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BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD)

Statutory Auditor's report on the 2021 half year financial information

For the six months period ended June 30, 2021

B.O.A.D.

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This report contains 3 pages

Appendice contains 33 pages



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

Statutory Auditor's report on the 2021 half year financial information

From January 1, 2021 to June 30, 2021

Introduction

We have reviewed the accompanying condensed statement of financial position of Banque Ouest Africaine de Développement (BOAD) as at June 30, 2021, 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.

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and limited review of the half-yearly accounts. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency induce multiple consequences for companies, particularly on their activity and their financing, as well as increased uncertainties on their prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and on the way in which our work is carried out.

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.

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, 2021 is not prepared, in all material aspects, in accordance with IAS 34, "Interim Financial Reporting".

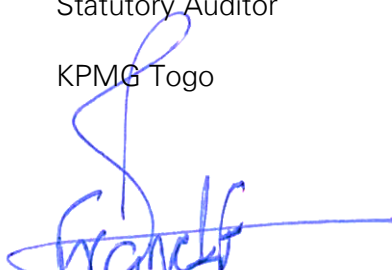
Emphasis of Matter

We draw your attention on the note 2.8 which sets out the impact of changes in accounting estimates, following the adjustment of some credit risk parameters of the Bank as of June 30, 2021. Our conclusion is not modified in respect of this matter.

Lome, September 22, 2021

Statutory Auditor

KPMG Togo



Franck FANOU
Partner



APPENDIX:

**Condensed financial statements for the
period ended June 30, 2021**



INTERIM FINANCIAL REPORT AS AT 30 JUNE 2021

SEPTEMBER 2021

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INTERIM FINANCIAL STATEMENTS AS AT
30 JUNE 2021

Statement of financial position

ASSETS		Note	30 June 2021	31 December 2020
Cash and cash equivalents		4	271,499	469,350
Loans and receivables at amortized cost		5	2,707,843	2,562,608
- Interbank loans			1,300	34,802
- Loans and advances to customers			2,279,455	2,166,679
- Loans and advances to staff			14,648	11,701
- Debt securities portfolio			405,558	342,544
- Receivables from shareholders			6,882	6,882
Equity investments		6	133,168	129,960
- Equity investments designated at fair value through profit and loss			10,921	10,659
- Equity investments designated at fair value through non-recyclable OCI			122,247	119,301
Adjustment accounts and other assets		7	58,771	35,463
- Derivative assets			33,807	20,001
- Accruals assets			12,387	3,718
- Other adjustment accounts			12,577	11,744
Tangible assets		8	6,393	6,223
Investment properties		8	672	691
Intangible assets		8	842	725
Non-current assets held for sale		8	2,245	2,245
TOTAL ASSETS			3,181,433	3,207,265
LIABILITIES		Note	30 June 2021	31 December 2020
Liabilities at amortized cost		9	2,105,455	2,125,764
- Interbank debts			7,739	2,369
- Debt represented by a security			1,506,756	1,448,907
- Other debts			590,960	674,488
Funds		10	116,107	97,250
Adjustments accounts and other liabilities		11	25,787	73,393
- Derivative liabilities			12,036	63,902
- Accruals liabilities			11,413	7,638
- Other adjustment accounts			2,338	1,853
Provisions			7,858	7,784
Total liabilities			2,255,207	2,304,191
Capital			247,644	234,346
- Subscribed capital			1,103,650	1,103,650
- Callable capital			-826,230	-826,230
- Unpaid Capital			-28,765	-42,063
- Cost related to deferred release of capital			-1,012	-1,012
Share premium			2,622	2,622
Reserves			675,960	666,106
- Reserves allocated to development activities			76,050	76,050
- Net gains or losses on investments in equity instruments designated at fair value through OCI			33,238	34,225
- Cash flow hedges reserves			13,628	20,424
- Other reserves			26	26
- Retained earnings			531,745	505,443
- Remeasurements of defined benefit schemes liability			636	636
- Net income for the period			20,636	29,302
Total shareholders' equity		12	926,225	903,074
TOTAL LIABILITIES AND EQUITY			3,181,433	3,207,265

Comprehensive income statement

For the six months ended 30 June				
COMPREHENSIVE INCOME STATEMENT		Note	June 2021	June 2020
Interests and related income			74,537	69,777
Interests and related charges			-45,602	-45,414
Margin on interests			28,936	24,363
Fees and commissions (income)			1,235	1,473
Fees and commissions (charges)			-554	-582
Margin on interests and fees			29,617	25,254
Exchange rate gains			26,772	57
Exchange rate losses			-60,344	-4,068
Gains/ losses on hedging instruments			42,312	14,715
Net gains/ Losses on foreign exchange			8,741	10,704
Margin on interests, fees and foreign exchange			38,358	35,958
Net gains/ losses on financial assets designated at fair value through profit and loss			261	185
Dividends received			2,201	2,248
Net banking income	13		40,820	38,391
Cost of risk	14		-12,551	-10,409
Allocations from Member states			3,200	3,200
Other operating income			390	219
Expenses related to development activities	15		-465	-1,040
General operating expenses			-10,712	-9,915
- Staff costs			-6,456	-6,251
- Amortisations on property, equipment and intangible assets			-579	-597
- Other operating costs			-3,677	-3,067
Other operating expenses			-45	-46
Other net operating income			-7,632	-7,582
Net income for the period			20,636	20,400
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss			-6,796	94,579
Cash flow hedges (CFH)			-6,796	94,579
Items that will not be reclassified to profit or loss			-987	-10,129
Equity investments at FVOCI - net change in fair value			-987	-10,129
Remeasurements of net defined benefit schemes liability			0	0
Other comprehensive income for the period			-7,782	84,450
Total comprehensive income for the period			12,854	104,850

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 schemes liability	Net gains on investments in equity instruments designated at fair value through other comprehensive income	Cash flow hedges reserves	Retained earnings	
Equity as at 1st January 2020	1,103,650	-826,230	-55,740	-1,800	2,622	76,050	26	834	44,041	-20,546	508,819	831,727
Increase in capital												
Unpaid capital												
Changes of the first application of IFRS 9												
Net income as at 31 December 2020 before allocation											29,302	29,302
<i>Other comprehensive income</i>	0	0	13,677	0	0	0	0	-198	-9,816	40,969	-376	44,257
Capital paid up in 2019	0	0	13,677									13,677
Adjustments on retained earnings											-3,879	-3,879
Net gains or losses on investments in equity instruments designated at fair value through OCI (IFRS 9)									-9,816		3,504	-6,313
Fair value reserves (available-for-sale financial assets)									0			0
Remeasurements of defined benefit schemes liability								-198				-198
Cash flow hedges										40,969		40,969
Others changes				787								787
Allocation of 2019 income											-3,000	-3,000
Transfers												0
Contributions et distributions												
Total transactions with the owners of the Bank												
Equity as at 31 december 2020 and as at 1st January 2021	1,103,650	-826,230	-42,063	-1,012	2,622	76,050	26	636	34,225	20,424	534,746	903,074
Increase in capital	0											0
Net income as at 30 June 2021											20,636	20,636
<i>Others changes</i>				0								0
Allocation of 2020 income											-3,000	-3,000
<i>Other comprehensive income</i>												
Capital paid-up in 2021			13,298									13,298
Adjustments on retained earnings											0	0
Net gains or losses on investments in equity instruments designated at fair value through OCI (IFRS 9)									-987		0	-987
Fair value reserves (available-for-sale financial assets)									0			0
Remeasurements of defined benefit schemes liability								0				0
Cash flow hedges										-6,796		-6,796
Sub-total other comprehensive income	0	0	13,298	0	0	0	0	0	-987	-6,796	0	5,516
Transfers												0
Contributions et distributions												
Total transactions with the owners of the Bank												
Balance as at 30 June 2021	1,103,650	-826,230	-28,765	-1,012	2,622	76,050	26	636	33,238	13,628	552,381	926,225

Cash flow table

Items	Notes	June 2021	June 2020
Cashflow from operational activities		June 2021	June 2020
Income for the period		20,636	20,400
<i>Adjustments related to non-monetary and other items</i>			
Unrealised gains/losses		-12,041	-10,844
Exchange gains		-26,772	-57
Exchange losses		30,073	198
Amortizations		579	597
Depreciations		0	0
Cost of risk		12,551	10,409
Gains/ losses on financial assets designated at fair value through profit and loss		-261	-185
Other items		-3,187	-2,698
		941	-2,581
Changes in assets and liabilities from operations			
Interbank loans		33,503	4,466
Disbursements on receivables from customers		-230,831	-268,104
Repayments of receivables from customers		170,253	229,409
Other receivables from customers		-53,949	-49,918
Loans and advances to staff		-2,948	-497
Debt securities portfolio		-63,228	-107,662
Other receivables		0	0
Other assets		-20,318	-22,845
Deposits from banks		5,370	-90
Other debts		45,231	45,539
Other liabilities		20,117	76,911
		-96,800	-92,791
Cashflow from operations		-75,222	-74,972
Cashflow from investment activities		June 2021	June 2020
Acquisitions of tangible assets		-687	-328
Sales of tangible assets		14	34
Acquisitions of intangible assets		-175	-149
Sales of intangible assets		0	0
Acquisitions of shares		-3,941	-540
Sales of shares		8	5,500
Cashflow from investments		-4,782	4,517
Cashflow from financing activities		June 2021	June 2020
Resources from shareholders (capital paying-up)		16,728	17,369
Redemption of shares		0	0
Debts represented by a security		539,648	47,854
Repayment/debts represented by a security		-528,720	-118,682
Repayment/other loans		-145,503	-54,134
Cashflow from financing activities		-117,847	-107,594
Net increase/(decrease) of cash and cash equivalents		-197,851	-178,049
Cash and cash equivalents at opening	4	469,350	576,151
Cash and cash equivalents at closing	4	271,499	398,102
		June 2021	June 2020
ADDITIONAL INFORMATION			
Operating cashflow from interests and dividends:			
Interest paid		45,135	49,970
Interest received		62,700	59,526
Dividends received		2,201	2,248

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, Ivory Coast, 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 2021 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 2020.

The separate financial statements at 30 June 2021 have been prepared in accordance with the same principles as at 31 December 2020, 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 2021 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 note.

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 2021, 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 2021 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 statement of financial position, the comprehensive income statement, the table of variations in equity and the cash flow table are not adjusted.

2.7 Statement of accounts

BOAD's individual accounts as at 30 June 2021 were approved by the Board of Directors at its meeting of 21 September 2021.

2.8 Changes in accounting estimates

Except as described below, the accounting policies applied to these interim financial statements are consistent with those applied to the Bank's financial statements for the year ended 31 December 2020.

Changes to the expected credit loss (ECL) estimation parameters from 30 June 2021

During the first half of 2021, the Bank initiated a process of continuous improvement of its methodological approach to estimating expected credit losses (ECL). This process led to a review of the credit risk parameters, in particular the probability of default-PD, the final loss given default-LGD and the conversion factors into credit equivalent-CCF.

At the closing date of the accounts on 30 June 2021, the application of the new parameters retained resulted in a change in cumulative expected credit losses from XOF 87 688 M (old parameters) to XOF 82 825 M (new parameters). This change is recorded as a change in accounting estimate with an impact on the interim financial statements for the period ending 30 June 2021.

As the process is still ongoing, this estimate is likely to change in subsequent periods.

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

The standards and interpretations described in the Bank's financial statements as at 31 December 2020, the provisions of the new standards and interpretations that came into force for the 2021 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 2021	Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	<p>These amendments complement those published in 2019 (effective from 1 January 2020). They focus on the changes to be made to the financial statements in the event that a company replaces the old reference interest rate with another reference rate as a result of the reform. Three major changes are expected:</p> <ul style="list-style-type: none"> • the possibility for the company to continue to apply hedge accounting when the hedge accounting criteria are met regardless of the implementation of the changes required by the reform; • the ability for the company to update only the effective interest rate to reflect the change in the alternative reference rate instead of derecognising or adjusting the carrying amount of financial instruments; • disclosure of new risks arising from the reform and how the company is managing the transition to alternative reference rates. <p>No impact is therefore 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	Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	This amendment affects only those companies that apply the incremental approach to determining contract performance costs. It implies that provisions are recognised when the lesser of the costs of performing the contract and the costs of termination outweigh the economic benefits. The Bank still applies the full cost approach to the performance of these contracts. This change will therefore have no impact on the Bank's accounts.
1 st January 2022	Annual Improvements to IFRSs 2018-2020 - Amendments to IFRS 1, IFRS 9, Illustrative Examples of IFRS 16 and IAS 41	IFRS 1: This amendment allows a subsidiary that has adopted IFRSs after the parent company to measure cumulative translation differences at the amounts included in the parent company's consolidated financial statements, depending on the parent company's date of transition to IFRSs. IFRS 9: The amendment clarifies that fees paid net of fees received shall be included in performing the 10% test for derecognition of financial liabilities. IFRS 16: The objective of this amendment is to eliminate confusion in the identification of lease incentives by removing the example of lessor payments for leasehold improvements. IAS 41: This amendment involves aligning the fair value measurement requirements of IAS 41 with those of IFRS 13 « Fair Value Measurement ». No impact is expected from these annual improvements.
1 st January 2022	Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	The amendments prohibit an entity from deducting revenue generated by an asset during its transfer to site or during its rehabilitation from the cost of the asset. Instead, the entity shall recognise such revenue and related costs in profit or loss. The BOAD business is banking and there will be no impact on its accounts.
1 st January 2022	Reference to the Conceptual Framework (Amendments to IFRS 3)	This amendment is not applicable in the context of the Bank's financial statements.
1 st January 2023	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	The purpose of these amendments is to clarify the criteria for classifying liabilities, namely debt and other liabilities as current or non-current. The application of these amendments has no material impact on BOAD accounts.
1 st January 2023	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.
1 st January 2023	Definition of Accounting Estimates (Amendments to IAS 8)	These amendments aim to facilitate the distinction between accounting policies and accounting estimates. The anticipated impact of these amendments is not material.

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
1 st January 2023	Amendments to IAS 1 and the Practice Statement on Disclosure of Accounting Policies	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. The application of this new definition does not have a significant impact on BOAD financial statements.

NOTE 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Cash and cash equivalents		30 June 2021	31 December 2020
Cash accounts		32	69
BOAD HQ Current Account		75	239
Deposit Accounts for Resident Missions at BCEAO	4.1	212,088	145,323
Japan Eximbank Special Account		15	15
Kingdom of Belgium Special Account		4,274	4,267
FDE P/C Contribution Account		1,985	1,985
BOAD Settlement Account Lomé		21,141	269,200
Operating Account for Resident Missions		1,801	958
Bank and correspondent bank accounts		11,829	11,096
Short-term bank deposits	4.2	12,006	34,006
Deposits/ Margin calls		6,254	2,194
TOTAL		271,499	469,350

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

Resident missions	30 June 2021	31 December 2020
Deposit Accounts BCEAO Abidjan	6,361	2,748
Deposit Accounts BCEAO Bamako	101	10,478
Deposit Accounts BCEAO Bissau	1	87
Deposit Accounts BCEAO Cotonou	934	2,828
Deposit Accounts BCEAO Dakar	6,882	5,096
Deposit Accounts BCEAO Lomé	177,202	114,876
Deposit Accounts BCEAO Niamey	186	5,158
Deposit Accounts BCEAO Ouagadougou	20,420	4,053
Total	212,088	145,323

4.2 Short-term bank deposits include:

Short-term bank deposits	30 June 2021	31 December 2020
BOA-CI, special liquidity account	996	996
BOA-BENIN liquidity account	1,010	1,010
Term deposit with BOA Group	10,000	0
Term deposit with ORABANK Group	0	10,000
Term deposit with Coris Bank Group	0	4,000
Term deposit with UTB	0	10,000
Term deposit with IB BANK	0	5,000
Term deposit with UBA	0	2,000
Term deposit with Outarde BANK	0	1,000
Total	12,006	34,006

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 2021	31 December 2020
Interbank loans	5.1	1,300	34,802
Loans and advances to customers	5.2	2,279,455	2,166,679
Loans and advances to staff		14,648	11,701
Debt securities portfolio	5.3	405,558	342,544
Receivables from shareholders		6,882	6,882
TOTAL		2,707,843	2,562,608

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 2021 and 31 December 2020 are as follows :

Interbank loans counterparties	30 June 2021	31 December 2020
BCEAO- Interests on ordinary accounts	142	25
BRM	0	12,500
ORAGROUP	0	20,000
Interest receivables	1,158	2,277
TOTAL	1,300	34,802

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 2021 and 31 December 2020 is as follows:

Items	30 June 2021	31 December 2020
Gross outstanding receivables from customers	2,378,606	2,264,640
of which gross outstanding loans	2,316,215	2,206,285
At most six months	119,492	122,444
More than six months and less than one year	128,824	113,863
More than one year and less than two years	247,399	227,572
More than two years and less than three years	258,167	227,009
More than three years and less than five years	465,059	418,384
More than five years	1,097,275	1,097,014
of which advance for financing studies	14,507	14,698
of which related receivables to loans	47,884	43,657
Total depreciation on loans and related receivables	-89,663	-88,521
of which depreciation of non-performing loans (*)	-58,190	-58,250
of which depreciation on buckets 1 and 2	-31,473	-30,271
Deferred income from fees	-8,500	-8,603
Value adjustment on advances to customers	-988	-837
Receivables from customers	2,279,455	2,166,679

(*) The total amount of depreciation of non-performing loans includes XOF 50,844 M for depreciation on the principal and XOF 7,346 M for interests and commissions receivables 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 2020 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2021 (e) = (a) + (d)
1. Gross outstanding of non-performing loans	59,739	0	-120	-120	59,620
2. Depreciation	-50,904	0	60	60	-50,844
3. Net outstanding of non performing loans = (1) + (2)	8,835	0	-60	-60	8,775

No new downgrades or reclassifications were recorded in the first half of 2021.

5.3 Debt securities portfolio

5.3.1 Changes in debt securities portfolio

Changes in debt securities portfolio as at 30 June 2021 are as follows:

	Balance as at	Variations of the period			Balance as at
	31 december 2020 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2021 (e) = (c) + (f)
1. Gross outstanding of securities portfolio	334,833	134,396	-69,950	64,446	399,280
2. Interest receivables of securities portfolio	8,741	10,635	-11,854	-1,218	7,523
3. Depreciation (buckets 1 et 2)	-1,030	-755	541	-215	-1,245
4. Net outstanding of securities portfolio (gross outstanding and interest receivables) = (1) + (2) + (3)	342,544	144,276	-81,263	63,013	405,558

5.3.2 Details of the debt securities portfolio

The debt securities portfolio is detailed as follows:

Securities portfolio	30 June 2021	31 December 2020
Treasury bonds Senegal	54,375	40,750
Treasury bonds Ivory Coast	58,286	46,286
Treasury bonds Benin	36,857	46,500
Treasury bonds Burkina	45,688	47,625
Coris Bank Holdings bonds	15,000	15,000
Treasury bonds Mali	46,448	49,448
Treasury bonds Niger	5,400	5,400
Treasury bonds Togo	56,748	39,942
CRRH Bonds	9,267	9,917
EBID Bonds	1,833	2,000
SONATEL Bonds	10,000	10,000
Treasury bills Burkina	0	11,099
Treasury bills Mali	8,989	10,556
Treasury bills Niger	15,000	0
Treasury bills Ivory Coast	35,199	0
Deposit Certificate BRM	200	400
Sub-total 1. Gross outstandings	399,289	334,923
Bonds premiums and discounts	-10	-90
Sub-total 2. Net outstandings of premiums	399,280	334,833
Interests receivable	7,523	8,741
Depreciation	-1,245	-1,030
TOTAL	405,558	342,544

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 2021 and 31 December 2020 is as follows:

Maturity	30 June 2021	31 December 2020
At most six months	45,259	43,042
More than six months and less than one year	61,834	15,060
More than one year and less than two years	108,263	75,297
More than two years and less than three years	63,925	70,346
More than three years and less than five years	87,157	83,366
More than five years	32,851	47,812
Sub-total 1. Gross outstandings	399,289	334,923
Bonds premiums and discounts	-10	-90
Sub-total 2. Net outstandings of premiums	399,280	334,833
Interests receivable	7,523	8,741
Depreciation	-1,245	-1,030
TOTAL	405,558	342,544

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 2021	December 2020
Gross outstanding of equity investments as at 1st January	93,888	92,991
Increases	3,941	3,973
Decreases	-8	-3,076
Gross outstanding of equity investments	97,822	93,888
Gains /losses of equity investments designated at fair value through non-recyclable OCI	33,237	34,225
Gains /losses of equity investments designated at fair value through P&L	2,109	1,847
Net outstanding of equity investments	133,168	129,960

6.2.2 Distribution of equity investments per counterparty

The investments recorded 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 2020 and 30 June 2021

N°	Country	Equity investments	Percentage of interest (%)	30/06/2021				31/12/2020			
				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	1,063	163	3,727	2,500	1,126	-62	3,563
2	h-uemoa	FEFISOL	8.2%	1,312	52	0	1,364	1,312	60	-9	1,363
3	SN	FCP/FC BOAD	100.0%	5,000	733	98	5,831	5,000	438	295	5,733
TOTAL				8,812	1,848	261	10,921	8,812	1,624	224	10,659

b) Change in instruments recognized at fair value through other comprehensive income between 31 December 2020 and 30 June 2021

N°	Country	Equity investments	Percentage of interest (%)	30/06/2021				31/12/2020			
				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	11	116	218	103	15	105	208
2	TG	CAURIS CROISSANCE	0.0%	0	0	0	0	0	0	0	0
3	SN	BNDE	9.1%	1,000	120	2,167	3,167	1,000	82	2,047	3,047
4	h-uemoa	CAURIS CROISSANCE II	17.7%	4,226	0	-1,841	2,385	4,221	-1,174	-1,841	2,380
5	TG	GARI S. A.	11.6%	1,500	-71	1,095	2,595	1,500	-128	1,165	2,665
6	MA	BDM Mali	16.0%	600	723	17,702	18,302	600	983	16,979	17,579
7	BN	BOA Bénin	2.3%	98	145	1,802	1,900	98	41	1,657	1,755
8	NG	SONIBANK Niger	9.5%	1,082	-25	2,360	3,442	1,082	257	2,385	3,467
9	CI	BHCI Côte d'Ivoire	2.2%	150	92	-150	0	150	-261	-242	-92
10	NG	BOA Niger	5.7%	137	276	2,745	2,882	137	86	2,469	2,607
11	TG	BIA Togo	5.2%	392	22	232	624	392	72	210	602
12	h-uemoa	Afreximbank	0.3%	2,500	543	2,146	4,646	2,500	224	1,603	4,103
13	SN	Banque Régionale de Marché (BRM)	4.0%	400	0	-400	0	400	-80	-400	0
14	BF	Banque de l'Habitat du BF	0.9%	200	0	-74	126	200	22	-74	126
15	CI	BRVM	9.2%	56	20	531	587	56	-46	511	567
16	CI	DC/BR (BRVM)	9.1%	140	29	235	375	140	16	206	346
17	TG	CICA RE	2.0%	999	75	469	1,468	999	51	394	1,393
18	MA	MANDE Hotel	16.7%	50	-6	235	285	50	-11	241	291
19	CI	CIPREL	2.0%	584	74	1,686	2,270	584	-99	1,612	2,196
20	TG	ASKY (EX SPCAR)	16.8%	5,990	-675	-5,990	0	5,990	675	-5,315	675
21	CI	RASCOM	7.1%	1,600	0	-1,600	0	1,600	0	-1,600	0
22	h-uemoa	PROPARCO	0.7%	4,347	-80	817	5,164	4,347	-257	897	5,244
23	TG	BOAD-Titrisation	100.0%	500	-86	-315	185	500	0	-229	271
24	TG	CRRH-UEMOA	15.6%	1,543	106	1,076	2,619	1,543	177	970	2,513
25	h-uemoa	Fonds Agricole pour l'Afrique (FAA)	2.6%	2,246	-205	-1,476	770	2,254	-1,386	-1,271	983
26	TG	ORAGROUP	2.1%	1,642	-228	4,044	5,685	1,642	0	4,272	5,913
27	BF	Burkina Bail	15.0%	689	144	445	1,134	689	-12	301	990
28	SN	CNCAS	10.5%	1,573	-709	897	2,470	1,573	3	1,606	3,179
29	BF	CORIS BANK	0.0%	0	0	0	0	0	-9,010	0	0
30	CI	Nouvelle BRS CI/ORA Bank CI	34.4%	16,995	0	15,997	32,992	16,995	1,276	15,997	32,992
31	CI	Banque de l'Union Côte d'Ivoire (BDU-CI)	9.6%	1,100	118	419	1,519	1,100	248	301	1,401
32	BF	Banque de l'Union Burkina Faso (BDU-BF)	10.1%	1,100	178	735	1,835	1,100	224	557	1,657
33	Kenya	FAER	4.9%	5,789	183	564	6,353	5,789	-250	381	6,170
34	BF	AMETHIS WEST AFRICAN (AWA)	11.1%	2,514	-392	-1,676	838	2,514	118	-1,284	1,230
35	CI	Air Côte d'Ivoire	7.9%	10,320	-2,127	-9,004	1,315	10,320	-63	-6,877	3,443
36	h-uemoa	Investisseurs & Partenaires/ Développement (IPDEV2)	11.1%	781	-33	-252	528	781	-81	-219	562
37	Bn	Société Immobilière d'Aménagement Urbain SImAU	10.0%	500	64	-52	448	500	-23	-117	384
38	SN	Banque Outarde	13.8%	2,000	-42	-507	1,493	2,000	-110	-465	1,535
39	h-uemoa	Fonds I&P Afrique Entrepreneurs 2 (IPAE2)	4.1%	711	64	-134	577	489	-67	-198	292
40	NG	Banque de l'Habitat du Niger	8.3%	825	-51	-167	658	825	-115	-115	710
41		Fonds d'investissements dédié au développement des services financiers dans l'UEMOA	49.5%	4,521	-148	-978	3,542	4,397	-64	-830	3,567
42		ECP Africa Fund IV	1.8%	3,000	1,212	256	3,256	2,608	-540	-956	1,651
43	CI	MANSA BANK	10.0%	1,200	139	-409	792	1,200	-548	-548	652
44	h-uemoa	ADIWALE Fund I	7.5%	309	125	64	373	110	-61	-61	49
45	h-uemoa	AFIG Fund	4.0%	3,000	-573	-573	2,427	0	0	0	0
TOTAL				89,010	-987	33,238	122,248	85,076	-9,816	34,225	119,301

NOTE 7. ADJUSTMENT ACCOUNTS AND OTHER ASSETS

Accruals and other assets include the following items:

Adjustment accounts and other assets		30 June 2021	31 December 2020
Derivative assets	7.1	33,807	20,001
Accruals assets	7.2	12,387	3,718
Other adjustment accounts	7.3	12,577	11,744
TOTAL		58,771	35,463

7.1 Derivative assets

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

Derivative assets	30 June 2021	31 December 2020
Derivative assets-fair value hedge	0	0
Derivative assets-cash flow hedge	33,807	20,001
TOTAL	33,807	20,001

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 2021 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 2021	31 December 2020
Deferred expenses	1,293	1,329
Accruals and prepaid expenses	469	433
Accrued receivables	666	1,419
Other accruals	9,958	537
TOTAL	12,387	3,718

7.3 Other adjustment assets

Other adjustment accounts	30 June 2021	31 December 2020
Sundry debtors	4,065	3,068
Prefinancing of studies from foreign funds meant for studies	1,413	1,371
Deposits paid	72	71
Cash advances on mission expenses	5	1
Cash advances and prepayments made	259	240
Other endowments and subsidies to be received	6,764	6,994
TOTAL	12,577	11,744

NOTE 8. TANGIBLE AND INTANGIBLE ASSETS

8.1 Tangible assets

The net book value of fixed assets at 30 June 2021 and 31 December 2020 is as follows:

Tangible assets	30 June 2021	31 December 2020
Cost of acquisition	24,035	23,690
Allocations and reversals of amortizations	-17,643	-17,467
Net outstanding of tangible assets	6,393	6,223

The change in the net carrying amount of fixed assets between 31 December 2020 and 30 June 2021 is as follows:

Acquisitions/Disposals of tangible assets (in XOF'M)	Allocations and reversal of amortizations (in XOF'M)
Balance as at 1 January 2021	23,690
Acquisitions	687
Disposals	-342
Transfers to investment properties	0
Classified as assets held for sale	0
Balance as at 30 June 2021	24,035
Net value on balance sheet as at 30 June 2021	6,393
Balance as at 1 January 2021	17,467
Amortization charges	503
Reversals of amortizations	-328
Transfers to investment properties	0
Classified as assets held for sale	0
Balance as at 30 June 2021	17,643
Net value on balance sheet as at 30 June 2021	6,393

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 2020	190	13,389	395	12,328	0	26,302
Acquisitions	0	0	777	643	0	1,420
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Transfers to investment properties	0	0	0	-4,033	0	-4,033
Other revaluations	0	0	0	0	0	0
Balance as at 1st January 2021	190	13,389	1,171	8,939	0	23,690
Acquisitions	0	0	0	687	0	687
Transfers	0	0	0	0	0	0
Transfers to investment properties	0	0	0	0	0	0
Disposals	0	0	0	-342	0	-342
Balance as at 30 June 2021	190	13,389	1,171	9,284	0	24,035
Accumulated amortizations and disposals						
Balance as at 1st January 2020	0	10,044	0	10,361	0	20,405
Amortization charges	0	329	0	723	0	1,052
Reversals of amortizations (disposals)	0	0	0	0	0	0
Transfers to investment properties	0	0	0	-3,990	0	-3,990
Reversals of depreciation	0	0	0	0	0	0
Balance as at 1st January 2021	0	10,373	0	7,094	0	17,467
Amortization charges	0	163	0	340	0	503
Transfers to investment properties	0	0	0	0	0	0
Reversals of amortizations (disposals)	0	0	0	-328	0	-328
Balance as at 30 June 2021	0	10,537	0	7,106	0	17,643
Net value of tangible assets as at 30 June 2021						6,393

8.2 Investment properties

The net book values of investment properties are presented below :

Investment properties	30 June 2021	31 December 2020
Cost of acquisition	770	770
Allocations and reversals of amortizations	-98	-80
Net outstanding of intangible assets	672	691

The evolution of the net book value of investment properties between 31 December 2020 and 30 June 2021 is as follows :

Acquisitions/Disposals of investment properties (in XOF'M)		Allocations and reversal of amortizations (in XOF'M)	
Balance as at 1 January 2021	770	Balance as at 1 January 2021	80
Acquisitions	0	Amortization charges	18
Disposals	0	Reversals of amortizations	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 2021	770	Balance as at 30 June 2021	98
Net value on balance sheet as at 30 June 2021		672	

8.3 Intangible assets

Below are the net carrying amounts of intangible assets:

Intangible assets	30 June 2021	31 December 2020
Cost of acquisition	2,322	2,149
Allocations and reversals of amortizations	-1,480	-1,424
Net outstanding of intangible assets	842	725

Changes in the net carrying amount of intangible assets between 31 December 2020 and 30 June 2021 are as follows:

Acquisitions/Disposals of intangible assets (in XOF'M)		Allocations and reversal of amortizations (in XOF'M)	
Balance as at 1 January 2021	2,149	Balance as at 1 January 2021	1,424
Acquisitions	175	Amortization charges	58
Disposals	-1	Reversals of amortizations	-1
Classified as assets held for sale	0	Classified as assets held for sale	0
Balance as at 30 June 2021	2,322	Balance as at 30 June 2021	1,480
Net value on balance sheet as at 30 June 2021		842	

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 2021 and 31 December 2020:

Liabilities at amortized cost	30 June 2021	31 December 2020
I-Debts represented by a security		
BOAD debentures issues (*)	1,405,952	890,206
BOAD bonds	57,082	57,082
Maturities of less than one year/debts repr. by securities	21,712	478,999
Sub-total I	1,484,746	1,426,288
II- Other loans from foreign partners		
Loans for funding long-term projects	588,151	599,665
Loans for funding long-term project studies	482	482
Maturities of less than one year/loans	0	71,677
Sub-total II	588,632	671,824
Total I+II	2,073,379	2,098,112
III- Debts attached to loans and & debts repr.		
Accrued interests on debts represented by a security	22,074	22,731
Deferred expenses on bills and bonds	-65	-112
Interests and fees accrued on other loans	2,556	2,928
Deferred expenses on other loans	-228	-264
Sub-total III	24,337	25,283
IV- Interbank debts (Cauris ROPPA, AFD...)	7,739	2,369
Total I+II+III+IV	2,105,455	2,125,764

*) The total outstanding of bonds includes XOF 1,405,282 M in eurobonds issued in 2017, 2019 and 2021 on the international financial market.

9.2 Statement of changes in borrowings

Changes in borrowings between 31 December 2020 and 30 June 2021 are as follows:

Changes in deposits from banks

Debits	Balance as at 31 December 2020	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2021
Deposits from banks	2,369	6,931	-1,561	0	0	7,739
TOTAL DEPOSITS FROM BANKS	2,369	6,931	-1,561	0	0	7,739

Changes in debt securities issued

Debits	Balance as at 31 December 2020	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2021
Debentures	1,312,148	486,276	-434,153	28,958	34,437	1,427,665
Bonds	114,140	0	-57,059	0	0	57,081
TOTAL DEBTS SECURITIES ISSUED	1,426,288	486,276	-491,212	28,958	34,437	1,484,746

Changes in other debts

Debits	Balance as at 31 December 2020	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2021
IDA	89,243	53,372	-1,046	960	0	142,528
KFW	174,389	0	-7,034	0	0	167,355
AFD	179,331	0	-9,809	0	0	169,522
BEI	7,289	0	-2,307	0	0	4,983
BAD	82,542	0	-8,005	0	0	74,536
ICD	49,197	0	-49,197	0	0	0
BDC	19,679	0	-6,560	0	0	13,119
BADEA	15,299	0	-4,449	353	0	11,203
BNP Fortis	5,659	0	-273	0	0	5,386
JP MORGAN	49,197	0	-49,197	0	0	0
TOTAL OTHER DEBTS	671,824	53,372	-137,876	1,313	0	588,632
TOTAL DEBTS	2,100,481	546,579	-630,649	30,271	34,437	2,081,118

9.3 Maturity of liabilities at amortized cost

The borrowing schedule as at 31 December 2020 and 30 June 2021 is as follows:

Maturity	30 June 2021	31 December 2020
At most six months	57,065	592,249
More than six months and less than one year	76,329	54,577
More than one year and less than two years	82,881	106,475
More than two years and less than three years	61,321	78,938
More than three years and less than five years	115,579	108,457
More than five years	1,687,943	1,159,785
Sub-total outstanding	2,081,118	2,100,481
Debts attached to loans and & debts repr.	24,337	25,283
TOTAL	2,105,455	2,125,764

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 2021, outstanding borrowings stood at 229% of shareholders' equity for a statutory threshold of 300%.

NOTE 10. EARMARKED FUNDS

Earmarked funds are broken down as follows:

Funds	30 June 2021	31 December 2020
Belgian Technical Assistance Fund	198	195
Dutch Fund	34	34
IDA Matching Fund	635	565
AFD Research Fund	310	310
AFD Counterpart Fund	26	26
Environmental Partnership Fund	4	4
KfW Counterpart Fund	5,627	5,744
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)	365	320
New subsidy mechanism fund	88,935	69,979
CMS Fund for Interest Subsidy	1,000	1,000
Global Environment Facility	1,152	1,152
Climate change fund	4,944	5,045
Climate green fund	0	0
Regional initiatives supports fund	473	473
Belgian Fund for capital release	4,200	4,200
KfW Fund for loans adapted to natural disasters (PACAN)	3,214	3,214
TOTAL	116,107	97,250

NOTE 11. ADJUSTMENT ACCOUNTS AND OTHER LIABILITIES

Accruals and other liabilities as at 30 June 2021 are as follows:

Adjustment accounts and liabilities		30 June 2021	31 December 2020
Derivatives liabilities	11.1	12,036	63,902
Accruals liabilities	11.2	11,413	7,638
Other adjustment accounts	11.3	2,338	1,853
TOTAL		25,787	73,393

11.1 Derivative liabilities

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

Derivatives liabilities	30 June 2021	31 December 2020
Derivatives liabilities-fair value hedge	96	1,290
Derivatives liabilities-cash flow hedge	11,940	62,612
TOTAL	12,036	63,902

Derivative liabilities decreased by XOF 51,866 million between 31 December 2020 and 30 June 2021. This decrease is explained by the combined effect of the increase in the

dollar and SDR rates observed over the same period as well as the completion of the hedging of the 2016-2021 Eurobond following its redemption. It offsets the increase in foreign exchange risk recorded on liabilities at amortized cost as of 30 June 2021.

11.2 Accruals liabilities

The details of the accruals and deferrals are as follows:

Accruals liabilities	30 June 2021	31 December 2020
Deferred income	7,288	4,648
Accrued liabilities	3,172	2,953
Advanced payments	953	36
TOTAL	11,413	7,638

11.3 Other adjustment liabilities

Details of other liabilities are as follows:

Other adjustment accounts	30 June 2021	31 December 2020
Sundry creditors	1,174	1,074
Suppliers payables	1,164	779
TOTAL	2,338	1,853

NOTE 12. SHAREHOLDERS' EQUITY

12.1 Details of the shareholders' equity capital

Changes in equity as at 31 December 2020 and 30 June 2021 respectively are as follows:

Equity capital	30 June 2021	31 December 2020
Subscribed capital	1,103,650	1,103,650
Callable capital	-826,230	-826,230
Unpaid Capital	-28,765	-42,063
Cost related to deferred paying-up of capital	-1,012	-1,012
Capital (A)	247,644	234,346
Share premium (B)	2,622	2,622
Reserves allocated to development activities	76,050	76,050
Other reserves	26	26
Retained earnings	531,745	505,443
Reserves and retained earnings (C)	607,821	581,519
Net income for the period (D)	20,636	29,302
Net gains on investments in equity instruments designated at fair value through non recyclable other comprehensive income	33,238	34,225
Cashflow hedging reserves	13,628	20,424
Remeasurements of defined benefit schemes liability	636	636
Other comprehensive income (E)	47,502	55,285
TOTAL (A+B+C+D+E)	926,225	903,074

12.2 BOAD's capital structure

a) The following table sets out the Bank's capital structure as at 30 June 2021 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 2021

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	14,398	1,765	48,487
BURKINA	64,650	5.86%	1,293	16,163	14,398	1,765	48,487
COTE D'IVOIRE	64,650	5.86%	1,293	16,163	14,398	1,765	48,487
GUINEE BISSAU	64,650	5.86%	1,293	16,163	14,283	1,880	48,487
MALI	64,650	5.86%	1,293	16,163	14,398	1,765	48,487
NIGER	64,650	5.86%	1,293	16,163	14,398	1,765	48,487
SENEGAL	64,650	5.86%	1,293	16,163	14,398	1,765	48,487
TOGO	64,650	5.86%	1,293	16,163	14,398	1,765	48,487
BCEAO	517,200	46.86%	10,344	129,304	115,184	14,120	387,896
	1,034,400	93.73%	20,688	258,608	230,253	28,355	775,792
CATEGORY B							
France	38,400	3.48%	768	9,600	8,640	960	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	169	19	563
CHINA	12,000	1.09%	240	3,000	2,700	300	9,000
MOROCCO	500	0.05%	10	125	125	0	375
	69,250	6.27%	1,385	18,813	17,391	1,422	50,438
SUBSCRIBED CAPITAL	1,103,650	100.00%	22,073	277,421	247,644	29,777	826,230
UNSUBSCRIBED CAPITAL	51,350		1,027				
AUTHORIZED CAPITAL	1,155,000		23,100				

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

	30 June 2021	31 December 2020
Unpaid Capital without cost related to deferred paying-up of capital (a)	28,765	42,063
Cost related to deferred paying-up of capital (b)	1,012	1,012
Unpaid capital (a+b)	29,777	43,075

12.3 Effective equity

The Bank's effective equity as at 30 June 2021 and 31 December 2020 is as follows:

Items	30 June 2021	31 December 2020
A- Core own funds (=1+2)	847,173	816,239
1- Capital and other funds	247,644	234,346
2- Reserves and other funds	599,530	581,893
B- Additionnal own funds	58,542	59,529
Effective equity capital/Core Tier 1 Capital (=A+B)	905,715	875,768
C- Unpaid own funds	20,510	27,306
Equity capital (A+B+C)	926,225	903,074

NOTE 13. NET BANKING INCOME

Details of this item are as follows:

Net banking income		June 2021	June 2020
1-Income and interest charges			
Interests and fees on loans		63,544	55,179
Fees on bond loan guarantees		0	0
Interests and investment income		12,228	16,071
<i>Sub-total interest income (A)</i>		<i>75,773</i>	<i>71,250</i>
Interests and charges on debts represented by a security		-38,112	-38,204
Interests and charges on loans and investments		-7,489	-7,520
Other financial services and commissions		-554	-271
<i>Sub-total interest charges (B)</i>		<i>-46,156</i>	<i>-45,996</i>
Margin on interests and fees C= (A)-(B)		29,617	25,254
2.1-Exchange gains and losses			
Consumed exchange gain		26,772	57
Potential exchange gain		0	0
<i>Sub-total exchange gain (D)</i>		<i>26,772</i>	<i>57</i>
Consumed exchange loss		-30,073	-198
Potential exchange loss		-30,271	-3,870
<i>Sub-total exchange loss (E)</i>		<i>-60,344</i>	<i>-4,068</i>
Net exchange loss F=(D)-(E)		-33,572	-4,011
2.2-Gains/losses on hedging instruments (G)			
		42,312	14,715
2-Net gains/losses on foreign exchange (G)+(F)		8,741	10,704
3-Net gains/losses on equity investments designated at fair value through profit		261	185
4-Dividends		2,201	2,248
5-Net banking income = (1)+(2)+(3)+(4)		40,820	38,391

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 purchases and swap transactions.

NOTE 14. COST OF RISK

The cost of risk as at 30 June 2021 is as follows:

Cost of risk	June 2021	June 2020
Depreciations on receivables from customers	-1,810	-10,249
Reversals of depreciations on receivables from customers	60	17
Depreciations on securities portfolio	-739	-341
Reversals of depreciations on securities portfolio	524	0
Depreciations on other assets	-10,586	0
Reversals of depreciations on other assets	0	164
TOTAL	-12,551	-10,409

NOTE 15. COSTS RELATED TO DEVELOPMENT ACTIVITIES

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

Costs related to development activities	June 2021	June 2020
Interest subsidy	-465	-1,040
TOTAL	-465	-1,040

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 objectives and rules for financial risk management are similar to those applied to the financial statements closed as at 31 December 2020.

However, in order to improve the estimation of the expected credit losses (ECL), the Bank has reviewed some of the calculation parameters, namely LGD (ultimate loss given default), PD (probability of default), CCF (cash equivalent conversion factor).

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 2021.

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				271,499	271,499	271,499
Interbank loans				1,300	1,300	1,300
Debt securities portfolio				405,558	405,558	405,558
Loans and advances to customers				2,279,455	2,279,455	2,279,455
Loans and advances to staff				14,648	14,648	14,648
Receivables from shareholders				6,882	6,882	6,882
Equity investments	10,921		122,247		133,168	133,168
Derivative assets	33,807				33,807	33,807
Total amount of financial assets	44,727	0	122,247	2,979,342	3,146,317	3,146,317
Borrowings				2,105,455	2,105,455	2,105,455
Derivative liabilities	12,036				12,036	12,036
Total amount of financial liabilities	12,036	0	0	2,105,455	2,117,491	2,117,491

The carrying amounts and fair values and classification of financial assets and liabilities as at 31 December 2020, 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				469,350	469,350	469,350
Interbank loans				34,802	34,802	34,802
Debt securities portfolio				342,544	342,544	342,544
Loans and advances to customers				2,166,679	2,166,679	2,166,679
Loans and advances to staff				11,701	11,701	11,701
Receivables from shareholders				6,882	6,882	6,882
Equity investments	10,659		119,301		129,961	129,961
Derivative assets	20,001				20,001	20,001
Total amount of financial assets	30,660	0	119,301	3,031,958	3,181,919	3,181,919
Borrowings				2,125,764	2,125,764	2,125,764
Derivative liabilities	63,902				63,902	63,902
Total amount of financial liabilities	63,902	0	0	2,125,764	2,189,666	2,189,666

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 2021 and 31 December 2020:

	Active market prices (level 1)		Evaluation techniques, of which all critical data are based on observable market data (level 2)		Evaluation techniques, of which all critical data are not based on observable market data (level 3)		Total amount	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Derivative assets			33,807	20,001			33,807	20,001
Equity participations-Financial assets designated at fair value through profit and loss			10,921	10,659			10,921	10,659
Equity participations-Financial assets designated at fair value through non-recyclable other comprehensive income (OCI)	10,468	10,275	-	-	111,780	109,025	122,248	119,301
Total amount of financial assets	10,468	10,275	44,727	30,660	111,780	109,025	166,975	149,961
Derivative liabilities			12,036	63,902			12,036	63,902
Total amount of financial liabilities	-	-	12,036	63,902	-	-	12,036	63,902

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/return 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 2021	31 December 2020
Loan commitments to be drawn (a)	205,286	258,858
Guarantees received from Regional Funds (b)	30,392	30,955
Total	235,679	289,813

- a) Commitments to be drawn down represent the balance not yet cashed on loans contracted with the lenders.
- 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 2021	31 December 2020
Loan commitments given (a)	1,819,215	1,756,631
Advances for the financing of studies	17,990	18,074
Equity participations commitments (b)	55,048	58,989
Sureties and other guarantees	10,000	10,000
Total	1,902,253	1,843,694

- (a) Loan commitments given correspond to financing agreements whose installement remains subject to the fulfilment of conditions precedent or whose effective 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

As of the date of the Board of Directors' interim accounts as at 30 June 2020, and taking into account the evolution of the pandemic, the known and estimated effects of COVID-19 have been recorded in the Bank's financial statements.

In addition to the measures taken by the Bank in 2020, including the triggering of its Business Continuity Plan (BCP), the significant downgrade of counterparties operating in sectors heavily impacted by the pandemic, the Bank has extended the downgrade to other sectors in order to better anticipate the effect of the COVID-19 health crisis.

In addition, the Bank will continue to anticipate and to disclose other financial effects of COVID-19 in its financial statements as they become known and estimable.

NOTE 20. SUBSEQUENT EVENTS

As of the date of closing of the June 2021 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.