE 2019

AUGUST 2019

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INTERIM FINANCIAL STATEMENT AS AT 30
JUNE 2019

Statement of financial position

ASSETS	Note	30/06/2019	31/12/2018
Cash and cash equivalents	5	240 238	270 786
Loans and receivables at amortized cost	6	2 208 195	2 150 773
- Interbank loans		69 284	70 144
- Loans and advances to customers		1 878 423	1 801 520
- Loans and advances to staff		11 196	10 751
- Debt securities portfolio		242 410	261 476
- Receivables from shareholders		6 882	6 882
Equity participations	7	133 296	126 559
- Financial assets available for sale			
- Financial assets designated at fair value through profit and loss		8 099	8 014
- Financial assets designated at fair value through non-recyclable other comprehensive income (OCI)		125 197	118 545
Adjustment accounts and other assets	8	22 611	12 502
- Derivative assets		13 776	1 065
- Accruals assets		2 143	2 120
- Other adjustment accounts		6 692	9 317
Intangible assets	9	203	333
Tangible assets	9	6 947	7 238
TOTAL ASSETS		2 611 490	2 568 191
LIABILITIES			
	Note	30/06/2019	31/12/2018
Liabilities at amortized cost	10	1 718 623	1 740 300
- Interbank debts		10 133	6 625
- Debt represented by a security		1 186 410	1 253 872
- Other debts		522 080	479 802
Funds	11	133 556	113 251
Adjustments accounts and other liabilities	12	24 662	31 917
- Derivative liabilities		11 003	23 786
- Accruals liabilities		10 080	5 730
- Other adjustment accounts		3 578	2 401
Provisions		7 921	7 539
Total liabilities		1 884 761	1 893 007
Capital		219 466	206 580
- Subscribed capital		1 103 650	1 103 650
- Callable capital		-826 230	-826 230
- Unpaid Capital		-55 089	-67 975
- Cost related to deferred release of capital		-2 865	-2 865
Share premium		2 622	2 622
Reserves		504 641	465 982
- Reserves allocated to development activities		76 050	76 050
- Net gains on investments in equity instruments designated at fair value through non-recyclable other comprehensive income		44 297	40 689
- Reserves of cash flow hedges		-25 175	-39 429
- Other reserves		26	26
- Retained earnings		385 305	369 229
- Remeasurements of defined benefit liability		1 245	1 245
- Net income for the period		22 893	18 173
Total shareholders' equity	13	726 729	675 184
TOTAL LIABILITIES AND EQUITY		2 611 490	2 568 191

Comprehensive income statement

For the six months ended 30 June				
COMPREHENSIVE INCOME STATEMENT		Note	30/06/2019	30/06/2018
Interests and related income			60 269	58 940
Interests and related charges			-36 875	-40 634
Margin on interests			23 394	18 306
Fees and commissions (income)			2 226	1 642
Fees and commissions (charges)			-684	-789
Margin on interests and fees			24 935	19 159
Exchange rate gains			0	50
Exchange rate losses			-5 831	-25 851
Gains/ losses on hedging instruments			11 239	31 421
Gains/ Losses on foreign exchange			5 409	5 620
Margin on interests, fees and foreign exchange			30 344	24 780
Gains/ losses on financial assets designated at fair value through profit and loss			85	-278
Dividends received			2 194	1 447
Net banking income		14	32 623	25 948
Cost of risk		15	-603	-2 794
Allocations from Member states			3 200	3 200
Other operating income			205	155
Expenses related to development activities		16	-1 918	-1 093
General operating expenses			-10 584	-9 724
	- Staff costs		-6 391	-5 805
	- Amortisations on property, equipment and intangible assets		-673	-599
	- Other operating costs		-3 520	-3 321
Other operating expenses			-31	-62
Other net operating income			-9 128	-7 525
Net income for the period			22 893	15 629
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss			14 254	-19 287
Cash flow hedges (CFH)			14 254	-19 287
Items that will not be reclassified to profit or loss			3 609	2 121
Equity participations at FVOCI - net change in fair value			3 609	2 121
Remeasurements of defined benefit liability			0	0
Other comprehensive income for the period			17 863	-17 166
Total comprehensive income for the period			40 756	-1 537

Variations in equity

	Capital				Share premium	Reserves							Total
	Subscribed capital	Callable capital	Unpaid Capital	Cost related to the deferred paying-up capital (1)		Reserves allocated to development activities	Other reserves	Remeasurements of defined benefit liability	Fair value reserves (available-for-sale financial assets)	Net gains on investments in equity instruments designated at fair value through other comprehensive income	Cash flow hedges reserves	Retained earnings	
Balance as at 1st January 2018	1 103 650	-826 230		-4 046	2 622	76 050	26	2 165	15 987	0	-38 711	388 235	719 749
<i>Increase in capital</i>	0	0	-67 975	0	0	0	0	0	-15 987	15 987	0	-3 356	-71 330
Unpaid Capital			-67 975										-67 975
Adjustments on initial application of IFRS 9									-15 987	15 987			-21 529
Net income as at 31 December 2018 before allocation												18 173	18 173
<i>Other comprehensive income</i>	0	0	0	0	0	0	0	-920	0	24 702	-717	5 522	28 586
Net gains on investments in equity instruments designated at fair value through other comprehensive income (IFRS 9)										24 702		-7 090	17 611
Fair value reserves (available-for-sale financial assets)												12 612	12 612
Remeasurements of defined benefit liability								-920					-920
Cash flow hedges											-717		-717
<i>Other changes</i>				1 180									1 180
<i>Allocation of 2017 income</i>												-3 000	-3 000
Transfers													
Contributions et distributions													
<i>Total transactions with the owners of the Bank</i>													
Balance as at 31 December 2018	1 103 650	-826 230	-67 975	-2 865	2 622	76 050	26	1 245	0	40 689	-39 429	387 402	675 185
Adjusted balance as at 1st January 2019	1 103 650	-826 230	-67 975	-2 865	2 622	76 050	26	1 245	0	40 689	-39 429	387 402	675 185
<i>Increase in capital</i>	0	0	12 886	0	0	0	0	0	0	0	0	22 893	35 779
Unpaid Capital			12 886										12 886
Net income as at 30 June 2019												22 893	22 893
<i>Other comprehensive income</i>	0	0	0	0	0	0	0	0	0	3 609	14 254	903	18 766
Net gains on investments in equity instruments designated at fair value through other comprehensive income (IFRS 9)										3 609		903	4 512
Remeasurements of defined benefit liability													0
Cash flow hedges											14 254		14 254
<i>Other changes</i>													0
<i>Allocation of 2018 income</i>												-3 000	-3 000
Transfers													
Contributions et distributions													
<i>Total transactions with the owners of the Bank</i>													
Balance as at 30 June 2019	1 103 650	-826 230	-55 089	-2 865	2 622	76 050	26	1 245	0	44 297	-25 175	408 198	726 729

Cash flow table

Cashflow for operational activities		Notes	30/06/2019	30/06/2018
Income for the period			22 893	15 629
<i>Adjustments related to non-monetary and other items</i>				
	Unrealised gains/losses		-5 437	-5 585
	Exchange gains		0	-50
	Exchange losses		29	15
	Amortization		673	599
	Depreciation		0	0
	Cost of risk		603	2 794
	Gains/ losses on financial assets designated at fair value through profit and loss		-85	278
	Other items		-2 822	-2 903
			-7 040	-4 852
Changes in assets and liabilities from operations				
	Interbank loans		860	13 742
	Disbursements on receivables from customers		-165 768	-138 044
	Repayments of receivables from customers		136 537	107 358
	Other receivables from customers		-46 048	-34 745
	Loans and advances to staff		-445	-5 266
	Debt securities portfolio		19 086	9 261
	Other receivables		0	14
	Other assets		131	5 846
	Deposits from banks		3 507	1 019
	Other debts		36 957	40 827
	Other liabilities		22 833	18 280
			7 650	18 292
<i>Cashflow from operations</i>			23 503	29 069
Cashflow from investment activities			30/06/2019	30/06/2018
	Acquisitions of tangible assets		-250	-814
	Sales of tangible assets		1	791
	Acquisitions of intangible assets		-5	-16
	Sales of intangible assets		0	0
	Acquisitions of shares		-3 479	-4 712
	Sales of shares		1 339	583
			0	0
<i>Cashflow from investments</i>			-2 395	-4 169
Cashflow from financing activities			30/06/2019	30/06/2018
	Resources from capital paying-up		16 316	16 316
	Redemption of shares		0	0
	Debts represented by a security		74 710	87 193
	Repayment/debts represented by a security		-102 671	-87 506
	Repayment/other loans		-40 012	-36 280
<i>Cashflow from financing activities</i>			-51 656	-20 277
Net increase/(decrease) of cash and cash equivalents			-30 548	4 623
Cash and cash equivalents at opening		5	270 786	302 904
Cash and cash equivalents at closing		5	240 238	307 528
			30/06/2019	30/06/2018
ADDITIONAL INFORMATION				
Operating cashflow from interests and dividends:				
	Interest paid		42 206	46 580
	Interest received		55 075	32 661
	Dividends received		2 194	1 447

NOTE 1. ACTIVITY OF BOAD

The West African Development Bank (BOAD) is the development finance institutions of member countries of the West African Economic and Monetary Union (WAEMU). It was established by a Treaty signed on 14 November 1973.

The Bank became operational in 1976.

BOAD is an international public institution, headquartered in Lomé (Togo) at 68, avenue de la libération, and with resident missions in each of the 7 other WAEMU member countries.

The Bank's shareholders include the WAEMU Member States (Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, Togo), the Central Bank of West African States (BCEAO), three European States (Germany, France and Belgium), as well as the African Development Bank (ADB), the European Investment Bank (EIB), China, Exim Bank 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 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, industry, agro-industry, transport, tourism and other services.

In order to finance its activities, the Bank, under Article 37 of its Statute, may grant loans on the Union's internal market or on external financial markets and contract loans from international or foreign public or private bodies, of any maturity and under any repayment conditions, both in the currency of the Union and in foreign currencies or units of account as deemed appropriate by the Bank's Governing Board.

Under Article 44 of the Bank's Articles of Association, income, assets, transactions and operations of the Bank are exempt from direct and indirect taxes. Bonds issued by the Bank or interests accruing thereof, are exempt from taxes either by individual governments or collectively by the Union, irrespective of the holder of such bonds.

NOTE 2. SUMMARY OF ACCOUNTING PRINCIPLES AND PRACTICES

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

2.1 Basic financial reporting principles

The principles underlying the presentation of the financial information are as follows:

The interim financial statements as at 30 June 2019 were been prepared in accordance with IAS¹ 34 "Interim Financial Reporting", as published by the IASB², which allows a selection of explanatory notes to be presented.

The interim notes do not contain all the required information for the comprehensive annual financial statements and should be read together with the financial statements closed as at 31 December 2018.

¹ International Accounting Standards

² International Accounting Standards Board (IASB)

The separate financial statements at 30 June 2019 have been prepared in accordance with the same principles as at 31 December 2018, subject to the specific features of IAS 34. These financial statements of the Bank are the first to take into account IFRS 16. Any changes in accounting methods that may have a material impact are described in Note 4.

Moreover, since the Bank's activities are not seasonal or cyclical in nature, its output as at 30 June 2019 is therefore not affected by seasonal factors (e. g. climate).

2.2 Key basis for evaluation

The financial statements are based on historical cost except for items measured at fair value as described in this annex.

2.3 Critical accounting assumptions and key sources of uncertainty for estimates

The preparation of financial statements, in accordance with IFRS, requires that Management provides estimates, assumptions and judgments 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.

a) Main assumptions

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

b) Key estimates

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

Assessing the fair value of equity investments: For each balance sheet, 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.

Fair value assessment of derivatives: Fair value assessment of derivatives: At each closing, the Bank engages a specialist to assess the hedging instruments deployed to protect itself against currency risk on borrowings contracted in SDRs and USD.

2.4 Interim financial statements

The interim financial statement as at 30 June 2019, which cannot be used as a basis to prejudge the full year, takes into account only accounting entries up to the end of the period considered necessary by the Bank's management to present a fair report.

Actuarial calculations are made as part of budgetary procedure, while valuation of the provisions as at 30 June 2019 is based on projected actuarial calculations at the end of the previous year.

2.5 Functional 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.

2.6 Events after closing of accounts

The Bank carries out adjustments of 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 these events relate to existing situations as at the balance sheet 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 table and the table of changes in equity are not adjusted. The nature and potential impact of these events are captured in note 20 below.

2.7 Statement of accounts

BOAD's individual accounts as at 30 June 2019 were approved by the Board of Directors at its meeting of September 25th, 2019.

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

The standards and interpretations described in the Bank's financial statements as at

As at 31 December 2018, the provisions of the new standards and interpretations that came into force for the 2019 financial year have been added. These are the following standards and amendments:

New regulations in force:

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements as at 30 June 2019
1 January 2019	IFRS 16 « Lease »	<p>The objective of IFRS 16 "Leases" is to establish principles for the recognition, measurement, presentation and disclosure of leases for lessees and lessors.</p> <p>The impact of this standard is presented in Note 4 to these summarized interim financial statements.</p>
	IFRIC 23 'Uncertainty over income tax treatment'	<p>IFRIC 23 clarifies the application of the recognition and measurement provisions of IAS 12 "Income Taxes" when there is uncertainty over the treatment of income tax. Due to its status as an international public institution, BOAD is exempt from income tax.</p> <p>No impact from this new interpretation standard is therefore anticipated.</p>
	Amendments to IFRS 9 entitled " Prepayment features with negative compensation "	<p>The application of a prepayment option may result in a repayment of less than the sum of the principal and interest on the outstanding principal. In this case, the amendment allows the financial instrument to be recognized at amortized cost although the SPPI criterion (Solely Payment of Principal and Interest) is no longer met provided that this compensation is reasonable and that the instrument is held for the purpose of obtaining payment of interest and principal.</p> <p>The Bank's loans include prepayment terms, but since the start of the Bank's activities, the exercise of this term has only resulted in the payment by the borrowers of total amounts (outstanding principal, interest and penalties) slightly higher than those provided for in the amortization tables. On this basis, it must be concluded that the clauses in the loan agreements signed by BOAD with its borrowers do not provide for negative compensation.</p> <p>It is therefore not necessary for the BOAD to apply this amendment.</p>
	Amendments to IAS 28 entitled "Long-term interests in associates and joint ventures	<p>The Bank applies IFRS 9 to the individual financial statements for the accounting of all its long-term interests in companies.</p> <p>The amendment is therefore not applicable to BOAD.</p>
	Amendments to IAS 19 on " Plan amendments, curtailments or settlements ".	<p>The application of this amendment results in new obligations for the Bank whenever the net liability for benefits granted as a result of a plan amendment, curtailment or settlement is revalued. These obligations relate to the determination of current service cost, the calculation of net interest, the calculation of interest income and the calculation of interest on the effect of the asset limit for the remaining portion of the year after the plan is amended, curtailed or wound up.</p>

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements as at 30 June 2019
		<p>The Bank is not currently considering any amendments, curtailments or settlements to the current plan. This amendment will therefore have no impact on the accounting for post-employment benefits under the defined benefit plan.</p>
	<p>"Annual Improvements to IFRS - Cycle (2015-2017)" (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)</p>	<p>IAS 12: The Bank does not pay dividends to its shareholders. Because of its status as an international public institution, it is exempt from corporate income tax. Consequently, this improvement in presenting the tax implications of dividend payments has no impact on the Bank's accounts.</p> <p>IAS 23: This amendment specifies how to determine the amount of borrowing costs that can be incorporated into the cost of the asset when an entity borrows funds generally and uses them to obtain a qualifying asset (versus funds specifically borrowed to obtain a qualifying asset). The amendment considers that on average, part of the borrowed funds is allocated to expenditure on the assets concerned No impact is expected on BOAD's accounts.</p> <p>IFRS 11: Under this amendment, an entity does not reassess its previous interests in a joint operation when it obtains joint control of such a joint operation.. This amendment is not applicable to BOAD's individual accounts and therefore has no impact.</p> <p>IFRS 3: The amendment stipulates that an entity must reassess its previous interests in a joint operation when it obtains control of the joint operation. As these are individual accounts, this amendment is not applicable and therefore has no impact.</p>

Future regulations:

Date of entry into force	New standards or amendments
1 January 2022 ³	IFRS 17 'Insurance contracts'

³ The Bank's operations involve mainly banking activities and do not fall within the scope of IFRS 17, which replaces IFRS 4. **There will therefore be no impact on BOAD's accounts.**

NOTE 4. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES - FIRST APPLICATION OF IFRS 16

The Bank applied IFRS 16 "Leases" for the first time from 1 January 2019. Other standards and interpretations came into force on 1 January 2019, but have no impact on the Bank's financial statements as at 30 June 2019.

IFRS 16 replaces the previous "IAS 17" standard under which assets under "finance leases" and those under "operating leases" were recorded separately, the former being recorded in the balance sheet as quasi-acquisitions, but the latter were not. It also replaces the corresponding interpretations IFRIC 4, Determining whether an arrangement contains a lease, SIC 15, Advantages in operating leases and SIC 27, Valuation of the substance of transactions in the legal form of a lease.

4.1 General principles of IFRS 16

4.1.1 Scope and exemptions from the standard

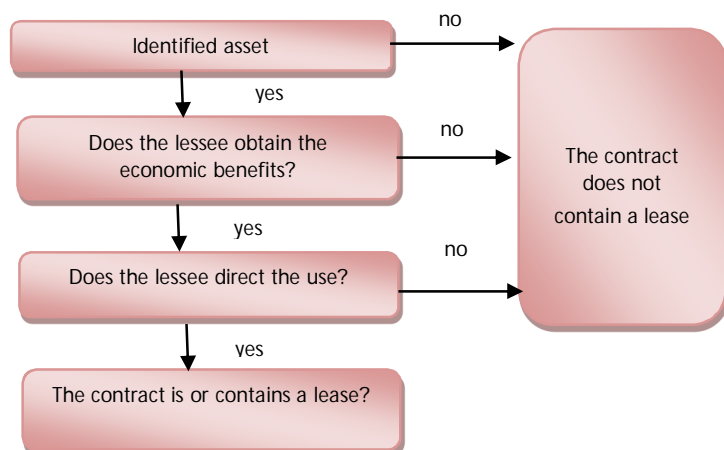
IFRS 16 applies to the accounting for leases other than leases for the exploration for or use of non-renewable mineral resources (scope of IFRS 6), leases of biological assets within the scope of IAS 41, service concession contracts within the scope of IFRIC 12, intellectual property rights licensing agreements granted by the owners of these rights, recognized under IFRS 15 and rights held by licensees as a result of licensing agreements, recognized as an intangible asset within the meaning of IAS 38, relating to films, video recordings, plays, manuscripts, patents and reproduction rights.

Leases of up to one year and contracts for low value assets (*maximum value of USD 5,000 with reference to the application requirements under US GAAP*) are exempt from the requirements of IFRS 16.

4.1.2 Definition and identification of a lease

A lease is a contract, or part of a contract, that confers the right to use an asset for a specified period of time for consideration.

The identification of a lease is based on the combination of two elements shown in the diagram below, namely an identified asset (step 1) and the right to control its use by the lessee (step 2).



Step 1 : The existence of a lease implies that the leased asset must be identified.

- a. Identification may be explicit in the contract or implicit when given to the client, for example.
- b. The property must be physically identified and distinct when it is part of a whole.
- c. The lessor must not have a real right of substitution, i.e. he may not substitute another right for it during the term of the contract. The mere fact that the asset is temporarily replaced for repair or maintenance purposes alone is not sufficient to justify a substantial right of substitution. The reality of the right of substitution is assessed based on facts and circumstances existing at the start date of the contract, while excluding future events.

The right of substitution is substantial only if the following two conditions are met:

- The practical ability of the lessor to replace the asset with another throughout its useful life (for example, the lessee cannot prevent the lessor from replacing the asset and the lessor has ready access to a replacement asset or can provide one within a reasonable time);
- The exercise of the right of substitution would provide an economic benefit to the lessor (the economic benefits of substitution would exceed the costs associated with it).

Step 2: Control over the right to use the leased asset

- a. The right to obtain substantially all the economic benefits derived from the asset: economic benefits can be obtained by the lessee in many ways, by using the asset itself, by holding it or by subletting it. The assessment of the right to obtain economic benefits is carried out within the limits of the possibilities of use imposed on the client.
- b. The lessee decides on "how and for what purpose" to use it during the lease period: depending on the contract, he must have the right to decide which asset to lease, over which period, where to use it, etc. Only rights that may affect the economic benefits provided by the asset should be considered. Even when the use is predetermined, the contract will qualify as a lease as long as it has the right to operate the asset throughout the period of use without the lessor being able to intervene in this mode of operation.

4.2 First adoption of IFRS 16 as at 1 January 2019

4.2.1 Transition to IFRS 16

By way of derogation from the general principles of IAS 8 "*Accounting policies, changes in accounting estimates and errors*", IFRS 16 allows for a modified retrospective first application, without restatement of the comparative period of the N-1 financial year. As a result, it is not necessary to restate the financial statements for the 2018 financial year. This first application of IFRS 16 leads to the presentation of the opening balance sheet as at 1 January 2019 as if IFRS 16 had always been applied.

The Bank has opted to apply IFRS 16 using the modified retrospective method. **However, the impact assessments carried out concluded that there is no adjustment to be made to opening equity at 1 January 2019.**

The Bank has also decided to apply the simplification measure, which enables it to retain the previous definition of a lease at the time of transition. Accordingly, it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases within the meaning of IAS 17 and IFRIC 4. **Existing contracts are entered in the accounts under the scope of the old standard (IAS 17). It should be noted that after analysis, none of the leases during their term could be qualified as leases within the meaning of IAS 17 or IFRS 16.**

4.2.2 As lessee

An analysis of the various contracts concluded as lessee under IFRS 16 led to the conclusion that the Bank did not hold the property (rented houses or offices of the Resident Missions), the object of the lease. Contracts signed as lessee do not meet the definition of a lease. There is no change in accounting treatment to be applied and therefore no adjustment to be taken into account on opening shareholders' equity at 1 January 2019.

4.2.3 As a lessor

Unlike the lessee, the lessor must continue, even under IFRS 16, to classify its leases as finance and operating leases. The analysis of the signed contracts concluded that the criteria provided for in the standard for their qualification, as finance leases are not met. As a result, all contracts entered into are classified as operating leases. As a result, the accounting treatment remains unchanged as at 1 January 2019.

NOTE 5. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and demand deposits.

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 rather than for investments or other purposes.

Cash and cash equivalents comprise the following:

Cash and cash equivalents		30/06/2019	31/12/2018
Cash accounts		94	149
BOAD HQ Current Account		95	431
Deposit Accounts for Resident Missions at BCEAO	5.1	106 275	126 038
Japan Eximbank Special Account		15	15
Kingdom of Belgium Special Account		4 213	4 212
FDE P/C Contribution Account		1 482	24 457
BOAD Settlement Account Lomé		31 022	5 581
Operating Account for Resident Missions		370	406
Bank and correspondent bank accounts		5 612	6 428
Short-term bank deposits (a)	5.2	91 006	103 006
Deposits/ Margin calls		55	63
TOTAL		240 238	270 786

5.1. The deposit accounts of the Resident Missions are as follows:

Resident missions	30/06/2019	31/12/2018
Deposit Accounts BCEAO Abidjan	1 947	5 535
Deposit Accounts BCEAO Bamako	1 991	12 288
Deposit Accounts BCEAO Bissau	1 234	654
Deposit Accounts BCEAO Cotonou	3 867	1 825
Deposit Accounts BCEAO Dakar	4 511	14 996
Deposit Accounts BCEAO Lomé	82 248	79 376
Deposit Accounts BCEAO Niamey	3 867	3 163
Deposit Accounts BCEAO Ouagadougou	6 610	8 201
Total	106 275	126 038

5.2 Short-term bank deposits include:

Short-term bank deposits	30/06/2019	31/12/2018
BOA-CI, special liquidity account	996	996
BOA-BENIN liquidity account	1 010	1 010
Term deposit with BOA Group	13 000	15 000
Term deposit with ORABANK Group	10 000	10 000
Term deposit with BSIC Group	13 000	3 000
Term deposit with Banque Atlantique Togo	5 000	5 000
Term deposit with Coris Bank Group	23 000	31 000
Term deposit with Diamond Bank Group	0	13 000
Term deposit with BHBF	5 000	5 000
Term deposit with UTB	10 000	10 000
Term deposit with UBA	2 000	1 000
Term deposit with BAIC	5 000	5 000
Term deposit with NSIA BANK	3 000	3 000
Total	91 006	103 006

NOTE 6. LOANS AND RECEIVABLES AT AMORTIZED COST

The item on loans and receivables at amortized cost is as follows:

Loans and receivables at amortized cost		30/06/2019	31/12/2018
Interbank loans	6.1	69 284	70 144
Loans and advances to customers	6.2	1 878 423	1 801 520
Loans and advances to staff		11 196	10 751
Debt securities portfolio	6.3	242 410	261 476
Receivables from shareholders		6 882	6 882
TOTAL		2 208 195	2 150 773

6.1 Interbank receivables

Interbank receivables include interbank loans and related interests all due in less than a year. Their positions as at 30 June 2019 and at 31 December 2018, are as follows :

Interbank loans counterparties	30/06/2019	31/12/2018
BCEAO- Interests on ordinary accounts	15	46
ORAGROUP	20 000	20 000
BRM	15 000	15 000
BGFI	5 000	5 000
BSIC	3 000	8 500
BAIC	3 000	3 000
BHS	5 000	5 000
BDM	10 000	10 000
BDU	5 000	
Sub-total	66 015	66 546
Interest receivables	3 269	3 598
TOTAL	69 284	70 144

6.2 Loans and advances to customers

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

All the Bank's loans are granted at fixed rates. Borrowers have the option of making prepayments subject to the conditions provided for in the loan agreements.

6.2.1 Maturity schedule for loans and advances to customers

The repayment schedule for customer receivables between 30 June 2019 and 31 December 2018 is as follows:

Items	30/06/2019	31/12/2018
At most six months	55 085	61 653
More than six months and at least 2 years	149 397	298 181
More than 2 years and less than 3 years	213 682	195 100
More than 3 years and less than 5 years	372 538	335 842
More than 5 years	1 098 537	926 987
Technical outstanding receivables*	2 337	1 286
Gross outstanding loans	1 891 576	1 819 050
Advance for financing development studies	14 155	13 889
Deferred income from fees	-9 712	-8 801
Interest and commission receivables	43 283	39 886
Depreciation of bad debts	-29 262	-30 198
Depreciation buckets 1 and 2	-22 239	-22 928
Value adjustment on advances to customers	-9 377	-9 377
Receivables from customers	1 878 423	1 801 520

(a) Technical arrears are amounts not recovered on calls for payment of the principal amount of sound receivables less than 30 days old at the closing date of the accounts.

6.2.2 Change in outstanding receivables

Gross outstanding loans include outstanding receivables that have evolved as follows:

	Balance as at	Changes of the period			Balance as at
	31 december 2018 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2019 (e) = (a) + (d)
1. Gross outstanding	40 558	0	-1 551	-1 551	39 007
2. Depreciation	-30 198	0	936	936	-29 262
3. Net outstanding (gross outstanding and interest receivables) = (1) + (2)	10 361	0	-615	-615	9 745

6.3 Debt securities portfolio

6.3.1 Changes in debt securities portfolio

Changes in debt securities portfolio as at 30 June 2019 are as follows:

	Balance as at	Variations of the period			Balance as at
	31 december 2018 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2019 (e) = (c) + (f)
1. Gross outstanding of securities portfolio	255 306	22 573	-42 481	-19 907	235 399
2. Interest receivables of securities portfolio	6 614	7 840	-7 019	821	7 435
3. Depreciation	-444	0	19	19	-424
4. Net outstanding of securities portfolio (gross outstanding and interest receivables) = (1) + (2) + (3)	261 476	30 413	-49 480	-19 067	242 410

6.3.2 Details of the debt securities portfolio

The debt securities portfolio is as follows:

Securities portfolio	30/06/2019	31/12/2018
Treasury bonds Senegal	20 875	22 250
Treasury bonds Côte d'ivoire	43 310	45 000
Treasury bonds Benin	50 000	50 000
Treasury bonds Burkina Faso	35 000	54 986
Treasury bonds Mali	30 000	30 000
Treasury bonds Niger	11 412	6 412
Treasury bonds Togo	31 827	33 242
CRRH Bonds	12 175	12 617
Deposit Certificate BRM	800	800
<i>Sub-total</i>	235 399	255 306
Interests receivable	7 435	6 614
Depreciation	-424	-444
TOTAL	242 410	261 476

All portfolio securities held by the Bank are forward contracts.

6.3.3 Maturity schedule of the debt securities portfolio

The maturity schedule of the securities portfolio as at 30 June 2019 and 31 December 2018 is as follows:

Maturity	30/06/2019	31/12/2018
At most six months	8 658	7 960
More than six months and at least 2 years	40 402	60 287
More than 2 years and less than 3 years	31 238	30 613
More than 3 years and less than 5 years	100 802	92 727
More than 5 years	54 298	63 719
Sub-total	235 399	255 306
Interest receivables	7 435	6 614
Depreciation	-424	-444
TOTAL	242 410	261 476

NOTE 7. EQUITY PARTICIPATIONS

7.1 The Bank's equity investment strategy

Equity investment activity is consistent with the statutes 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 30, 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 capital of several companies. Many companies in the financial sector (banks, financial institutions) and non-financial sector businesses (energy, telecommunications, hotel, airline, etc.) have benefitted from such financial support.

The bank's new strategy in equity investment 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 modalities 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 on the governing bodies:** conditioning each of the Bank's equity participations on 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 new equity investment strategy, BOAD has taken measures to (i) adapt to the evolution and the requirements of WAMU'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.

7.2 Change in equity participations

7.2.1 Changes in equity investments

The changes in the gross value of the investments are as follows:

Changes in equity participations	30/06/2019	31/12/2018
Gross outstanding of equity participations as at 1st January	84 668	83 958
Increases	3 479	8 934
Decreases	-436	-8 223
Gross outstanding of equity investments	87 712	84 668
Gains /losses of equity investments designated at fair value through OCI non-recyclable	44 297	40 689
Gains /losses of equity investments designated at fair value through P&L	1 287	1 202
Net outstanding of equity investments as at 31 December 2018	133 296	126 559

7.2.2 Distribution of equity participations per borrower

The investments posted in the statement of financial position are detailed by borrower in the following tables:

a) Changes in instruments recorded at fair value through profit or loss between 31 December 2018 and 30 June 2019

N°	Country	Equity Investments	Percentage of interest (%)	30/06/2019				31/12/2018			
				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)	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)
1	BN	FOAI - Sicav ABDOU DIOUF	15,8%	2 500	1 058	-13	3 545	2 500	952	107	3 558
2	h-uemoa	FEFISOL	8,2%	1 312	24	36	1 372	1 312	10	14	1 336
3	SN	FCP/IFC BOAD	100,0%	3 000	120	62	3 182	3 000	0	120	3 120
TOTAL				6 812	1 203	85	8 099	6 812	962	241	8 014

b) Change in instruments recognized at fair value through other comprehensive income between 31 December 2018 and 30 June 2019

N°	Country	Equity investments	Percentage of interest (%)	30/06/2019				31/12/2018			
				Gross outstanding (a)	Gains/ Losses recognised in OCI (b)	Gains/ Losses of equity instruments designated at fair value through OCI non-recyclable (c)	Balance sheet value (d) = (a) + (c)	Gross outstanding (a)	Gains/ Losses recognised in OCI (b)	Gains/ Losses of equity instruments designated at fair value through OCI non-recyclable (c)	Balance sheet value (d) = (a) + (b)
4	BN	SOAGA	19,3%	103	-5	90	193	103	13	96	198
5	TG	CAURIS CROISSANCE	49,6%	175	0	691	865	175	-792	691	866
6	SN	BNDE	9,1%	1 000	72	1 806	2 806	1 000	145	1 733	2 733
7	h-uemoa	CAURIS CROISSANCE II	17,7%	4 613	3 274	-667	3 946	4 584	-3 566	-3 941	643
8	TG	GARI S. A.	11,6%	1 500	1	1 284	2 784	1 500	42	1 283	2 783
9	MA	BDM Mali	16,0%	600	4 399	15 360	15 960	600	854	10 961	11 561
10	BN	BOA Bénin	2,4%	98	-477	1 422	1 520	98	74	1 899	1 997
11	NG	SONIBANK Niger	9,5%	1 082	-246	2 272	3 354	1 082	103	2 517	3 599
12	CI	BHCI Côte d'Ivoire	2,2%	150	-1	19	168	150	20	20	170
13	NG	BOA Niger	5,7%	137	-358	2 410	2 547	137	909	2 768	2 905
14	TG	BIA Togo	5,2%	392	-58	163	555	392	67	221	613
15	BN	African Investment Bank (AIB) (1)		0	0	0	0	0	250	0	0
16	h-uemoa	Afreximbank	0,3%	2 500	788	1 330	3 830	2 500	-1 676	542	3 042
17	SN	Banque Régionale de Marché (BRM)	4,0%	400	-273	412	812	400	28	685	1 085
18	BF	Banque de l'Habitat du BF	0,9%	200	-201	-112	88	200	-136	89	289
19	CI	BRVM	9,3%	56	-27	557	613	56	-7	584	640
20	CI	DC/BR (BRVM)	9,1%	140	-112	190	330	140	35	302	442
21	TG	CICA RE	3,3%	999	-19	343	1 342	999	91	361	1 360
22	MA	MANDE Hotel	16,7%	50	0	252	302	50	4	251	301
23	CI	SIALIM (1)		0	0	0	0	0	100	0	0
24	CI	AIR AFRIQUE (1)		0	0	0	0	0	2 500	0	0
25	CI	CIPREL	2,0%	584	168	1 711	2 295	584	255	1 542	2 126
26	BN	COTEB (1)		0	0	0	0	0	272	0	0
27	TG	ASKY (EX SPCAR)	17,2%	5 990	-5 990	-5 990	0	5 990	5 954	0	5 990
28	SN	SCIE	0,0%	0	0	0	0	0	130	0	0
29	CI	RASCOM	7,1%	1 600	0	-1 600	0	1 600	0	-1 600	0
30	h-uemoa	PROPARCO	0,8%	3 420	81	1 211	4 632	3 420	394	1 131	4 551
31	TG	BOAD-Titrisation	100,0%	500	-51	-229	271	500	-109	-178	322
32	TG	CRRH-UEMOA	18,4%	1 543	97	686	2 229	1 543	-713	589	2 132
33	h-uemoa	Fonds Agricole pour l'Afrique (FAA)	2,6%	2 438	-340	33	2 471	2 438	182	373	2 811
34	TG	ORAGROUP	2,7%	1 642	3 125	4 058	5 699	2 000	67	933	2 933
35	BF	Burkina Bail	15,0%	689	5	324	1 013	689	174	318	1 007
36	SN	CNCAS	10,1%	1 573	-777	1 603	3 176	1 573	83	2 380	3 953
37	BF	CORIS BANK	4,3%	1 997	-407	9 561	11 557	1 997	7 231	9 968	11 964
38	CI	Nouvelle BRS CI/ORA Bank CI	38,2%	16 995	942	14 868	31 863	16 995	20 049	13 926	30 921
39	CI	Banque de l'Union Côte d'Ivoire (BDU-CI)	9,6%	1 100	76	12	1 112	1 100	368	-65	1 035
40	BF	Banque de l'Union Burkina Faso (BDU-BF)	10,6%	1 100	420	233	1 333	1 100	0	-187	913
41	Kenya	FAER	5,0%	5 789	812	-907	4 881	5 000	615	-1 719	3 281
42	BF	AMETHIS WEST AFRICAN (AWA)	11,1%	2 998	-981	-1 403	1 595	1 975	444	-422	1 553
43	CI	Air Côte d'Ivoire	6,9%	10 320	33	-6 814	3 506	8 990	-1 079	-6 847	2 143
44	CI	RASCOM STAR OAF		0	0	0	0	0	4 360	0	0
45	h-uemoa	Investisseurs & Partenaires/ Développement (IPDEV2)	11,1%	632	-79	-175	457	632	181	-96	536
46	Bn	Société Immobilière d'Aménagement Urbain SImAU	10,0%	500	-17	-27	473	500	0	-10	490
47	SN	Banque Outarde	14,3%	2 000	169	-239	1 761	2 000	-408	-408	1 592
48	h-uemoa	Fonds I&P Afrique Entrepreneurs 2 (IPAE2)		229	-226	-226	3	253	0	0	253
49	NG	Banque de l'Habitat du Niger	8,3%	825	0	0	825	825	0	0	825
50		Fonds d'investissements dédié au développement des services financiers dans l'UEMOA	49,5%	760	0	0	760	576	0	0	576
51		ECP Africa Fund IV		1 481	-212	-212	1 270	1 411	0	0	1 411
				0		0	0	0		0	0
		TOTAL		80 900	3 609	44 298	125 196	77 856	37 508	40 689	118 545

NOTE 8. ADJUSTMENT ACCOUNTS AND OTHER ASSETS

Accruals and other assets include the following items:

Adjustment accounts and other assets		30/06/2019	31/12/2018
Derivative assets	8.1	13 776	1 065
Accruals assets	8.2	2 143	2 120
Other adjustment accounts	8.3	6 692	9 317
TOTAL		22 611	12 503

8.1 Derivative assets

The item under 'Derivative assets' shows a balance of XOF13,776 million at 30 June 2019 compared with XOF1,065 million at 31 December 2018. These amounts correspond to the Bank's share of the fair value of derivatives set up to hedge against exchange rate fluctuations on interest flows payable on borrowings denominated in foreign currencies. The increase in derivative assets of XOF12,711 million was due to the appreciation of the hedge following the rise in the exchange rate of the dollar and the SDR over the period.

8.2 Accruals assets

Accruals assets	30/06/2019	31/12/2018
Deferred expenses	450	873
Accruals and prepaid expenses	583	377
Accrued receivables	38	37
Other accruals	1 071	834
TOTAL	2 143	2 120

8.3 Other adjustment assets

Other adjustment accounts	30/06/2019	31/12/2018
Sundry debtors	1 303	3 386
Prefinancing of studies from foreign funds meant for studies	1 287	1 613
Deposits paid	66	66
Advances on mission expenses	7	16
Advances and prepayments made	229	206
Other endowments and subsidies to be received	3 800	4 030
TOTAL	6 692	9 317

NOTE 9. TANGIBLE AND INTANGIBLE ASSETS

9.1 Tangible assets

The net book value of fixed assets at 30/06/2019 and 31/12/2018 is as follows:

Tangible assets	30/06/2019	31/12/2018
Cost of acquisition	27 317	27 069
Allocations and reversal of amortisations	-20 370	-19 831
Net outstanding of tangible assets	6 947	7 238

The change in the net carrying amount of the fixed assets between 31 December 2018 and 30 June 2019 is as follows:

Acquisitions of tangible assets (in XOF'M)		Allocations and reversal of amortisations (in XOF'M)	
Balance as at 1 January 2019	27 069	Balance as at 1 January 2019	19 831
Acquisitions	250	Amortization charges	539
Disposals	-1	Reversals of amortization	0
Classified as assets held for sale	0	Classified as assets held for sale	0
Balance as at 30 June 2019	27 317	Balance as at 30 June 2019	20 370
Net value on balance sheet as at 30 June 2019		6 947	

Details by type of tangible fixed assets are presented in the table below:

	Lands	Buildings	Properties under construction	Fittings and fixtures	Equipment held under finance lease	Total
Cost of acquisition						
Balance as at 1st January 2018	981	14 319	671	10 738	0	26 708
Acquisitions	0	667	-172	919	0	1 413
Transfers	0	0	0	0	0	0
Disposals	-790	0	0	-264	0	-1 054
Revaluation acquisitions	0	0	0	0	0	0
Other revaluations	0	0	0	0	0	0
Balance as at 1st January 2019	190	14 986	499	11 393	0	27 068
Acquisitions	0	0	174	77	0	250
Transfers	0	0	0	0	0	0
Sales	0	0	0	-1	0	-1
Balance as at 30 June 2019	190	14 986	673	11 469	0	27 317
Cumulative amortizations and disposals						
Balance as at 1st January 2018	0	9 123	0	9 993	0	19 117
Amortization charges	0	333	0	639	0	972
Reversals of depreciation (disposals)	0	0	0	0	0	0
Impairment losses recognized during the period	0	0	0	0	0	0
Reversals of depreciation	0	0	0	-257	0	-257
Balance as at 1st January 2019	0	9 456	0	10 375	0	19 831
Amortization charges	0	177	0	362	0	539
Reversals of amortization (disposals cessions)	0	0	0	0	0	0
Impairment losses recognized during the period	0	0	0	0	0	0
Balance as at 30 June 2019	0	9 633	0	10 738	0	20 371
Net value of tangible assets as at 30 June 2019						6 947

9.2 Intangible assets

Below are the net carrying amounts of intangible assets:

Intangible assets	30/06/2019	31/12/2018
Cost of acquisition	1 542	1 538
Allocations and reversal of amortisations	-1 339	-1 205
Net outstanding of intangible assets	203	333

Changes in the net carrying amount of intangible assets between 31 December 2018 and 30 June 2019 are as follows:

Acquisitions of intangible assets (in XOF'M)	Allocations and reversal of amortisations (in XOF'M)		
Balance as at 1 January 2019	1 538	Balance as at 1 January 2019	1 205
Acquisitions	5	Amortization charges	134
Disposals	0	Reversals of amortization	0
Classified as assets held for sale	0	Classified as assets held for sale	0
Balance as at 30 June 2019	1 542	Balance as at 30 June 2019	1 339
Net value on balance sheet as at 30 June 2019		203	

NOTE 10. LIABILITIES AT AMORTIZED COST

Liabilities at amortized cost consist of loans by the Bank and receivables attached to them (accrued interest and commissions).

10.1 Details of the item "Liabilities at amortized cost"

The breakdown of this item is as follows (in millions of XOF) as at 30 June 2019 and 31 December 2018:

Liabilities at amortized cost	30/06/2019	31/12/2018
I-Debts represented by a security		
Bond loans	954 804	948 158
BOAD bonds	190 360	190 360
Maturities of less than one year/debts repr. by securities	22 381	89 885
Sub-total I	1 167 545	1 228 403
II- Other loans from foreign partners		
Loans for funding long-term projects	484 702	409 746
Loans for funding long-term project studies	482	482
Maturities of less than one year/loans	33 596	66 540
Sub-total II	518 779	476 768
Total I+II	1 686 325	1 705 171
III- Debts attached to loans and & debts repr.		
Accrued interests on debts represented by a security	19 310	25 965
Deferred expenses on bills and bonds	-445	-495
Interests and fees accrued on other loans	3 472	3 242
Deferred expenses on other loans	-171	-208
Sub-total III	22 165	28 504
IV- Interbank debts (Cauris ROPPA, AFD...)	10 133	6 625
Total I+II+III+IV	1 718 623	1 740 300

10.2 Statement of changes in borrowings

Changes in borrowings between 31 December 2018 and 30 June 2019, per borrower, are as follows:

Changes in deposits from banks

Debts	Balance as at 1st January 2019	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2019
Deposits from banks	6 625	3 507		0		10 133
TOTAL DEPOSITS FROM BANKS	6 625	3 507	0	0	0	10 133

Changes in debt securities issued

Debts	Balance as at 1st January 2019	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2019
Debentures	981 383	0	-10 843	5 557	1 089	977 187
Bonds	247 020	0	-56 661			190 359
TOTAL DEBTS SECURITIES ISSUED	1 228 403	0	-67 504	5 557	1 089	1 167 545

Changes in other debts

Debts	Balance as at 1st January 2019	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2019
OTHER DEBTS	476 768	74 710	-32 944	245	0	518 779
TOTAL OTHER DEBTS	476 768	74 710	-32 944	245	0	518 779
TOTAL DEBTS	1 711 796	78 217	-100 448	5 802	1 089	1 696 457

10.3 Maturity of liabilities at amortized cost

The borrowing schedule as at 31 December 2018 and 30 June 2019 is as follows:

Maturity	30/06/2019	31/12/2018
At most six months	64 642	74 179
More than six months and less than two years	684 075	234 897
More than two years and less than three years	81 208	559 922
More than three years and less than five years	98 769	150 684
More than five years	767 763	692 115
Sub-total outstanding	1 696 457	1 711 796
Debts attached to loans and & debts repr.	22 165	28 504
TOTAL	1 718 623	1 740 300

10.4 Debt ratio of the Bank

In accordance with Article 37 of its Statutes, the WAMU Council of Ministers has decided that the total outstanding amount of the Bank's borrowings is limited at any time to three times its equity capital. As at 30 June 2019, outstanding borrowings stood at 226% of shareholders' equity for a regulatory threshold of 300%.

NOTE 11. FUNDS

They are broken down as follows:

Funds	30/06/2019	31/12/2018
Belgian Technical Assistance Fund	187	185
Dutch Fund	34	34
IDA Matching Fund	342	327
AFD Research Fund	310	310
AFD Counterpart Fund	70	70
Environmental Partnership Fund	4	4
KfW Counterpart Fund	6 051	6 141
China Cooperation Fund	139	139
AFD IV Capacity Building Fund	30	30
Energy Development Fund	1 985	1 985
Crop Insurance Fund	2 836	2 836
Regional Collaboration Centre (RCC)	272	246
Regional Facility for Access to Sustainable Energy	0	10 000
New subsidy mechanism fund	108 322	80 776
CMS Fund for Interest Subsidy	1 000	1 000
Global Environment Facility	1 490	1 514
Climate change fund	5 197	2 197
Regional initiatives supports fund	1 086	1 257
Belgian Fund for capital release	4 200	4 200
TOTAL	133 556	113 251

NOTE 12. ADJUSTMENT ACCOUNTS AND OTHER LIABILITIES

Accruals and other liabilities as at 30 June 2019 were as follows:

Adjustment accounts and liabilities		30/06/2019	31/12/2018
Derivatives liabilities	12.1	11 003	23 786
Accruals liabilities	12.2	10 080	5 730
Other adjustment accounts	12.3	3 578	2 401
TOTAL		24 662	31 917

12.1 Derivative liabilities

Derivative liabilities decreased by XOF12,782 million between 31 December 2018 and 30 June 2019. This decrease was due to the increase in the dollar and SDR exchange rates over the same period. It offset the increase in foreign exchange risk recorded on borrowings at amortized cost as at 30 June 2019.

12.2 Liabilities adjustment account

The details of the accruals and deferrals are as follows:

Accruals liabilities	30/06/2019	31/12/2018
Deferred income	7 170	3 445
Accrued liabilities	2 898	2 277
Advanced payments	12	8
TOTAL	10 080	5 730

12.3 Other liabilities

Details of other liabilities are as follows:

Other adjustment accounts	30/06/2019	31/12/2018
Sundry creditors	2 586	1 029
Suppliers payables	993	1 372
TOTAL	3 578	2 401

NOTE 13. SHAREHOLDERS' EQUITY

13.1 Details of the shareholders' equity capital

Changes in equity as at 31 December 2018 and 30 June 2019 respectively are as follows:

Equity capital	30/06/2019	31/12/2018
Subscribed capital	1 103 650	1 103 650
Callable capital	-826 230	-826 230
Unpaid Capital	-55 089	-67 975
Cost related to deferred paying-up of capital	-2 865	-2 865
Capital (A)	219 466	206 580
Share premium (B)	2 622	2 622
Reserves allocated to development activities	76 050	76 050
Other reserves	26	26
Retained earnings	385 305	369 229
Reserves and retained earnings (C)	461 381	445 304
Net income for the period (D)	22 893	18 173
Net gains on investments in equity instruments designated at fair value through other comprehensive income non recyclable	44 297	40 689
Cashflow hedging reserves	-25 175	-39 429
Remeasurements of defined benefit liability	1 245	1 245
Other comprehensive income (E)	20 367	2 505
TOTAL (A+B+C+D+E)	726 729	675 184

13.2 Structure of BOAD's capital

The following table sets out the Bank's capital structure as at 30 June 2019 in nominal terms and its distribution in shares. Each share confers on its holder the same rights and obligations.

CAPITAL STRUCTURE AS AT 30 JUNE 2019

SHAREHOLDERS	SUBSCRIBED CAPITAL (1)=(2)+(5)	%	Number of shares	CALLED-UP CAPITAL (2)=(3)+(4)	PAID UP CAPITAL (3)	UNPAID CAPITAL (4)	CALLABLE CAPITAL (5)
CATEGORY A							
BENIN	64 650	5,86%	1 293	16 163	12 828	3 335	48 487
BURKINA	64 650	5,86%	1 293	16 163	12 828	3 335	48 487
COTE D'IVOIRE	64 650	5,86%	1 293	16 163	12 828	3 335	48 487
GUINEE BISSAU	64 650	5,86%	1 293	16 163	10 928	5 235	48 487
MALI	64 650	5,86%	1 293	16 163	12 828	3 335	48 487
NIGER	64 650	5,86%	1 293	16 163	12 828	3 335	48 487
SENEGAL	64 650	5,86%	1 293	16 163	12 828	3 335	48 487
TOGO	64 650	5,86%	1 293	16 163	12 828	3 335	48 487
BCEAO	517 200	46,86%	10 344	129 304	102 624	26 680	387 896
	1 034 400	93,73%	20 688	258 608	203 348	55 260	775 792
CATEGORY B							
France	38 400	3,48%	768	9 600	8 000	1 600	28 800
Germany	2 000	0,18%	40	2 000	2 000	0	0
Belgium (1)	5 600	0,51%	112	1 400	1 400	0	4 200
EIB	4 000	0,36%	80	1 000	1 000	0	3 000
AfDB	6 000	0,54%	120	1 500	1 043	457	4 500
EXIM BANK OF INDIA	750	0,07%	15	188	156	31	563
CHINA	12 000	1,09%	240	3 000	2 400	600	9 000
MOROCCO	500	0,05%	10	125	119	6	375
	69 250	6,27%	1 385	18 813	16 118	2 694	50 438
SUBSCRIBED CAPITAL	1 103 650	100,00%	22 073	277 421	219 466	57 954	826 230
UNSUBSCRIBED CAPITAL	51 350		1 027				
AUTHORIZED CAPITAL	1 155 000		23 100				

(1) Payment in advance of an amount of XOF4,200 M into an escrow account

13.3 Effective equity

The Bank's actual equity as at 30 June 2019 and 31 December 2018 is as follows:

Items	30/06/2019	31/12/2018
A- Core own funds (=1+2)	678 923	646 144
1- Capital and other funds	219 466	206 580
2- Reserves and other funds	459 457	439 564
B- Additionnal own funds	66 098	61 587
Effective equity capital/Core Tier 1 Capital (=A+B)	745 022	707 731
C- Unpaid own funds	- 18 293	- 32 547
Equity capital (A+B+C)	726 729	675 184

NOTE 14. NET BANKING INCOME

Details of this item are as follows:

Net banking income		30/06/2019	30/06/2018
1-Income and interest charges			
	Interests and fees on loans	50 109	46 563
	Fees on bond loan guarantees	13	42
	Interests and investment income	12 372	13 977
	<i>Sub-total interest income (A)</i>	<i>62 494</i>	<i>60 582</i>
	Interests and charges on debts represented by a security	-29 602	-32 586
	Interests and charges on loans and investments	-7 884	-8 580
	Other financial services and commissions	-73	-258
	<i>Sub-total interest charges (B)</i>	<i>-37 559</i>	<i>-41 423</i>
	Margin on interests and fees C= (A)-(B)	24 935	19 159
2.1-Exchange gains and losses			
	Consumed exchange gain	0	50
	Potential exchange gain	0	0
	<i>Sub-total exchange gain (D)</i>	<i>0</i>	<i>50</i>
	Consumed exchange loss	-29	-15
	Potential exchange loss	-5 802	-25 836
	<i>Sub-total exchange loss (E)</i>	<i>-5 831</i>	<i>-25 851</i>
	Net exchange loss F=(D)-(E)	-5 831	-25 801
	2.2-Gains/losses on hedging instruments (G)	11 239	31 421
	2-Net gains/losses on foreign exchange (G)+(F)	5 409	5 620
	3-Net gains/losses on equity participations designated as fair value through profit and loss	85	-278
	4-Dividends	2 194	1 447
	5-Net banking income = (1)+(2)+(3)+(4)	32 623	25 948

Foreign exchange gains and losses are caused by the mobilization of resources in foreign currencies by the Bank, excluding euros, from its financial partners and the international financial market for project financing. These losses have been hedged with forward purchase and swap transactions.

NOTE 15. COST OF RISK

The cost of risk as at 30 June 2019 is as follows:

Cost of risk	30/06/2019	31/12/2018
Write-back of depreciations on loans and advances to customers	1 625	4 135
Write-back of depreciation on debt securities portfolio	19	0
Depreciation on debt securities portfolio	0	-5
Depreciation on loans and advances to customers	-2 246	-6 925
TOTAL	-603	-2 794

NOTE 16. COSTS RELATED TO DEVELOPMENT ACTIVITIES

This item covers charges related to BOAD's development activities.

Expenses related to development activities	30/06/2019	31/12/2018
Interest subsidy	-1 118	-1 093
Other charges related to development activities	-801	0
TOTAL	-1 918	-1 093

NOTE 17. FINANCIAL RISK MANAGEMENT

BOAD has adopted and put in place processes and mechanisms to quantify, monitor and control its measurable risks (credit, market, liquidity and operational risks) adapted to its activities, resources and organization and integrated into its internal control framework. The main categories of risks (credit, exchange rate, interest rate, liquidity and operational risks) are monitored by special committees (Commitments Committee, ALM Committee, etc.)

Since 1 January 2018, the Bank's depreciation model has, in accordance with IFRS9, incorporated the anticipation of losses based on expected credit losses (ECL) on the one hand, and the inclusion of macroeconomic forecasts in the determination of risk parameters (forward looking) on the other hand.

The Bank's goals and regulations regarding financial risk management are consistent with those applied to individual accounts as at 31 December 2018.

NOTE 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

18. 1 Classification of financial instruments

The following table presents the carrying amounts and fair values of the Bank's financial assets and liabilities and their classification as at 30 June 2019.

Financial instruments	Financial assets and liabilities through profit and loss	Financial assets and liabilities through OCI recyclable	Financial assets and liabilities through OCI non recyclable	Financial assets and liabilities at amortized cost	Total amount of book value	Total amount of fair value
Cash and cash equivalents				240 238	240 238	240 238
Interbank loans				69 284	69 284	69 284
Debt securities portfolio				242 410	242 410	242 410
Loans and advances to customers				1 878 423	1 878 423	1 878 423
Loans and advances to staff				11 196	11 196	11 196
Receivables from shareholders				6 882	6 882	6 882
Equity participations	8 099		125 197		133 296	133 296
Derivative assets	13 776				13 776	13 776
Total amount of financial assets	21 875	0	125 197	2 448 432	2 595 505	2 595 505
Borrowings				1 718 623	1 718 623	1 718 623
Derivative liabilities	11 003				11 003	11 003
Total amount of financial liabilities	11 003	0	0	1 718 623	1 729 626	1 729 626

The carrying amounts and fair values and classification of financial assets and liabilities as at 31 December 2018, are as follows:

Financial instruments	Financial assets and liabilities through profit and loss	Financial assets and liabilities through OCI recyclable	Financial assets and liabilities through OCI non recyclable	Financial assets and liabilities at amortized cost	Total amount of book value	Total amount of fair value
Cash and cash equivalents				270 786	270 786	270 786
Interbank loans				70 144	70 144	70 144
Debt securities portfolio				261 476	261 476	261 476
Loans and advances to customers				1 801 520	1 801 520	1 801 520
Loans and advances to staff				10 751	10 751	10 751
Receivables from shareholders				6 882	6 882	6 882
Equity participations	8 014		118 545		126 560	126 560
Derivative assets	1 065				1 065	1 065
Total amount of financial assets	9 080	0	118 545	2 421 560	2 549 184	2 549 184
Borrowings				1 740 300	1 740 300	1 740 300
Derivative liabilities	23 786				23 786	23 786
Total amount of financial liabilities	23 786			1 740 300	1 764 086	1 764 086

18.2 Classification of financial instruments by fair value level

The table below shows the financial instruments carried at fair value by fair value level at 30 June 2019 and 31 December 2018:

	Active market prices (level 1)		Evaluation techniques, of which all critical data are based on observable market		Evaluation techniques, of which all critical data are not based on observable		Total amount	
	2019	2018	2019	2018	2019	2018	2019	2018
Derivative assets			13 776	1 065			13 776	1 065
Equity participations-Financial assets designated at fair value through profit and loss			8 099	8 014			8 099	8 014
Equity participations-Financial assets designated at fair value through non-recyclable other comprehensive income (OCI)	21 324	16 866	-	5 990	103 873	95 689	125 196	118 545
Total amount of financial assets	21 324	16 866	21 875	15 070	103 873	95 689	147 072	127 625
Derivative liabilities			11 003	23 786			11 003	23 786
Total amount of financial liabilities	-	-	11 003	23 786	-	-	11 003	23 786

The following table provides a summary of the fair value measurement methods for Level 2 and Level 3 financial instruments in the statement of financial position and the key unobservable inputs used.

Type of financial instrument	Valuation techniques	Significant unobservable inputs	Fair value measurement 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.	Non applicable	Non applicable
Currency swaps	Swaps models Fair value is the present value of the estimated cash flows. Floating rate future cash flow estimates are based on quoted swap rates, futures contract prices and interbank lending rates. The estimated cash flows are discounted using a yield curve developed from similar sources that reflects the benchmark interbank rate used by market participants in setting foreign exchange swap prices.	Non applicable	Non applicable
Equity investments	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.	Non applicable	Non applicable

NOTE 19. OFF-BALANCE SHEET COMMITMENTS

19.1 Commitments received

The breakdown of these commitments is as follows:

Commitments received	30/06/2019	31/12/2018
Loan commitments to be drawn (a)	156 550	6 373
Guarantees received from Regional Funds (b)	38 617	40 822
Total	195 167	47 195

- a) Commitments to be drawn represent the yet-to-be-mobilized balance of loans, loans contracted from financiers.
- b) This item corresponds to financial guarantees obtained from the regional guarantee funds on loans granted by the Bank.

19.2 Commitments given

They are broken down as follows:

Commitments given	30/06/2019	31/12/2018
Loan commitments given (a)	1 825 880	1 645 612
Advances for the financing of studies	16 920	17 175
Equity participations commitments (b)	27 271	28 668
Sureties and other guarantees	31 085	32 206
Total	1 901 156	1 723 661

- (a) Loan commitments given include financing agreements whose execution is dependent upon compliance with conditions precedent or whose actual disbursement is pending drawing requests from the borrower.
- (b) Commitments for equity investments relate to BOAD's unpaid subscriptions into the capital of companies.

NOTE 20. EVENTS AFTER CLOSING

As at the date of the closing of the accounts, we had not recorded any subsequent events likely to influence the Bank's financial position and profits as at 30 June 2019.