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BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD)

Statutory Auditors' report on review of the 2020
half year financial information

For the six months period ended June 30, 2020

B.O.A.D.

68, Avenue de la Libération

BP 1172, Lomé - Togo

This report contains 3 pages

Appendice contains 31 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 the 2020 half year financial information

From January 1, 2020 to June 30, 2020

Introduction

We have reviewed the accompanying condensed statement of financial position of Banque Ouest Africaine de Développement (BOAD) as at June 30, 2020, 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.

This condensed interim financial information is prepared based on the information available at that date in the evolving context of the Covid-19 crisis and related difficulties to apprehend its impacts and outlooks.

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.

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, 2020 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

We draw your attention on the Note 19 describing the impact of the Covid-19 on the interim accounts of the bank as at 30th June 2020.

Lomé, September 23, 2020

Statutory Auditors

KPMG Togo

A handwritten signature in blue ink, appearing to read 'Toussaint O. de Souza', with a long horizontal flourish extending to the right.

Toussaint O. de Souza
Partner



APPENDIX:

**Condensed financial statements for the
period ended June 30, 2020**



INTERIM FINANCIAL REPORT AS AT 30 JUNE 2020

SEPTEMBER 2020

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INTERIM FINANCIAL STATEMENTS AS AT
30 JUNE 2020

Statement of financial position

ASSETS	Note	30 June 2020	31 December 2019
Cash and cash equivalents	4	398,102	576,151
Loans and receivables at amortized cost	5	2,516,542	2,341,887
- Interbank loans		45,653	50,119
- Loans and advances to customers		2,056,729	1,985,427
- Loans and advances to staff		11,460	10,963
- Debt securities portfolio		395,818	288,496
- Receivables from shareholders		6,882	6,882
Equity investments	6	127,256	138,656
- Equity investments designated at fair value through profit and loss		10,621	10,436
- Equity investments designated at fair value through OCI non-recyclable		116,635	128,220
Adjustment accounts and other assets	7	162,874	44,470
- Derivative assets		127,711	35,286
- Accruals assets		22,777	1,778
- Other adjustment accounts		12,385	7,406
Tangible assets	8	5,649	5,897
Investment properties	8	710	728
Intangible assets	8	517	412
Non-current assets held for sale	8	2,245	2,245
TOTAL ASSETS		3,213,894	3,110,447
LIABILITIES			
	Note	30 June 2020	31 December 2019
Liabilities at amortized cost	9	2,113,567	2,189,070
- Interbank debts		2,373	2,463
- Debt represented by a security		1,593,027	1,668,868
- Other debts		518,166	517,738
Funds	10	101,626	42,739
Adjustments accounts and other liabilities	11	42,836	38,680
- Derivative liabilities		0	16,868
- Accruals liabilities		23,036	18,380
- Other adjustment accounts		19,800	3,432
Provisions		8,726	8,231
Total liabilities		2,266,754	2,278,720
Capital		233,819	219,881
- Subscribed capital		1,103,650	1,103,650
- Callable capital		-826,230	-826,230
- Unpaid Capital		-41,801	-55,740
- Cost related to deferred release of capital		-1,800	-1,800
Share premium		2,622	2,622
Reserves		710,698	609,224
- 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		33,912	44,041
- Reserves of cash flow hedges		74,033	-20,546
- Other reserves		26	26
- Retained earnings		505,443	392,007
- Remeasurements of defined benefit liability		834	834
- Net income for the period		20,400	116,812
Total shareholders' equity	12	947,140	831,727
TOTAL LIABILITIES AND EQUITY		3,213,894	3,110,447

Comprehensive income statement

For the six months ended 30 June				
COMPREHENSIVE INCOME STATEMENT		Note	June 2020	June 2019
Interests and related income			69,777	60,269
Interests and related charges			-45,414	-36,875
Margin on interests			24,363	23,394
Fees and commissions (income)			1,473	2,226
Fees and commissions (charges)			-582	-684
Margin on interests and fees			25,254	24,935
Exchange rate gains			57	0
Exchange rate losses			-4,068	-5,831
Gains/ losses on hedging instruments			14,715	11,239
Gains/ Losses on foreign exchange			10,704	5,409
Margin on interests, fees and foreign exchange			35,958	30,344
Gains/ losses on financial assets designated at fair value through profit and loss			185	85
Dividends received			2,248	2,194
Net banking income		13	38,391	32,623
Cost of risk		14	-10,409	-603
Allocations from Member states			3,200	3,200
Other operating income			219	205
Expenses related to development activities		15	-1,040	-1,918
General operating expenses			-9,915	-10,584
	- Staff costs		-6,251	-6,391
	- Amortisations on property, equipment and intangible assets		-597	-673
	- Other operating costs		-3,067	-3,520
Other operating expenses			-46	-31
Other net operating income			-7,582	-9,128
Net income for the period			20,400	22,893
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss			94,579	14,254
	Cash flow hedges (CFH)		94,579	14,254
Items that will not be reclassified to profit or loss			-10,129	3,609
	Equity participations at FVOCI - net change in fair value		-10,129	3,609
	Remeasurements of defined benefit liability		0	0
Other comprehensive income for the period			84,450	17,863
Total comprehensive income for the period			104,850	40,756

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 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	12,235	0	0	0	0	0	0	0	0	116,812	129,047
Capital paid-up			12,235										12,235
Adjustments on initial application of IFRS 9												116,812	0
Net income as at 31 December 2019 before allocation													116,812
<i>Other comprehensive income</i>	0	0	0	0	0	0	0	-410	0	3,352	18,883	7,605	29,430
Adjustments on retained earnings												6,702	0
Net gains on investments in equity instruments designated at fair value through other comprehensive income (IFRS 9)										3,352		903	6,702
Fair value reserves (available-for-sale financial assets)													0
Remeasurements of defined benefit liability								-410					-410
Cash flow hedges											18,883		18,883
<i>Other changes</i>				1,066									1,066
<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 31 December 2019	1,103,650	-826,230	-55,740	-1,800	2,622	76,050	26	834	0	44,041	-20,546	508,819	831,727
Adjusted balance as at 1st January 2020	1,103,650	-826,230	-55,740	-1,800	2,622	76,050	26	834	0	44,041	-20,546	508,819	831,727
<i>Increase in capital</i>	0	0	13,939	0	0	0	0	0	0	0	0	20,400	34,338
Capital paid-up			13,939										13,939
Net income as at 30 June 2020												20,400	20,400
<i>Other comprehensive income</i>	0	0	0	0	0	0	0	0	0	-10,129	94,579	-375	84,075
Adjustments on retained earnings												-3,879	-3,879
Net gains on investments in equity instruments designated at fair value through other comprehensive income (IFRS 9)										-10,129		3,504	-6,625
Remeasurements of defined benefit liability													0
Cash flow hedges											94,579		94,579
<i>Other changes</i>													0
<i>Allocation of 2019 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 2020	1,103,650	-826,230	-41,801	-1,800	2,622	76,050	26	834	0	33,912	74,033	525,844	947,140

Cash flow table

Cashflow for operational activities		Notes	June 2020	June 2019
Income for the period			20,400	22,893
<i>Adjustments related to non-monetary and other items</i>				
	Unrealised gains/losses		-10,844	-5,437
	Exchange gains		-57	0
	Exchange losses		198	29
	Amortization		597	673
	Depreciation		0	0
	Cost of risk		10,409	603
	Gains/ losses on financial assets designated at fair value through profit and loss		-185	-85
	Other items		-2,698	-2,822
			-2,581	-7,040
Changes in assets and liabilities from operations				
	Interbank loans		4,466	860
	Disbursements on receivables from customers		-268,104	-165,768
	Repayments of receivables from customers		229,409	136,537
	Other receivables from customers		-49,918	-46,048
	Loans and advances to staff		-497	-445
	Debt securities portfolio		-107,662	19,086
	Other receivables		0	0
	Other assets		-22,758	131
	Deposits from banks		-90	3,507
	Other debts		45,539	36,957
	Other liabilities		76,824	22,833
			-92,791	7,650
<i>Cashflow from operations</i>			-74,972	23,503
Cashflow from investment activities			June 2020	June 2019
	Acquisitions of tangible assets		-328	-250
	Sales of tangible assets		34	1
	Acquisitions of intangible assets		-149	-5
	Sales of intangible assets		0	0
	Acquisitions of shares		-540	-3,479
	Sales of shares		5,500	1,339
<i>Cashflow from investments</i>			4,517	-2,395
Cashflow from financing activities			June 2020	June 2019
	Resources from capital paying-up		17,369	16,316
	Redemption of shares		0	0
	Debts represented by a security		47,854	74,710
	Repayment/debts represented by a security		-118,682	-102,671
	Repayment/other loans		-54,134	-40,012
<i>Cashflow from financing activities</i>			-107,594	-51,656
Net increase/(decrease) of cash and cash equivalents			-178,049	-30,548
Cash and cash equivalents at opening		5	576,151	270,786
Cash and cash equivalents at closing		5	398,102	240,238
			June 2020	June 2019
ADDITIONAL INFORMATION				
Operating cashflow from interests and dividends:				
	Interest paid		49,970	42,206
	Interest received		59,526	55,075
	Dividends received		2,248	2,194

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). It was established by a Treaty signed on 14 November 1973.

The Bank became operational in 1976.

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

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

In order to finance its activities, the Bank, under Article 37 of its Statutes, may issue loans on the Union's domestic market or on external financial markets and contract out loans from international or foreign public or private agencies for any maturity and under any repayment conditions, both in the currency of the Union and in foreign currencies or units of accounts as deemed appropriate by the Bank's Board of Directors.

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 2020 were prepared in accordance with IAS¹ 34 "Interim Financial Reporting", as published by the IASB², which allows to present a selection of explanatory notes.

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 2019.

The separate financial statements at 30 June 2020 have been prepared in accordance with the same principles as at 31 December 2019, subject to the specific features of IAS 34.

Moreover, since the Bank's activities are not seasonal or cyclical in nature, its incomes as at 30 June 2020 are 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:

Fair value assessment of equity investments: At each closing, the Bank reviews its equity portfolio to assess its fair value based on financial information or stock prices available

¹ International Accounting Standards (IAS)

² International Accounting Standards Board (IASB)

and estimates changes in fair value.

Fair value assessment of derivatives: At each closing, the Bank contracts with 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 2020, which cannot be used as a basis to prejudge the full year, takes into account all 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 2020 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 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 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 variations 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 2020 were approved by the Board of Directors at its meeting of XX September 2020.

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

The standards and interpretations described in the Bank's financial statements as at 31 December 2019, the provisions of the new standards and interpretations that came into force for the 2020 financial year have been added. These are 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
1 st January 2020	Amendments to IAS 1 and IAS 8: definition of the term « material »	<p>The purpose of these amendments is to improve the definition of "material" to make it easier for entities to exercise judgment regarding materiality for the information to be included in the financial statements.</p> <p>Under the old definition, omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make based on the financial statements.</p> <p>Under the new definition, information is material if its omission, misstatement or obscuration can reasonably be expected to influence the economic decisions that the principal users of a particular reporting entity's general purpose financial statements make on the basis of those financial statements.</p> <p>The application of this new definition does not have a significant impact on the Bank's financial statements.</p>
	Amendments to IAS 39, IFRS 7 and IFRS 9: reform of reference interest rates	<p>The purpose of these amendments is to provide an accounting solution arising from the uncertainties related to the reform of the reference rates (or IBOR Interbank Offered Rate). In phase 1, they require entities to provide useful financial information to investors on their hedging relationships during this period of uncertainty.</p> <p>The phase 2 which began in February 2020, focuses on the potential consequences on financial information of replacing one existing reference rate with another. Work on this project is still in progress.</p> <p>No impact resulting from this amendment is therefore anticipated.</p>
1 st June 2020	Amendments to IFRS 16: Covid-19 related rent concessions	<p>Under the initial version of IFRS 16, lessees are required to assess leases individually to determine whether certain lease concessions should be considered as lease modifications and, if so, the lessee must revalue the lease obligation using a revised discount rate.</p> <p>The amendment introduces an exemption whereby lessees are no longer required to consider whether or not lease concessions related to Covid-19 are lease amendments, allowing them to consider such changes as if they were not lease amendments. The amendment applies exclusively to Covid-19 lease concessions that reduce lease payments due in 2020.</p> <p>Lease agreements signed by the WOAD as lessee do not meet the definition of a lease within the meaning of IFRS 16. As a result, the BOAD did not benefit from any rent concession. Based on the foregoing, no impact is expected from this amendment.</p>

3.2 Upcoming provisions

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
1 st January 2022	IFRS 17 "Insurance contracts"	The Bank's activity is mainly banking and does not fall within the scope of IFRS 17 which replaces IFRS 4. There will therefore be no impact on BOAD accounts.

NOTE 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Cash and cash equivalents		30 June 2020	31 December 2019
Cash accounts		122	107
BOAD HQ Current Account		20	99
Deposit Accounts for Resident Missions at BCEAO	4.1	230,541	390,922
Japan Eximbank Special Account		15	15
Kingdom of Belgium Special Account		4,214	4,213
FDE P/C Contribution Account		1,985	1,985
BOAD Settlement Account Lomé		53,166	31,861
Operating Account for Resident Missions		82	718
Bank and correspondent bank accounts		17,896	10,170
Short-term bank deposits (a)	4.2	90,006	136,006
Deposits/ Margin calls		55	55
TOTAL		398,102	576,151

4.1 The deposit accounts of the Resident Missions are detailed as follows:

Resident missions	30 June 2020	31 December 2019
Deposit Accounts BCEAO Abidjan	588	13,396
Deposit Accounts BCEAO Bamako	3,475	13,604
Deposit Accounts BCEAO Bissau	4,573	1,829
Deposit Accounts BCEAO Cotonou	21,975	8,102
Deposit Accounts BCEAO Dakar	9,495	19,062
Deposit Accounts BCEAO Lomé	181,604	308,683
Deposit Accounts BCEAO Niamey	4,671	10,509
Deposit Accounts BCEAO Ouagadougou	4,160	15,736
Total	230,541	390,922

4.2 Short-term bank deposits include:

Short-term bank deposits	30 June 2020	31 December 2019
BOA-CI, special liquidity account	996	996
BOA-BENIN liquidity account	1,010	1,010
Term deposit with BOA Group	23,000	21,000
Term deposit with ORABANK Group	10,000	10,000
Term deposit with BSIC Group	3,000	8,000
Term deposit with Banque Atlantique Togo	0	5,000
Term deposit with Coris Bank Group	36,000	48,000
Term deposit with NSIA Bank Group	0	15,000
Term deposit with BHBFB	0	5,000
Term deposit with UTB	10,000	10,000
Term deposit with UBA	5,000	2,000
Term deposit with BAIC/BNDE	0	10,000
Term deposit with Outarde BANK	1,000	0
Total	90,006	136,006

NOTE 5. 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 June 2020	31 December 2019
Interbank loans	5.1	45,653	50,119
Loans and advances to customers	5.2	2,056,729	1,985,427
Loans and advances to staff		11,460	10,963
Debt securities portfolio	5.3	395,818	288,496
Receivables from shareholders		6,882	6,882
TOTAL		2,516,542	2,341,887

5.1 Interbank receivables

Interbank receivables include interbank loans and related interests all due in less than a year. Their positions as at 30 June 2020 and 31 December 2019 are as follows :

Interbank loans counterparties	30 June 2020	31 December 2019
BCEAO- Interests on ordinary accounts	61	136
ORAGROUP	12,500	12,500
BRM	10,000	10,000
BDM	20,000	20,000
BDU	0	5,000
Interest receivables	3,092	2,483
TOTAL	45,653	50,119

5.2 Loans and advances to customers

Loans and advances to customers include loans to public sector (commercial and non-commercial) and to the private 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.

5.2.1 Maturity schedule for loans and advances to customers

The repayment schedule for customer receivables between 30 June 2020 and 31 December 2019 is as follows:

Items	30 June 2020	31 December 2019
Gross outstanding receivables from customers	2,134,648	2,055,777
of which gross outstanding loans	2,080,988	1,997,201
At most six months	97,047	95,848
More than six months and less than one year	114,655	107,133
More than one year and less than two years	211,537	203,554
More than two years and less than three years	210,886	203,563
More than three years and less than five years	451,709	391,502
More than five years	992,434	992,880
Technical outstanding receivables (a)	2,721	2,721
of which advance for financing studies	14,645	14,447
of which related receivable to loans	39,014	44,128
Total depreciation on loans and related receivables	-69,017	-58,785
of which depreciation of non-performing loans (b)	-48,409	-39,976
of which depreciation on buckets 1 and 2	-20,608	-18,809
Deferred income from fees	-8,851	-8,386
Value adjustment on advances to customers	-50	-3,179
<i>Receivables from customers</i>	<i>2,056,729</i>	<i>1,985,427</i>

- (a) Technical outstanding receivables are amounts not recovered on calls for payment of the principal amount of performing loans that are less than 30 days old at the reporting date.
- (b) The total amount of depreciation of non-performing loans includes XOF 44,263 M for depreciation on the principal and XOF 4,146 M for interests and commissions on non-performing loans.

5.2.2 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 2019 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 june 2020 (e) = (a) + (d)
1. Gross outstanding of non-performing loans	59,270	0	-1,996	-1,996	57,274
2. Depreciation	-38,077	-6,202	17	-6,186	-44,263
3. Net outstanding of non performing loans = (1) + (2)	21,194	-6,202	-1,980	-8,182	13,011

5.3 Debt securities portfolio

5.3.1 Changes in debt securities portfolio

Changes in debt securities portfolio as at 30 June 2020 are as follows:

	Balance as at	Variations of the period			Balance as at
	31 december 2019 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2020 (e) = (c) + (f)
1. Gross outstanding of securities portfolio	282,278	131,806	-26,044	105,762	388,040
2. Interest receivables of securities portfolio	6,686	11,788	-9,888	1,900	8,585
3. Depreciation (buckets 1 et 2)	-467	-341	0	-341	-808
4. Net outstanding of securities portfolio (gross outstanding and interest receivables) = (1) + (2) + (3)	288,496	143,253	-35,932	107,321	395,818

5.3.2 Details of the debt securities portfolio

The debt securities portfolio is detailed as follows:

Securities portfolio	30 June 2020	31 December 2019
Treasury bonds Senegal	42,125	43,500
Treasury bonds Ivory Coast	49,500	42,000
Treasury bonds Benin	50,000	50,000
Treasury bonds Burkina Faso	49,063	35,000
Coris Bank Holdings bonds	10,000	10,000
Treasury bonds Mali	50,448	30,000
Treasury bonds Niger	11,012	11,012
Treasury bonds Togo	41,759	28,413
CRRH Bonds	10,567	11,217
EBID Bonds	2,000	2,000
Treasury bills Burkina Faso	18,385	7,286
Treasury bills Mali	27,056	4,000
Treasury bills Niger	7,407	7,407
Treasury bills Ivory Coast	18,442	0
Deposit Certificate BRM	400	600
Sub-total	388,163	282,434
Interests receivable	8,585	6,686
Bonds premiums and discounts (TPCI 2019-2022)	-123	-156
Depreciation	-808	-467
TOTAL	395,818	288,496

All portfolio securities held by the Bank are forward contracts.

5.3.3 Maturity schedule of the debt securities portfolio

The maturity schedule of the securities portfolio as at 30 June 2020 and 31 December 2019 is as follows:

Maturity	30 June 2020	31 December 2019
At most six months	64,240	20,077
More than six months and less than one year	35,542	20,613
More than one year and less than two years	40,405	34,298
More than two years and less than three years	114,346	66,463
More than three years and less than five years	81,076	97,675
More than five years	52,554	43,307
Sub-total	388,163	282,434
Interests receivable	8,585	6,686
Bonds premiums and discounts (TPCI 2019-2022)	-123	-156
Depreciation	-808	-467
TOTAL	395,817	288,496

NOTE 6. EQUITY INVESTMENTS

6.1 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 investments 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 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 Changes in equity investments

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

Changes in equity investments	June 2020	December 2019
Gross outstanding of equity investments as at 1st January	92,991	84,668
Increases	540	8,971
Decreases	-1,997	-648
Gross outstanding of equity investments	91,535	92,991
Gains /losses of equity investments designated at fair value through OCI non-recyclable	33,912	44,042
Gains /losses of equity investments designated at fair value through P&L	1,809	1,623
Net outstanding of equity investments	127,256	138,656

6.2.2 Distribution of equity investments per counterparty

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

- a) Changes in instruments recorded at fair value through profit or loss between 31 December 2019 and 30 June 2020

N°	Country	Equity investments	Percentage of interest (%)	30/06/2020				31/12/2019			
				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	1,126	24	3,650	2,500	1,058	67	3,626
2	n-uemoa	FEFISOL	8.2%	1,312	60	-9	1,363	1,312	24	36	1,372
3	SN	FCP/IFC BOAD	100.0%	5,000	438	170	5,607	5,000	120	318	5,438
TOTAL				8,812	1,624	185	10,621	8,812	1,203	421	10,436

- b) Change in instruments recognized at fair value through other comprehensive income between 31 December 2019 and 30 June 2020

N°	Country	Equity investments	Percentage of interest (%)	30/06/2020				31/12/2019			
				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)
1	BN	SOAGA	19.3%	103	15	105	208	103	-5	90	193
2	TG	CAURIS CROISSANCE	0.0%	0	0	0	0	0	-691	0	0
3	SN	BNDE	9.1%	1,000	96	2,062	3,062	1,000	232	1,965	2,965
4	h-uemoa	CAURIS CROISSANCE II	17.7%	4,626	-539	-1,206	3,420	4,626	3,275	-667	3,959
5	TG	GARI S. A.	11.6%	1,500	-111	1,182	2,682	1,500	10	1,294	2,794
6	MA	BDM Mali	16.0%	600	450	16,446	17,046	600	5,036	15,996	16,596
7	BN	BOA Bénin	2.3%	98	91	1,707	1,805	98	-282	1,616	1,715
8	NG	SONIBANK Niger	9.5%	1,082	257	2,385	3,467	1,082	-390	2,128	3,209
9	CI	BHCI Côte d'Ivoire	2.2%	150	0	19	168	150	-1	19	169
10	NG	BOA Niger	5.7%	137	250	2,633	2,771	137	-384	2,384	2,521
11	TG	BIA Togo	5.2%	392	72	210	602	392	-84	138	530
12	h-uemoa	Afreximbank	0.3%	2,500	224	1,603	4,103	2,500	838	1,380	3,880
13	SN	Banque Régionale de Marché (BRM)	4.0%	400	0	-320	80	400	-1,005	-320	80
14	BF	Banque de l'Habitat du BF	0.9%	200	8	-88	112	200	-185	-96	104
16	CI	BRVM	9.2%	56	-46	511	567	56	-27	557	613
17	CI	DC/BR (BRVM)	9.1%	140	16	206	346	140	-112	190	330
18	TG	CICA RE	2.0%	999	51	394	1,393	999	-19	343	1,342
19	MA	MANDE Hotel	16.7%	50	-11	241	291	50	0	252	302
20	CI	CIPREL	2.0%	584	-99	1,612	2,196	584	168	1,711	2,295
21	TG	ASKY (EX SPCAR)	16.8%	5,990	0	-5,990	0	5,990	-5,990	-5,990	0
22	CI	RASCOM	7.1%	1,600	0	-1,600	0	1,600	0	-1,600	0
23	h-uemoa	PROPARCO	0.7%	3,420	-23	1,132	4,552	3,420	24	1,154	4,575
24	TG	BOAD-Titrisation	100.0%	500	0	-229	271	500	-51	-229	271
25	TG	CRRH-UEMOA	16.1%	1,543	77	870	2,413	1,543	204	793	2,336
26	h-uemoa	Fonds Agricole pour l'Afrique (FAA)	2.6%	2,401	-1,100	-986	1,415	2,401	-258	115	2,515
27	TG	ORAGROUP	2.1%	1,642	-285	3,987	5,628	1,642	3,339	4,272	5,913
28	BF	Burkina Bail	15.0%	689	86	400	1,089	689	-5	314	1,003
29	SN	CNCAS	10.5%	1,573	3	1,606	3,179	1,573	-777	1,603	3,176
30	BF	CORIS BANK	0.0%	0	-9,010	0	0	1,997	-957	9,010	11,007
31	CI	Nouvelle BRS CI/ORA Bank CI	34.4%	16,995	1,168	15,889	32,884	16,995	796	14,721	31,716
32	CI	Banque de l'Union Côte d'Ivoire (BDU-CI)	9.6%	1,100	95	148	1,248	1,100	118	53	1,153
33	BF	Banque de l'Union Burkina Faso (BDU-BF)	10.1%	1,100	100	433	1,533	1,100	520	333	1,433
34	Kenya	FAER	4.9%	5,789	-204	427	6,215	5,789	2,350	631	6,419
35	BF	AMETHIS WEST AFRICAN (AWA)	11.1%	2,998	-74	-1,476	1,522	2,998	-981	-1,403	1,595
36	CI	Air Côte d'Ivoire	6.9%	10,320	-507	-7,321	2,999	10,320	33	-6,814	3,506
37	h-uemoa	Investisseurs & Partenaires/ Développement (IPDEV2)	11.1%	632	-69	-208	424	632	-43	-139	493
38	Bn	Société Immobilière d'Aménagement Urbain SImAU	10.0%	500	-23	-117	384	500	-84	-94	406
39	SN	Banque Outarde	13.8%	2,000	-110	-465	1,535	2,000	53	-355	1,645
40	h-uemoa	Fonds I&P Afrique Entrepreneurs 2 (IPAE2)	4.1%	394	-67	-198	196	358	-131	-131	227
41	NG	Banque de l'Habitat du Niger	8.3%	825	-115	-115	710	825	0	0	825
42		Fonds d'investissements dédié au développement des services financiers dans l'UEMOA	49.5%	2,710	-84	-850	1,860	2,585	-766	-766	1,819
43		ECP Africa Fund IV	1.8%	2,109	-249	-666	1,444	1,807	-416	-416	1,390
44	CI	MANSA BANK	10.0%	1,200	-400	-400	801	1,200	0	0	1,200
45	h-uemoa	ADIWALE Fund I	7.5%	77	-61	-61	16	0	0	0	0
TOTAL				82,723	-10,129	33,912	116,635	84,179	3,352	44,041	128,220

NOTE 7. ADJUSTMENT ACCOUNTS AND OTHER ASSETS

Accruals and other assets include the following items:

Adjustment accounts and other assets		30 June 2020	31 December 2019
Derivative assets	7.1	127,711	35,286
Accruals assets	7.2	22,777	1,778
Other adjustment accounts	7.3	12,385	7,406
TOTAL		162,874	44,470

7.1 Derivative assets

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

Derivative assets	30 June 2020	31 December 2019
Derivative assets-fair value hedge	1,456	1,093
Derivative assets-cash flow hedge	126,255	34,193
TOTAL	127,711	35,286

Derivative asset amounts correspond to the share of the fair value of derivatives set up by the Bank to hedge against exchange rate fluctuations on interest payable on borrowings denominated in foreign currencies. The increase in derivative assets as of 30 June 2020 results from the appreciation of the hedge following the rise in the dollar and SDR exchange rates over the period.

7.2 Accruals assets

Accruals assets	30 June 2020	31 December 2019
Deferred expenses	1,136	892
Accruals and prepaid expenses	543	383
Accrued receivables	43	41
Other accruals	21,055	462
TOTAL	22,778	1,778

7.3 Other adjustment assets

Other adjustment accounts	30 June 2020	31 December 2019
Sundry debtors	3,988	1,921
Pre-financing of studies from foreign funds meant for studies	1,215	1,289
Deposits paid	79	75
Advances and prepayments made	219	206
Other endowments and subsidies to be received	6,885	3,915
TOTAL	12,385	7,406

NOTE 8. TANGIBLE AND INTANGIBLE ASSETS

8.1 Tangible assets

The net book value of fixed assets at 30 June 2020 and 31 December 2019 is as follows:

Tangible assets	30 June 2020	31 December 2019
Cost of acquisition	22,617	26,302
Allocations and reversal of amortisations	-16,968	-20,405
Net outstanding of tangible assets	5,649	5,897

The change in the net carrying amount of fixed assets between 31 December 2019 and 30 June 2020 is as follows:

Acquisitions of tangible assets (in XOF'M)	Allocations and reversal of amortisations (in XOF'M)	
Balance as at 1 January 2020	26,302	Balance as at 1 January 2020 20,405
Acquisitions	328	Amortization charges 535
Disposals	-4,013	Reversals of amortization -3,972
Classified as assets held for sale	0	Classified as assets held for sale 0
Balance as at 30 June 2020	22,617	Balance as at 30 June 2020 16,968
Net value on balance sheet as at 30 June 2020		5,649

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 2019	190	14,986	499	11,393	0	27,068
Acquisitions	0	2	0	1,724	0	1,726
Transfers	0	0	-105	0	0	-105
Disposals	0	-932	0	-685	0	-1,617
Transfers to investment properties	0	-667	0	-103	0	-770
Other revaluations	0	0	0	0	0	0
Balance as at 1st January 2020	190	13,389	395	12,328	0	26,302
Acquisitions	0	0	0	251	0	251
Transfers	0	0	77	0	0	77
Transfers to investment properties	0	0	0	0	0	0
Disposals	0	0	0	-4,013	0	-4,013
Balance as at 30 June 2020	190	13,389	472	8,566	0	22,617
Balance as at 1st January 2019	0	9,456	0	10,375	0	19,831
Amortization charges	0	618	0	764	0	1,383
Reversals of depreciation (disposals)	0	0	0	-767	0	-767
Transfers to investment properties	0	-31	0	-12	0	-42
Reversals of depreciation	0	0	0	0	0	0
Balance as at 1st January 2020	0	10,044	0	10,361	0	20,405
Amortization charges	0	164	0	371	0	535
Transfers to investment properties	0	0	0	0	0	0
Reversals of amortization (disposals)	0	0	0	-3,972	0	-3,972
Balance as at 30 June 2020	0	10,208	0	6,760	0	16,968
Net value of tangible assets as at 30 June 2020						5,649

8.2 Intangible assets

Below are the net carrying amounts of intangible assets:

Intangible assets	30 June 2020	31 December 2019
Cost of acquisition	1,903	1,886
Allocations and reversal of amortisations	-1,386	-1,474
Net outstanding of intangible assets	517	412

Changes in the net carrying amount of intangible assets between 31 December 2019 and 30 June 2020 are as follows:

Acquisitions of intangible assets (in XOF'M)		Allocations and reversal of amortisations (in XOF'M)	
Balance as at 1 January 2020	1,886	Balance as at 1 January 2020	1,474
Acquisitions	149	Amortization charges	44
Disposals	-132	Reversals of amortization	-132
Classified as assets held for sale	0	Classified as assets held for sale	0
Balance as at 30 June 2020	1,903	Balance as at 30 June 2020	1,386
Net value on balance sheet as at 30 June 2020		517	

8.3 Investment properties

The net book values of investment properties are presented below :

Investment properties	30 June 2020	31 December 2019
Cost of acquisition	770	770
Allocations and reversal of depreciations	-60	-42
Net outstanding of intangible assets	710	728

The evolution of the net book value of investment properties between 31 December 2019 and 30 June 2020 is as follows :

Acquisitions of investment properties (in XOF'M)		Allocations and reversal of depreciations (in XOF'M)	
Balance as at 1 January 2020	770	Balance as at 1 January 2020	42
Acquisitions	0	Amortization charges	18
Disposals	0	Write-back of amortization	0
Transfers to investment properties	0	Transfers to investment properties	0
Classified as assets held for sale	0	Classified as assets held for sale	0
Balance as at 30 June 2020	770	Balance as at 30 June 2020	60
Net value on balance sheet as at 30 June 2020		710	

8.4 Non-current assets held for sale

In December 2019, the Bank was declared co-owner of a property complex jointly with other co-lessors. This property complex is presented as a non-current asset held for sale. An active buyer research program has been initiated.

The assets held for sale has been recorded at the lowest amount between the book value of the receivables owed by the loan's beneficiaries (*which amounts to XOF 2,245 M*) and the amount of fair value less costs of sale. Any gain or loss from the sale and the cost of the sale will be recognized in profit or loss. There is no accumulated income or expense included in other comprehensive income related to the assets held for sale.

NOTE 9. LIABILITIES AT AMORTIZED COST

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

9.1 Details of the item "Liabilities at amortized cost"

The breakdown of this item is as follows (in XOF' million) as at 30 June 2020 and 31 December 2019:

Liabilities at amortized cost	30 June 2020	31 December 2019
I-Debts represented by a security		
BOAD debentures issues (a)	1,434,476	1,428,730
BOAD bonds	114,141	114,141
Maturities of less than one year/debts repr. by securities	22,383	98,601
Sub-total I	1,571,000	1,641,473
II- Other loans from foreign partners		
Loans for funding long-term projects	475,823	428,652
Loans for funding long-term project studies	482	482
Maturities of less than one year/loans	39,153	85,640
Sub-total II	515,458	514,774
Total I+II	2,086,458	2,156,247
III- Debts attached to loans and & debts repr.		
Accrued interests on debts represented by a security	22,208	27,660
Deferred expenses on bills and bonds	-180	-264
Interests and fees accrued on other loans	3,013	3,314
Deferred expenses on other loans	-305	-350
Sub-total III	24,735	30,360
IV- Interbank debts (Cauris ROPPA, AFD...)	2,373	2,463
Total I+II+III+IV	2,113,567	2,189,070

a) The total outstanding of bonds includes XOF 1,406,832 M in eurobonds issued in 2016, 2017 and 2019 on the international financial market.

9.2 Statement of changes in borrowings

Changes in borrowings between 31 December 2019 and 30 June 2020 are as follows:

Changes in deposits from banks

Debts	Balance as at 31 December 2019	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2020
Deposits from banks	2,463	0	-90	0	0	2,373
TOTAL DEPOSITS FROM BANKS	2,463	0	-90	0	0	2,373

Changes in debt securities issued

Debts	Balance as at 31 December 2019	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2020
Debentures	1,451,114	0	0	4,553	1,193	1,456,860
Bonds	190,359	0	-76,219	0	0	114,140
TOTAL DEBTS SECURITIES ISSUED	1,641,473	0	-76,219	4,553	1,193	1,571,000

Changes in other debts

Debts	Balance as at 31 December 2019	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2020
IDA	93,978	0	-1,096	-294	0	92,589
KFW	122,862	32,798	-7,034	0	0	148,626
AFD	126,503	0	-9,809	0	0	116,694
BEI	12,113	0	-2,401	0	0	9,711
PROPARCO	0	0	0	0	0	0
BAD	98,553	0	-8,005	0	0	90,547
ICD	6,893	0	-3,403	0	0	3,490
BDC	32,798	0	-6,560	0	0	26,238
BDA	0	0	0	0	0	0
BADEA	11,805	15,056	-4,841	-389	0	21,631
BNP Fortis	6,206	0	-273	0	0	5,932
ITFC	3,064	0	-3,064	0	0	0
TOTAL OTHER DEBTS	514,774	47,854	-46,487	-683	0	515,458
TOTAL DEBTS	2,158,710	47,854	-122,796	3,870	1,193	2,088,832

9.3 Maturity of liabilities at amortized cost

The borrowing schedule as at 31 December 2019 and 30 June 2020 is as follows:

Maturity	30 June 2020	31 December 2019
At most six months	63,021	125,166
More than six months and less than one year	534,855	59,076
More than one year and less than two years	133,234	587,659
More than two years and less than three years	75,852	97,543
More than three years and less than five years	103,459	116,917
More than five years	1,178,411	1,172,349
Sub-total outstanding	2,088,832	2,158,710
Debts attached to loans and & debts repr.	24,735	30,360
TOTAL	2,113,567	2,189,070

9.4 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 2020, outstanding borrowings stood at 241% of shareholders' equity for a regulatory threshold of 300%.

NOTE 10. EARMARKED FUNDS

Earmarked funds are broken down as follows:

Funds	30 June 2020	31 December 2019
Belgian Technical Assistance Fund	193	190
Dutch Fund	34	34
IDA Matching Fund	487	425
AFD Research Fund	310	310
AFD Counterpart Fund	26	26
Environmental Partnership Fund	4	4
KfW Counterpart Fund	5,853	5,949
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)	320	272
Regional Facility for Access to Sustainable Energy	0	0
New subsidy mechanism fund	73,897	17,646
CMS Fund for Interest Subsidy	1,000	1,000
Global Environment Facility	1,152	1,466
Climate change fund	5,045	5,197
Climate green fund	0	13
Regional initiatives supports fund	887	1,017
Belgian Fund for capital release	4,200	4,200
KfW PACAN Fund	3,214	0
BMUB Fund/ Fund of the German Federal Ministry for the Environment, Nature Conservation, Construction and Nuclear Safety	14	0
TOTAL	101,626	42,739

NOTE 11. ADJUSTMENT ACCOUNTS AND OTHER LIABILITIES

Accruals and other liabilities as at 30 June 2020 are as follows:

Adjustment accounts and liabilities		30 June 2020	31 December 2019
Derivatives liabilities	11.1	0	16,868
Accruals liabilities	11.2	23,036	18,380
Other adjustment accounts	11.3	19,800	3,432
TOTAL		42,836	38,680

11.1 Derivative liabilities

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

Derivatives liabilities	30 June 2020	31 December 2019
Derivatives liabilities-fair value hedge	0	0
Derivatives liabilities-cash flow hedge	0	16,868
TOTAL	0	16,868

Derivative liabilities decreased by XOF 16,868 million between 31 December 2019 and 30 June 2020. This decrease is explained by the increase in the dollar and SDR rates observed over the same period. It offsets the increase in foreign exchange risk recorded on borrowings at amortized cost as of 30 June 2020.

11.2 Accruals liabilities

The details of the accruals and deferrals are as follows:

Accruals liabilities	30 June 2020	31 December 2019
Deferred income	18,780	14,415
Accrued liabilities	3,319	3,275
Advanced payments	938	690
TOTAL	23,036	18,380

11.3 Other adjustment liabilities

Details of other liabilities are as follows:

Other adjustment accounts	30 June 2020	31 December 2019
Sundry creditors	925	1,701
Suppliers payables	18,875	1,731
TOTAL	19,800	3,432

NOTE 12. SHAREHOLDERS' EQUITY

12.1 Details of the shareholders' equity capital

Changes in equity as at 31 December 2019 and 30 June 2020 respectively are as follows:

Equity capital	30 June 2020	31 December 2019
Subscribed capital	1,103,650	1,103,650
Callable capital	-826,230	-826,230
Unpaid Capital	-41,801	-55,740
Cost related to deferred paying-up of capital	-1,800	-1,800
Capital (A)	233,819	219,881
Share premium (B)	2,622	2,622
Reserves allocated to development activities	76,050	76,050
Other reserves	26	26
Retained earnings	505,443	392,007
Reserves and retained earnings (C)	581,519	468,083
Net income for the period (D)	20,400	116,812
Net gains on investments in equity instruments designated at fair value through other comprehensive income non recyclable	33,912	44,041
Cashflow hedging reserves	74,033	-20,546
Remeasurements of defined benefit liability	834	834
Other comprehensive income (E)	108,780	24,330
TOTAL (A+B+C+D+E)	947,140	831,727

12.2 BOAD's capital structure

a) The following table sets out the Bank's capital structure as at 30 June 2020 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 2020

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	13,613	2,550	48,487
BURKINA	64,650	5.86%	1,293	16,163	13,613	2,550	48,487
COTE D'IVOIRE	64,650	5.86%	1,293	16,163	13,613	2,550	48,487
GUINEE BISSAU	64,650	5.86%	1,293	16,163	13,086	3,077	48,487
MALI	64,650	5.86%	1,293	16,163	13,613	2,550	48,487
NIGER	64,650	5.86%	1,293	16,163	13,613	2,550	48,487
SENEGAL	64,650	5.86%	1,293	16,163	13,613	2,550	48,487
TOGO	64,650	5.86%	1,293	16,163	13,613	2,550	48,487
BCEAO	517,200	46.86%	10,344	129,304	108,904	20,400	387,896
	1,034,400	93.73%	20,688	258,608	217,281	41,327	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	1,357	143	4,500
EXIM BANK OF INDIA	750	0.07%	15	188	156	31	563
CHINA	12,000	1.09%	240	3,000	2,500	500	9,000
MOROCCO	500	0.05%	10	125	125	0	375
	69,250	6.27%	1,385	18,813	16,538	2,274	50,438
SUBSCRIBED CAPITAL	1,103,650	100.00%	22,073	277,421	233,819	43,601	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

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

	30 June 2020	31 December 2019
Unpaid Capital without cost related to deferred paying-up of capital (a)	41,801	55,740
Cost related to deferred paying-up of capital (b)	1,800	1,800
Unpaid capital (a+b)	43,601	57,540

12.3 Effective equity

The Bank's effective equity as at 30 June 2020 and 31 December 2019 is as follows:

Items	30 June 2020	31 December 2019
A- Core own funds (=1+2)	807,008	779,549
1- Capital and other funds	233,819	219,881
2- Reserves and other funds	573,188	559,668
B- Additional own funds	59,217	65,842
Effective equity capital/Core Tier 1 Capital (=A+B)	866,224	845,391
C- Unpaid own funds	80,915	- 13,664
Equity capital (A+B+C)	947,140	831,727

NOTE 13. NET BANKING INCOME

Details of this item are as follows:

Net banking income		June 2020	June 2019
1-Income and interest charges			
Interests and fees on loans		55,179	50,109
Fees on bond loan guarantees		0	13
Interests and investment income		16,071	12,372
	<i>Sub-total interest income (A)</i>	<i>71,250</i>	<i>62,494</i>
Interests and charges on debts represented by a security		-38,204	-29,602
Interests and charges on loans and investments		-7,520	-7,884
Other financial services and commissions		-271	-73
	<i>Sub-total interest charges (B)</i>	<i>-45,996</i>	<i>-37,559</i>
	Margin on interests and fees C= (A)-(B)	25,254	24,935
2.1-Exchange gains and losses			
Consumed exchange gain		57	0
Potential exchange gain		0	0
	<i>Sub-total exchange gain (D)</i>	<i>57</i>	<i>0</i>
Consumed exchange loss		-198	-29
Potential exchange loss		-3,870	-5,802
	<i>Sub-total exchange loss (E)</i>	<i>-4,068</i>	<i>-5,831</i>
	Net exchange loss F=(D)-(E)	-4,011	-5,831
	2.2-Gains/losses on hedging instruments (G)	14,715	11,239
	2-Net gains/losses on foreign exchange (G)+(F)	10,704	5,409
	3-Net gains/losses on equity participations designated as fair value through profit and loss	185	85
	4-Dividends	2,248	2,194
	5-Net banking income = (1)+(2)+(3)+(4)	38,391	32,623

Foreign exchange gains and losses are caused by resources mobilization 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 14. COST OF RISK

The cost of risk as at 30 June 2020 is as follows:

Cost of risk	June 2020	June 2019
Depreciations on receivables from customers	-10,249	0
Write-back of depreciations on receivables from customers	17	1,625
Depreciations on securities portfolio	-341	0
Write-back of depreciations on securities portfolio	0	19
Depreciations on other assets	0	-2,246
Write-back of depreciations on other assets	164	0
TOTAL	-10,409	-603

NOTE 15. COSTS RELATED TO DEVELOPMENT ACTIVITIES

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

Expenses related to development activities	June 2020	June 2019
Interest subsidy	-1,040	-1,118
Other charges related to development activities	0	-801
TOTAL	-1,040	-1,918

NOTE 16. 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 1st January 2018, the Bank's depreciation model has, in accordance with IFRS 9, 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 2019.

NOTE 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

17. 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 2020.

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				398,102	398,102	398,102
Interbank loans				45,653	45,653	45,653
Debt securities portfolio				395,818	395,818	395,818
Loans and advances to customers				2,056,729	2,056,729	2,056,729
Loans and advances to staff				11,460	11,460	11,460
Receivables from shareholders				6,882	6,882	6,882
Equity investments	10,621		116,635		127,256	127,256
Derivative assets	127,711				127,711	127,711
Total amount of financial assets	138,332	0	116,635	2,914,643	3,169,610	3,169,610
Borrowings				2,113,567	2,113,567	2,113,567
Derivative liabilities	0				0	0
Total amount of financial liabilities	0	0	0	2,113,567	2,113,567	2,113,567

The carrying amounts and fair values and classification of financial assets and liabilities as at 31 December 2019, 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				576,151	576,151	576,151
Interbank loans				50,119	50,119	50,119
Debt securities portfolio				288,496	288,496	288,496
Loans and advances to customers				1,985,427	1,985,427	1,985,427
Loans and advances to staff				10,963	10,963	10,963
Receivables from shareholders				6,882	6,882	6,882
Equity investments	10,436		128,220		138,656	138,656
Derivative assets	35,286				35,286	35,286
Total amount of financial assets	45,721	0	128,220	2,918,038	3,091,980	3,091,980
Borrowings				2,189,070	2,189,070	2,189,070
Derivative liabilities	16,868				16,868	16,868
Total amount of financial liabilities	16,868	0	0	2,189,070	2,205,938	2,205,938

17.2 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 2020 and 31 December 2019:

	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	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Derivative assets			127,711	35,286			127,711	35,286
Equity participations-Financial assets designated at fair value through profit and loss			10,621	10,436			10,621	10,436
Equity participations-Financial assets designated at fair value through non-recyclable other comprehensive income (OCI)	10,204	15,243	-	-	106,431	112,978	116,635	128,220
Total amount of financial assets	10,204	15,243	138,332	45,721	106,431	112,978	254,967	173,942
Derivative liabilities			-	16,868			-	16,868
Total amount of financial liabilities	-	-	-	16,868	-	-	-	16,868

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 18. OFF-BALANCE SHEET COMMITMENTS

18.1 Commitments received

The breakdown of these commitments is as follows:

Commitments received	30 June 2020	31 December 2019
Loan commitments to be drawn (a)	149,808	199,806
Guarantees received from Regional Funds (b)	32,675	32,504
Total	182,483	232,311

- 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.

18.2 Commitments given

They are broken down as follows:

Commitments given	30 June 2020	31 December 2019
Loan commitments given (a)	1,830,378	1,610,021
Advances for the financing of studies	14,645	15,455
Equity participations commitments (b)	61,478	62,019
Sureties and other guarantees	10,000	40,000
Total	1,916,501	1,727,495

- (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 19. EFFECTS OF THE COVID-19 ON THE FINANCIAL STATEMENTS OF THE BANK

During the first half of 2020, the BOAD faced the exceptional situation created by the health crisis related to the COVID-19 pandemic. In response, it triggered its Business Continuity Plan (BCP) to ensure the protection of its staff, the continuity of its activity, in particular, through the fulfillment of its commitments and assistance to member states. The crisis management mechanism, in accordance with the content of the BCP, was composed of an Executive Committee in charge of day-to-day management and a Steering Committee headed by the Chairman of the BOAD.

Teleworking and the holding of working sessions via collaborative communication tools were favored during this period.

The Bank notes that this health crisis has had a significant impact on its business since 1st January 2020, without however calling into question its ability to continue as a going concern.

As of the date of the interim financial statements approved by its Board of Directors and given the evolution of the pandemic, the Bank is not in a position at this stage to quantify the impact of the crisis on its assets, financial position and results.

NOTE 20. SUBSEQUENT EVENTS

As of the date of closing of the June 2020 interim financial statements by the Board of Directors, the Bank's management had not recorded any subsequent events likely to influence the Bank's financial position and profits.