



KPMG Togo  
8<sup>ème</sup> étage immeuble BTCl Siège  
169, Boulevard du 13 janvier  
06 BP 6019 Lomé 06, Togo  
Tél : (228) 22 21 87 69, Fax : (228) 22 21 03 55  
Email: contact@kpmg.tg

# Banque Ouest Africaine de Développement (BOAD)

## Statutory Auditors' report on the 2022 half year financial information

For the six months period ended June 30, 2022  
B.O.A.D.  
68, Avenue de la Libération  
BP 1172, Lomé - Togo  
*This report contains 03 pages*  
*Appendice contains 32 pages*



KPMG Togo  
8ème étage immeuble BTCL Siège  
169, Boulevard du 13 janvier  
06 BP 6019 Lomé 06, Togo  
Tél : (228) 22 21 87 69, Fax : (228) 22 21 03 55  
Email : contact@kpmg.tg

## **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 the 2022 half year financial information**

From January 1, 2022 to June 30, 2022

## **Introduction**

We have reviewed the accompanying condensed statement of financial position of Banque Ouest Africaine de Développement (BOAD) as at June 30, 2022, the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed interim financial information.

Board of directors is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, "Interim Financial Reporting".

Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

## **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.



A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## 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, 2022 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

Without qualifying the above conclusion, we draw your attention to:

- Note 16, which sets out the impact of the transfer by the Council of Ministers to the BOAD, in the form of a donation, of part of the funds of the new bonus mechanism, for XOF 90 billion.
- Note 20.3 which sets out the indirect consequences of the conflict in Ukraine on the bank's accounts.

Lome, September 30, 2022

Statutory Auditors

KPMG Togo

**Franck FANOU**  
Partner



**APPENDIX:**

**Condensed interim financial statements  
for the period ended June 30, 2022**



## **INTERIM FINANCIAL REPORT AS AT 30 JUNE 2022**

**SEPTEMBER 2022**

## TABLE OF CONTENTS

<b>INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2022</b> .....	3
Statement of financial position.....	4
Comprehensive income statement .....	5
Variations in equity .....	6
Cash flows table.....	7
<b>NOTE 1. ACTIVITY OF BOAD</b> .....	8
<b>NOTE 2. SUMMARY OF ACCOUNTING PRINCIPLES AND PRACTICES</b> .....	8
<b>NOTE 3. IMPACTS OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS</b> .....	10
<b>NOTE 4. CASH AND CASH EQUIVALENTS</b> .....	12
<b>NOTE 5. LOANS AND RECEIVABLES AT AMORTIZED COST</b> .....	12
<b>NOTE 6. EQUITY INVESTMENTS</b> .....	15
<b>NOTE 7. ADJUSTMENT ACCOUNTS AND OTHER ASSETS</b> .....	18
<b>NOTE 8. TANGIBLE AND INTANGIBLE ASSETS</b> .....	19
<b>NOTE 9. LIABILITIES AT AMORTIZED COST</b> .....	21
<b>NOTE 10. EARMARKED FUNDS</b> .....	22
<b>NOTE 11. ADJUSTMENT ACCOUNTS AND OTHER LIABILITIES</b> .....	23
<b>NOTE 12. SHAREHOLDERS' EQUITY</b> .....	24
<b>NOTE 13. NET BANKING INCOME</b> .....	26
<b>NOTE 14. COST OF RISK</b> .....	27
<b>NOTE 15. COSTS RELATED TO DEVELOPMENT ACTIVITIES</b> .....	27
<b>NOTE 16. NET INCOME OF THE PERIOD</b> .....	27
<b>NOTE 17. FINANCIAL RISK MANAGEMENT</b> .....	27
<b>NOTE 18. FAIR VALUE OF FINANCIAL INSTRUMENTS</b> .....	28
<b>NOTE 19. OFF-BALANCE SHEET COMMITMENTS</b> .....	29
<b>NOTE 20. EFFECTS OF THE COVID-19 AND THE SOCIO-POLITICAL SITUATION ON THE FINANCIAL STATEMENTS OF THE BANK</b> .....	30
<b>NOTE 21. EVENTS AFTER THE REPORTING DATE</b> .....	31

**INTERIM FINANCIAL STATEMENTS AS AT**  
**30 JUNE 2022**

## Statement of financial position

ASSETS	Note	30 June 2022	31 December 2021
Cash and cash equivalents	4	219,452	230,373
Loans and receivables at amortized cost	5	2,771,835	2,797,015
- Interbank loans		185	10,412
- Loans and advances to customers		2,369,012	2,368,457
- Loans and advances to staff		17,817	15,514
- Debt securities portfolio		378,374	396,047
- Receivables from shareholders		6,448	6,585
Equity investments	6	140,073	138,161
- Equity investments designated at fair value through profit and loss		10,007	10,771
- Equity investments designated at fair value through non-recyclable OCI		130,066	127,390
Adjustment accounts and other assets	7	220,708	115,507
- Derivative assets		198,955	88,067
- Accruals assets		13,148	16,596
- Other adjustment accounts		8,606	10,844
Tangible assets	8	5,956	6,177
Investment properties	8	635	654
Intangible assets	8	1,410	1,154
Non-current assets held for sale	8	2,245	2,245
<b>TOTAL ASSETS</b>		<b>3,362,314</b>	<b>3,291,286</b>
<b>LIABILITIES</b>			
	Note	30 June 2022	31 December 2021
Liabilities at amortized cost	9	2,203,699	2,188,700
- Interbank debts		7,371	7,571
- Debt represented by a security		1,582,100	1,539,277
- Other debts		614,228	641,852
Funds	10	45,395	114,083
Adjustments accounts and other liabilities	11	21,825	28,271
- Derivative liabilities		0	0
- Accruals liabilities		9,819	24,533
- Other adjustment accounts		12,006	3,739
Provisions		9,807	9,182
<b>Total liabilities</b>		<b>2,280,726</b>	<b>2,340,237</b>
Capital		260,468	247,902
- Subscribed capital		1,103,650	1,103,650
- Callable capital		-826,230	-826,230
- Unpaid Capital		-16,443	-29,009
- Cost related to deferred release of capital		-510	-510
Share premium		2,622	2,622
Reserves		818,499	700,525
- Reserves allocated to development activities		76,050	76,050
- Net gains or losses on investments in equity instruments designated at fair value through OCI		41,915	39,664
- Cash flow hedges reserves		29,436	22,514
- Other reserves		26	26
- Retained earnings		559,570	531,745
- Remeasurements of defined benefit schemes liability		-298	-298
- Net income for the period		111,800	30,824
<b>Total shareholders' equity</b>	12	<b>1,081,589</b>	<b>951,049</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,362,314</b>	<b>3,291,286</b>



## Comprehensive income statement

COMPREHENSIVE INCOME STATEMENT	Note	30 June 2022	30 June 2021
Interests and related income		74,639	74,537
Interests and related charges		-39,602	-45,602
Margin on interests		35,036	28,936
Fees and commissions (income)		1,237	1,235
Fees and commissions (charges)		-1,794	-554
Margin on interests and fees		34,479	29,617
Exchange rate gains		756	26,772
Exchange rate losses		-92,749	-60,344
Gains/ losses on hedging instruments		103,966	42,312
<b>Net gains/ Losses on foreign exchange</b>		<b>11,973</b>	<b>8,741</b>
Margin on interests, fees and foreign exchange		46,452	38,358
Net gains/ losses on financial assets designated at fair value through profit and loss		532	261
Dividends received		2,596	2,201
<b>Net banking income</b>	<b>13</b>	<b>49,580</b>	<b>40,820</b>
<b>Cost of risk</b>	<b>14</b>	<b>-16,779</b>	<b>-12,551</b>
Allocations from Member states		3,200	3,200
Other operating income		90,151	390
Expenses related to development activities	15	-661	-465
General operating expenses		-13,674	-10,712
- Staff costs		-7,865	-6,456
- Amortisations on property, equipment and intangible assets		-619	-579
- Other operating costs		-5,190	-3,677
Other operating expenses		-16	-45
<b>Other net operating income</b>		<b>79,000</b>	<b>-7,632</b>
<b>Net income for the period</b>	<b>16</b>	<b>111,800</b>	<b>20,636</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss (a)</b>		<b>6,922</b>	<b>-6,796</b>
Cash flow hedges (CFH)		6,922	-6,796
<b>Items that will not be reclassified to profit or loss (b)</b>		<b>2,252</b>	<b>-987</b>
Equity investments at FVOCI - net change in fair value		2,252	-987
Remeasurements of net defined benefit schemes liability		0	0
<b>Other comprehensive income for the period (a)+(b)</b>		<b>9,174</b>	<b>-7,782</b>
<b>Total comprehensive income for the period</b>		<b>120,974</b>	<b>12,854</b>

## Variations in equity

	Capital				Share premium	Reserves							Total
	Subscribed cap	Callable capital	Unpaid Capital	Cost related to		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		
<b>Equity as at 1st January 2021</b>	1,103,650	-826,230	-42,063	-1,012	2,622	76,050	26	636	34,225	20,424	534,746	903,074	
<i>Increase in capital</i>	0	0										0	
Unpaid capital												0	
<i>Changes of the first application of IFRS 9</i>									0			0	
<i>Net income as at 31 December 2021 before allocation</i>											30,824	30,824	
<i>Others changes</i>				503								503	
<i>Allocation of 2020 income</i>			13,054								-3,000	-3,000	
<i>Capital paid up in 2021</i>												13,054	
<i>Other comprehensive income</i>													
Adjustments on retained earnings													
Net gains or losses on investments in equity instruments designated at fair value through OCI (IFRS 9)									5,439		0	5,439	
Reclassification of gains on equity instruments to reserves											0	0	
Remeasurements of defined benefit schemes liability								-935				-935	
Cash flow hedges										2,090		2,090	
<b>Sub-total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-935</b>	<b>5,439</b>	<b>2,090</b>	<b>0</b>	<b>6,595</b>	
Transfers												0	
Contributions and distributions													
<b>Total transactions with the owners of the Bank</b>													
<b>Equity as at 31 december 2021 and as at 1st January 2022</b>	1,103,650	-826,230	-29,009	-510	2,622	76,050	26	-298	39,664	22,514	562,570	951,049	
<i>Increase in capital</i>	0											0	
<i>Net income as at 30 June 2022</i>				0							111,800	111,800	
<i>Others changes</i>												0	
<i>Allocation of 2021 income</i>			12,566								-3,000	-3,000	
<i>Capital paid-up in 2022</i>												12,566	
<i>Other comprehensive income</i>													
Adjustments on retained earnings											0	0	
Net gains or losses on investments in equity instruments designated at fair value through OCI (IFRS 9)									2,252		0	2,252	
Reclassification of gains on equity instruments to reserves									0		0	0	
Remeasurements of defined benefit schemes liability								0				0	
Cash flow hedges										6,922		6,922	
<b>Sub-total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,252</b>	<b>6,922</b>	<b>0</b>	<b>9,174</b>	
Transfers												0	
Contributions and distributions													
<b>Total transactions with the owners of the Bank</b>													
<b>Balance as at 30 June 2022</b>	<b>1,103,650</b>	<b>-826,230</b>	<b>-16,443</b>	<b>-510</b>	<b>2,622</b>	<b>76,050</b>	<b>26</b>	<b>-298</b>	<b>41,915</b>	<b>29,436</b>	<b>671,370</b>	<b>1,081,589</b>	

## Cash flows table

Items	Notes	30 June 2022	30 June 2021
<b>Cashflows from operational activities</b>			
Income for the period		111 800	20 636
<i>Adjustments related to non-monetary and other items</i>			
Unrealised gains/losses		-11 282	-12 041
Exchange gains		-756	-26 772
Exchange losses		66	30 073
Allocations of Amortizations		619	579
Depreciations		0	0
Cost of risk		16 779	12 551
Gains/ losses on financial assets designated at fair value through profit and loss		-532	-261
Other items		-2 574	-3 187
		<b>2 320</b>	<b>941</b>
Changes in assets and liabilities from operations			
Interbank loans		10 227	33 503
Disbursements on receivables from customers		-160 987	-230 831
Repayments of receivables from customers		199 473	170 253
Other receivables from customers		-55 089	-53 949
Loans and advances to staff		-2 303	-2 948
Debt securities portfolio		16 941	-63 228
Other receivables		0	0
Other assets		5 457	-20 318
Deposits from banks		-201	5 370
Other debts		40 007	45 231
Other liabilities		-78 135	20 117
		<b>-24 609</b>	<b>-96 800</b>
		<b>89 511</b>	<b>-75 222</b>
<b>Cashflows from investment activities</b>			
Acquisitions of tangible assets		-327	-687
Sales of tangible assets		0	14
Acquisitions of intangible assets		-310	-175
Sales of intangible assets		0	0
Acquisitions of shares		-642	-3 941
Sales of shares		1 514	8
		<b>236</b>	<b>-4 782</b>
<b>Cashflows from financing activities</b>			
Resources from shareholders (capital paying-up)		16 133	16 728
Redemption of shares		0	0
Debts represented by a security		0	539 648
Repayment/debts represented by a security		-76 454	-528 720
Repayment/other loans		-40 346	-145 503
		<b>-100 667</b>	<b>-117 847</b>
<b>Net increase/(decrease) of cash and cash equivalents (a)+(b)+(c)</b>		<b>-10 921</b>	<b>-197 851</b>
<b>Cash and cash equivalents at opening</b>	4	<b>230 373</b>	<b>469 350</b>
<b>Cash and cash equivalents at closing</b>	4	<b>219 452</b>	<b>271 499</b>
<b>ADDITIONAL INFORMATION</b>			
Operating cashflow from interests and dividends:			
Interests paid		46 355	45 135
Interests received		62 052	62 700
Dividends received		1 544	2 201

## **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 2022 were prepared in accordance with IAS<sup>1</sup> 34 "Interim Financial Reporting", as published by the IASB<sup>2</sup>, 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 2021.

The separate financial statements at 30 June 2022 have been prepared in accordance with the same principles as at 31 December 2021, 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 2022 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 and estimates changes in fair value.

*Fair value assessment of derivatives:* At each closing, the Bank contracts with a specialist

---

<sup>1</sup> International Accounting Standards (IAS)

<sup>2</sup> International Accounting Standards Board (IASB)

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 2022, 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 2022 is based on projected actuarial calculations at the end of the previous year.

#### **2.5 Functional currency**

The functional currency of the Bank is the African Financial Community Franc (FCFA/XOF). It is also its reporting currency.

All the figures in BOAD's financial statements are quoted in millions of FCFA/XOF (XOF'mln), unless otherwise stated.

#### **2.6 Events after the reporting date**

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 2022 were approved by the Board of Directors at its meeting of 20 September 2022.

### **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 2021, the provisions of the new standards and interpretations that came into force for the 2022 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 <sup>st</sup> January 2022	Onerous Contracts: Fulfillment Costs – Amendments to IAS 37	This amendment affects only those companies that apply the "incremental cost" approach to determine contract performance costs. It requires the recognition of provisions when the lesser between the contract performance costs and the termination costs outweigh the economic benefits <b>The Bank continues to apply the full cost approach for the execution of these contracts. This change will therefore have no impact on the Bank's accounts.</b>
1 <sup>st</sup> January 2022	Annual Improvements to IFRS 2018-2020 – Amendments to IFRS 1, IFRS 9, Illustrative Examples of IFRS 16 and IAS 41	<b>IFRS 1:</b> This amendment offers the possibility to the subsidiary having adopted IFRS after the parent company to evaluate the cumulative translation differences at the amounts included in the consolidated financial statements of the parent company, according to the date of transition of the parent company to IFRS standards. <b>IFRS 9:</b> The amendment clarifies that fees paid net of fees received must be included when performing the 10% testing for derecognition of financial liabilities. <b>IFRS 16:</b> The objective of this amendment is to eliminate confusion in the identification of tenant inducements by removing the example of lessor payments relating to tenant improvements. <b>IAS 41:</b> This amendment involves aligning the fair value measurement requirements of IAS 41 with those of IFRS 13 Fair Value Measurement. <b>No impact resulting from these annual improvements is anticipated.</b>
1 <sup>st</sup> January 2022	Property, plant and equipment: Proceeds before intended use – Amendments to IAS 16	The amendments prohibit an entity from deducting revenue generated by a fixed asset during its transfer to the site or during its rehabilitation, less the cost of the asset. The entity shall rather recognize such revenue and related costs in profit or loss. <b>Since BOAD's activity is banking, there will therefore be no impact on BOAD's accounts.</b>
1 <sup>st</sup> January 2022	References to the conceptual framework – Amendments to IFRS 3	<b>This modification is not applicable in the context of the individual financial statements of the Bank.</b>

### 3.2 Upcoming provisions

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
1 <sup>st</sup> January 2023	Amendments to IAS 1: Classification of liabilities as current or non-current	The purpose of these amendments is to specify the criteria for classifying liabilities, namely debt and other liabilities as current or non-current. <b>The application of these amendments has no material impact on the Bank's accounts.</b>
1 <sup>st</sup> January 2023	IFRS 17 "Insurance contracts" Amendments to IFRS 17 "Insurance Contracts"	The Bank's activity is essentially banking and does not fall within the scope of IFRS 17, which replaces IFRS 4. <b>There will therefore be no impact on BOAD's accounts.</b>
1 <sup>st</sup> January 2023	Amendments to IAS 8 "Definition of Accounting Estimates"	These amendments aim to facilitate the distinction between accounting methods and accounting estimates. <b>The anticipated impact of these amendments is not material.</b>
1 <sup>st</sup> January 2023	Amendments to IAS 1 and the Practice	The objective of these amendments is to improve the definition of the term "significant" in order to allow entities

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
	Statement "Disclosures on accounting policies"	to <b>more easily exercise their judgment in terms of materiality</b> for the information to be included in the financial statements. <b>The application of these amendments will have no significant impact on the Bank's accounts.</b>

#### **NOTE 4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise the following:

Cash and cash equivalents		30 June 2022	31 December 2021
Cash accounts		71	79
BOAD HQ Current Account		32,393	3
Deposit Accounts for Resident Missions at BCEAO	4.1	105,998	174,968
Japan Eximbank Special Account		15	15
FDE P/C Contribution Account		1,985	1,985
BOAD Settlement Account Lomé		62,349	22,247
Operating Account for Resident Missions		1,495	1,491
Bank and correspondent bank accounts		10,103	7,547
Short-term bank deposits	4.2	5,010	22,006
Deposits/ Margin calls		33	33
<b>TOTAL</b>		<b>219,452</b>	<b>230,373</b>

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

Resident missions	30 June 2022	31 December 2021
Deposit Account BCEAO Abidjan	4,962	4,549
Deposit Account BCEAO Bamako	293	12,058
Deposit Account BCEAO Bissau	152	16,959
Deposit Account BCEAO Cotonou	374	9,748
Deposit Account BCEAO Dakar	2,177	6,462
Deposit Account BCEAO Lomé	84,172	114,736
Deposit Account BCEAO Niamey	4,595	5,717
Deposit Account BCEAO Ouagadougou	9,273	4,739
<b>Total</b>	<b>105,998</b>	<b>174,968</b>

4.2 Short-term bank deposits include:

Short-term bank deposits	30 June 2022	31 December 2021
BOA-CI, special liquidity account	0	996
BOA-BENIN liquidity account	1,010	1,010
Term deposit with BOA Group	0	15,000
Term deposit with Coris Bank Group	4,000	0
Term deposit with BSIC Group	0	5,000
<b>Total</b>	<b>5,010</b>	<b>22,006</b>

#### **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 2022	31 December 2021
Interbank loans	5.1	185	10,412
Loans and advances to customers	5.2	2,369,012	2,368,457
Loans and advances to staff		17,817	15,514
Debt securities portfolio	5.3	378,374	396,047
Receivables from shareholders		6,448	6,585
<b>TOTAL</b>		<b>2,771,835</b>	<b>2,797,015</b>

## 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 2022 and 31 December 2021 are as follows :

Interbank loans counterparties	30 June 2022	31 December 2021
BCEAO- Interests on ordinary accounts	42	39
ORAGROUP	0	10,000
Interest receivables	143	373
<b>TOTAL</b>	<b>185</b>	<b>10,412</b>

## 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 2022 and 31 December 2021 is as follows:

Items	30 June 2022	31 December 2021
<b>Gross outstanding receivables from customers</b>	<b>2,494,234</b>	<b>2,478,065</b>
<b>of which gross outstanding loans</b>	<b>2,429,520</b>	<b>2,417,284</b>
At most six months	136,193	158,253
More than six months and less than one year	290,666	132,355
More than one year and less than two years	292,496	273,001
More than two years and less than three years	283,896	274,303
More than three years and less than five years	606,804	495,989
More than five years	819,465	1,083,384
of which advances for financing studies	14,769	14,741
of which related receivables to loans	49,945	46,040
<b>Total depreciation on loans and related receivables</b>	<b>-116,654</b>	<b>-100,607</b>
of which depreciation of non-performing loans (*)	-65,989	-65,410
of which depreciation on buckets 1 and 2	-50,665	-35,196
<b>Deferred income from fees</b>	<b>-7,581</b>	<b>-8,013</b>
<b>Value adjustment on advances to customers</b>	<b>-988</b>	<b>-988</b>
<b>Receivables from customers</b>	<b>2,369,012</b>	<b>2,368,457</b>

(\*) The total amount of depreciation of non-performing loans includes XOF 58,643 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 2021 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2022 (e) = (a) + (d)
1. Gross outstanding of non-performing loans	70,701	2,532	-2,129	403	71,104
2. Depreciation	-58,832	-1,489	1,678	189	-58,643
3. Net outstanding of non performing loans = (1) + (2)	<b>11,869</b>	<b>1,043</b>	<b>-451</b>	<b>592</b>	<b>12,460</b>

No new downgrades or reclassifications were recorded in the first half of 2022.

### 5.3 Debt securities portfolio

#### 5.3.1 Changes in debt securities portfolio

Changes in debt securities portfolio as at 30 June 2022 are as follows:

	Balance as at	Variations of the period			Balance as at
	31 december 2021 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2022 (e) = (c) + (f)
1. Gross outstanding of securities portfolio	388,792	41,349	-57,896	-16,547	372,245
2. Interest receivables of securities portfolio	9,957	10,114	-10,508	-394	9,563
3. Depreciation (buckets 1 et 2)	-2,702	-732	0	-732	-3,434
4. Net outstanding of securities portfolio (gross outstanding and interest receivables) = (1) + (2) + (3)	<b>396,047</b>	<b>50,731</b>	<b>-68,404</b>	<b>-17,673</b>	<b>378,374</b>

#### 5.3.2 Details of the debt securities portfolio

The debt securities portfolio is detailed as follows:

Securities portfolio	30 June 2022	31 December 2021
Treasury bonds Senegal	66,625	53,000
Treasury bonds Ivory Coast	41,571	54,571
Treasury bonds Benin	11,500	19,000
Treasury bonds Burkina	40,979	43,750
Coris Bank Holdings bonds	13,000	13,000
Treasury bonds Mali	43,448	43,448
Treasury bonds Niger	27,000	18,000
Treasury bonds Togo	53,516	54,931
CRRH Bonds	7,967	8,617
EBID Bonds	7,812	1,667
SONATEL Bonds	10,000	10,000
Treasury bills Burkina	15,000	15,000
Treasury bills Mali	8,989	8,989
Treasury bills Niger	15,000	30,000
Treasury bills Ivory Coast	0	5,000
Treasury bills Senegal	9,000	9,000
Deposit Certificate BRM	800	800
<b>Sub-total 1. Gross outstandings</b>	<b>372,207</b>	<b>388,773</b>
Bonds premiums and discounts	38	20
<b>Sub-total 2. Net outstandings of premiums</b>	<b>372,245</b>	<b>388,792</b>
Interests receivable	9,563	9,957
Depreciation	-3,434	-2,702
<b>TOTAL</b>	<b>378,374</b>	<b>396,047</b>

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 2022 and 31 December 2021 is as follows:

Maturity	30 June 2022	31 December 2021
At most six months	93,616	59,666
More than six months and less than one year	48,043	80,827
More than one year and less than two years	75,866	66,953
More than two years and less than three years	49,122	75,030
More than three years and less than five years	65,393	76,663
More than five years	40,168	29,633
<b><i>Sub-total 1. Gross outstandings</i></b>	<b>372,207</b>	<b>388,773</b>
Bonds premiums and discounts	38	20
<b><i>Sub-total 2. Net outstandings of premiums</i></b>	<b>372,245</b>	<b>388,792</b>
Interests receivable	9,563	9,957
Depreciation	-3,434	-2,702
<b>TOTAL</b>	<b>378,374</b>	<b>396,047</b>

## 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 2022	December 2021
Gross outstanding of equity investments as at 1st January	96,539	93,888
Increases	642	4,025
Decreases	-1,514	-1,374
<b>Gross outstanding of equity investments</b>	<b>95,667</b>	<b>96,539</b>
Gains /losses of equity investments designated at fair value through non-recyclable OCI	41,915	39,665
Gains /losses of equity investments designated at fair value through P&L	2,491	1,959
<b>Net outstanding of equity investments</b>	<b>140,073</b>	<b>138,161</b>

### 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 2021 and 30 June 2022

N°	Country	Equity investments	Percentage of interest (%)	30/06/2022				31/12/2021			
				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	14.5%	2,500	1,240	89	3,829	2,500	1,063	176	3,740
2	h-uemoa	FEFISOL	8.2%	16	31	7	53	1,312	52	-21	1,343
3	SN	FCP/FC BOAD	100.0%	5,000	689	436	6,124	5,000	733	-44	5,689
<b>TOTAL</b>				<b>7,516</b>	<b>1,959</b>	<b>532</b>	<b>10,007</b>	<b>8,812</b>	<b>1,848</b>	<b>112</b>	<b>10,771</b>

#### b) Changes in instruments recognized at fair value through other comprehensive income between 31 December 2021 and 30 June 2022

N°	Country	Equity investments	Percentage of interest (%)	30/06/2022				31/12/2021			
				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	-25	90	193	103	11	116	218
3	SN	BNDE	9.1%	1,000	113	2,342	3,342	1,000	182	2,229	3,229
4	h-uemoa	CAURIS CROISSANCE II	17.7%	4,268	-47	-1,887	2,380	4,250	0	-1,841	2,410
5	TG	GARI S. A.	11.6%	1,500	0	1,095	2,595	1,500	-71	1,095	2,595
6	MA	BDM Mali	16.0%	600	-1,151	17,094	17,694	600	1,265	18,244	18,844
7	BN	BOA Bénin	2.3%	98	380	2,800	2,898	98	762	2,420	2,518
8	NG	SONIBANK Niger	9.5%	1,082	30	2,533	3,615	1,082	119	2,504	3,586
9	CI	BHCI Côte d'Ivoire	0.3%	150	19	-131	18	150	92	-150	0
10	NG	BOA Niger	5.7%	137	931	4,592	4,729	137	1,192	3,661	3,798
11	TG	BIA Togo	5.2%	392	0	252	644	392	42	252	644
12	h-uemoa	Afreximbank	0.3%	2,500	1,491	3,637	6,137	2,500	543	2,146	4,646
13	SN	Banque Régionale de Marché (BRM)	4.0%	400	0	-400	0	400	0	-400	0
14	BF	Banque de l'Habitat du BF	0.9%	200	6	25	225	200	92	19	219
15	CI	BRVM	9.2%	56	42	573	629	56	20	531	587
16	CI	DC/BR (BRVM)	9.1%	140	75	310	450	140	29	235	375
17	TG	CICA RE	2.0%	999	78	547	1,546	999	75	469	1,468
18	MA	MANDE Hotel	16.7%	50	0	235	285	50	-6	235	285
19	CI	CIPREL	2.0%	584	-175	1,511	2,095	584	74	1,686	2,270
20	TG	ASKY (EX SPCAR)	16.8%	5,990	1,915	-4,075	1,915	5,990	-675	-5,990	0
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	261	1,078	5,425	4,347	-80	817	5,164
23	TG	BOAD-Titrisation	100.0%	500	-40	-355	145	500	-86	-315	185
24	TG	CRRH-UEMOA	15.3%	1,543	142	1,291	2,834	1,543	179	1,148	2,691
25	h-uemoa	Fonds Agricole pour l'Afrique (FAA)	1.9%	2,189	-385	-1,566	624	2,246	91	-1,180	1,066
26	TG	ORAGROUP	2.1%	1,642	-570	3,759	5,400	1,642	57	4,329	5,970
27	BF	Fidélis Finance (ex Burkina Bail)	14.3%	689	-76	244	933	689	18	320	1,009
28	SN	CNCAS	10.5%	1,573	0	897	2,470	1,573	-709	897	2,470
30	CI	Nouvelle BRS CI/ORA Bank CI	24.5%	16,995	-685	15,413	32,408	16,995	101	16,098	33,093
31	CI	Banque de l'Union Côte d'Ivoire (BDU-CI)	9.6%	1,100	41	602	1,702	1,100	260	561	1,661
32	BF	Banque de l'Union Burkina Faso (BDU-BF)	10.1%	1,100	220	1,098	2,198	1,100	321	878	1,978
33	Kenya	FAER	4.9%	5,789	0	1,147	6,936	5,789	766	1,147	6,936
34	BF	AMETHIS WEST AFRICAN (AWA)	11.1%	1,445	750	-213	1,232	1,445	321	-964	481
35	CI	Air Côte d'Ivoire	7.9%	10,320	-715	-9,720	600	10,320	-2,127	-9,004	1,315
36	h-uemoa	Investisseurs & Partenaires/ Développement (IPDEV2)	11.1%	781	-5	-291	490	781	-67	-286	494
37	Bn	Société Immobilière d'Aménagement Urbain SimAU	10.0%	500	69	16	516	500	64	-52	448
38	SN	Banque Outarde	13.2%	2,000	-36	-699	1,301	2,000	-198	-663	1,337
39	h-uemoa	Fonds I&P Afrique Entrepreneurs 2 (IPAE2)	3.3%	889	0	-283	606	711	-86	-283	428
40	NG	Banque de l'Habitat du Niger	7.0%	825	-96	-273	552	825	-63	-178	647
41	h-uemoa	Fonds d'investissements dédié au développement des services financiers dans l'UEMOA	49.5%	4,663	-187	-1,185	3,478	4,527	-167	-998	3,529
42		ECP Africa Fund IV	1.8%	3,000	-107	1,340	4,340	3,000	2,403	1,447	4,447
43	CI	MANSA BANK	7.6%	1,200	129	-193	1,007	1,200	225	-323	877
44	h-uemoa	ADIWALE Fund I	6.4%	621	-141	-295	326	334	-93	-154	180
45	h-uemoa	AFIG Fund	4.0%	2,592	0	562	3,154	2,730	562	562	3,292
		<b>TOTAL</b>		<b>88,151</b>	<b>2,252</b>	<b>41,915</b>	<b>130,066</b>	<b>87,727</b>	<b>5,439</b>	<b>39,663</b>	<b>127,390</b>

## **NOTE 7. ADJUSTMENT ACCOUNTS AND OTHER ASSETS**

Accruals and other assets include the following items:

<b>Adjustment accounts and other assets</b>		<b>30 June 2022</b>	<b>31 December 2021</b>
Derivative assets	7.1	198,955	88,067
Accruals assets	7.2	13,148	16,596
Other adjustment accounts	7.3	8,606	10,844
<b>TOTAL</b>		<b>220,708</b>	<b>115,507</b>

### **7.1 Derivative assets**

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

<b>Derivative assets</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Derivative assets-fair value hedge	7,018	1,437
Derivative assets-cash flow hedge	191,937	86,630
<b>TOTAL</b>	<b>198,955</b>	<b>88,067</b>

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 2022 results from the increase of the hedge following the rise in the dollar and SDR exchange rates over the period.

### **7.2 Accruals assets**

<b>Accruals assets</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Deferred expenses	9,563	14,968
Accruals and prepaid expenses	736	1,284
Accrued receivables	1,116	61
Other accruals	1,733	284
<b>TOTAL</b>	<b>13,148</b>	<b>16,596</b>

### **7.3 Other adjustment assets**

<b>Other adjustment accounts</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Sundry debtors	139	228
Prefinancing of studies from foreign funds meant for studies	1,627	3,564
Deposits paid	62	70
Cash advances on mission expenses	0	1
Cash advances and prepayments made	142	115
Other endowments and subsidies to be received	6,636	6,866
<b>TOTAL</b>	<b>8,606</b>	<b>10,844</b>

## **NOTE 8. TANGIBLE AND INTANGIBLE ASSETS**

### **8.1 Tangible assets**

The net book value of fixed assets at 30 June 2022 and 31 December 2021 is as follows:

<b>Tangible assets</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Cost of acquisition	24,708	24,391
Allocations and reversals of amortizations	-18,752	-18,214
<b>Net outstanding of tangible assets</b>	<b>5,956</b>	<b>6,177</b>

The change in the net carrying amount of fixed assets between 31 December 2021 and 30 June 2022 is as follows:

<b>Acquisitions/Disposals of tangible assets (in XOF'M)</b>		<b>Allocations and reversal of amortizations (in XOF'M)</b>	
<b>Balance as at 1 January 2022</b>	<b>24,391</b>	<b>Balance as at 1 January 2022</b>	<b>18,214</b>
Acquisitions	327	Amortization charges	546
Disposals	-10	Reversals of amortizations	-8
Transfers to investment properties	0	Transfers to investment properties	0
Classified as assets held for sale	0	Classified as assets held for sale	0
<b>Balance as at 30 June 2022</b>	<b>24,708</b>	<b>Balance as at 30 June 2022</b>	<b>18,752</b>
<b>Net value on balance sheet as at 30 June 2022</b>			<b>5,956</b>

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

	<b>Lands</b>	<b>Buildings</b>	<b>Properties under construction</b>	<b>Fittings and fixtures</b>	<b>Equipment held under finance lease</b>	<b>Total</b>
<b>Cost of acquisition</b>						
<b>Balance as at 1st January 2021</b>	<b>190</b>	<b>13,389</b>	<b>1,171</b>	<b>8,939</b>	<b>0</b>	<b>23,690</b>
Acquisitions	225	306	477	1,268	0	2,276
Transfers	0	0	-1,231	0	0	-1,231
Disposals	0	0	0	-344	0	-344
Transfers to investment properties	0	0	0	0	0	0
Other revaluations	0	0	0	0	0	0
<b>Balance as at 1st January 2022</b>	<b>415</b>	<b>13,695</b>	<b>418</b>	<b>9,863</b>	<b>0</b>	<b>24,391</b>
Acquisitions	0	0	203	164	0	367
Transfers	0	0	-40	0	0	-40
Transfers to investment properties	0	0	0	0	0	0
Disposals	0	0	0	-10	0	-10
<b>Balance as at 30 June 2022</b>	<b>415</b>	<b>13,695</b>	<b>581</b>	<b>10,017</b>	<b>0</b>	<b>24,708</b>
<b>Accumulated amortizations and disposals</b>						
<b>Balance as at 1st January 2021</b>	<b>0</b>	<b>10,373</b>	<b>0</b>	<b>7,094</b>	<b>0</b>	<b>17,467</b>
Amortization charges	0	345	0	731	0	1,076
Reversals of amortizations (disposals)	0	0	0	0	0	0
Transfers to investment properties	0	0	0	-329	0	-329
Reversals of depreciation	0	0	0	0	0	0
<b>Balance as at 1st January 2022</b>	<b>0</b>	<b>10,718</b>	<b>0</b>	<b>7,496</b>	<b>0</b>	<b>18,214</b>
Amortization charges	0	171	0	375	0	546
Transfers to investment properties	0	0	0	0	0	0
Reversals of amortizations (disposals)	0	0	0	-8	0	-8
<b>Balance as at 30 June 2022</b>	<b>0</b>	<b>10,890</b>	<b>0</b>	<b>7,862</b>	<b>0</b>	<b>18,752</b>
<b>Net value of tangible assets as at 30 June 2022</b>						<b>5,956</b>

### **8.2 Investment properties**

The net book values of investment properties are presented below :

Investment properties	30 June 2022	31 December 2021
Cost of acquisition	770	770
Allocations and reversals of amortizations	-135	-117
Net outstanding of intangible assets	<b>635</b>	<b>654</b>

The evolution of the net book value of investment properties between 31 December 2021 and 30 June 2022 is as follows :

Acquisitions/Disposals of investment properties (in XOF'M)	Allocations and reversal of amortizations (in XOF'M)
Balance as at 1 January 2022	770
Acquisitions	0
Disposals	0
Transfers to investment properties	0
Classified as assets held for sale	0
Balance as at 30 June 2022	770
Balance as at 1 January 2022	117
Amortization charges	18
Reversals of amortizations	0
Transfers to investment properties	0
Classified as assets held for sale	0
Balance as at 30 June 2022	135
Net value on balance sheet as at 30 June 2022	<b>635</b>

### 8.3 Intangible assets

Below are the net carrying amounts of intangible assets:

Intangible assets	30 June 2022	31 December 2021
Cost of acquisition	3,004	2,694
Allocations and reversals of amortizations	-1,594	-1,539
Net outstanding of intangible assets	<b>1,410</b>	<b>1,154</b>

Changes in the net carrying amount of intangible assets between 31 December 2021 and 30 June 2022 are as follows:

Acquisitions/Disposals of intangible assets (in XOF'M)	Allocations and reversal of amortizations (in XOF'M)
Balance as at 1 January 2022	2,694
Acquisitions	310
Disposals	0
Classified as assets held for sale	0
Balance as at 30 June 2022	3,004
Balance as at 1 January 2022	1,539
Amortization charges	55
Reversals of amortizations	0
Classified as assets held for sale	0
Balance as at 30 June 2022	1,594
Net value on balance sheet as at 30 June 2022	<b>1,410</b>

### 8.4 Non-current assets held for sale

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 2022 and 31 December 2021:

Liabilities at amortized cost	30 June 2022	31 December 2021
<b>I-Debts represented by a security</b>		
BOAD debentures issues (*)	1,539,507	1,451,289
BOAD bonds	19,557	19,557
Maturities of less than one year/debts repr. by securities	0	37,524
<b>Sub-total I</b>	<b>1,559,064</b>	<b>1,508,371</b>
<b>II- Other loans from foreign partners</b>		
Loans for funding long-term projects	550,584	545,188
Loans for funding long-term project studies	482	482
Maturities of less than one year/loans	61,349	94,271
<b>Sub-total II</b>	<b>612,415</b>	<b>639,941</b>
<b>Total I+II</b>	<b>2,171,480</b>	<b>2,148,312</b>
<b>III- Debts attached to loans and &amp; debts repr.</b>		
Accrued interests on debts represented by a security	23,050	30,937
Deferred expenses on bills and bonds	-14	-30
Interests and fees accrued on other loans	2,566	2,824
Deferred expenses on other loans	-753	-913
<b>Sub-total III</b>	<b>24,849</b>	<b>32,817</b>
<b>IV- Interbank debts (Cauris ROPPA, AFD...)</b>	<b>7,371</b>	<b>7,571</b>
<b>Total I+II+III+IV</b>	<b>2,203,699</b>	<b>2,188,700</b>

(\*) The total outstanding of bonds includes XOF 1,539,507 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 2021 and 30 June 2022 are as follows:

**Changes in deposits from banks**

Debits	Balance as at 31 December 2021	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2022
Deposits from banks	7,571	430	-631	0	0	7,371
<b>TOTAL DEPOSITS FROM BANKS</b>	<b>7,571</b>	<b>430</b>	<b>-631</b>	<b>0</b>	<b>0</b>	<b>7,371</b>

**Changes in debt securities issued**

Debits	Balance as at 31 December 2021	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2022
Debentures	1,451,289	0	0	87,288	930	1,539,507
Bonds	57,081	0	-37,524	0	0	19,557
<b>TOTAL DEBTS SECURITIES ISSUED</b>	<b>1,508,371</b>	<b>0</b>	<b>-37,524</b>	<b>87,288</b>	<b>930</b>	<b>1,559,064</b>

**Changes in other debts**

Debits	Balance as at 31 December 2021	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2022
IDA	143,036	0	-1,097	1,860	0	143,799
KFW	160,321	0	-13,594	0	0	146,727
AFD	161,927	0	-7,595	0	0	154,332
BEI	3,751	0	-1,241	0	0	2,510
BAD	66,531	0	-8,005	0	0	58,526
ICD	0	0	0	0	0	0
BDC	6,560	0	0	0	0	6,560
BADEA	40,226	0	-1,116	3,536	0	42,646
BNP Fortis	5,112	0	-273	0	0	4,839
JP MORGAN	0	0	0	0	0	0
BDA	19,679	0	0	0	0	19,679
OPEC	32,798	0	0	0	0	32,798
<b>TOTAL OTHER DEBTS</b>	<b>639,941</b>	<b>0</b>	<b>-32,922</b>	<b>5,396</b>	<b>0</b>	<b>612,415</b>
<b>TOTAL DEBTS</b>	<b>2,155,883</b>	<b>430</b>	<b>-71,076</b>	<b>92,684</b>	<b>930</b>	<b>2,178,850</b>

**9.3 Maturity of liabilities at amortized cost**

The borrowing schedule as at 31 December 2021 and 30 June 2022 is as follows:

Maturity	30 June 2022	31 December 2021
At most six months	72,100	78,671
More than six months and less than one year	51,456	60,695
More than one year and less than two years	94,577	114,853
More than two years and less than three years	58,676	59,920
More than three years and less than five years	124,297	124,514
More than five years	1,777,744	1,717,230
<b>Sub-total outstanding</b>	<b>2,178,850</b>	<b>2,155,883</b>
<b>Debts attached to loans and &amp; debts repr.</b>	<b>24,849</b>	<b>32,817</b>
<b>TOTAL</b>	<b>2,203,699</b>	<b>2,188,700</b>

**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 2022, outstanding borrowings stood at 208% of shareholders' equity for a statutory threshold of 300%.

**NOTE 10. EARMARKED FUNDS**

Earmarked funds are broken down as follows:

Funds	30 June 2022	31 December 2021
Belgian Technical Assistance Fund	202	201
Dutch Fund	34	34
IDA Matching Fund	687	727
AFD Research Fund	310	310
AFD Counterpart Fund	26	26
Environmental Partnership Fund	4	4
KfW Counterpart Fund	5,362	5,497
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)	389	365
New subsidy mechanism fund	10,937	87,649
CMS Fund for Interest Subsidy	1,000	1,000
Global Environment Facility	10,827	1,152
Climate change fund	3,352	4,852
Climate green fund	662	662
Regional initiatives supports fund	383	383
KfW Fund for loans adapted to natural disasters (PACAN)	6,232	6,232
<b>TOTAL</b>	<b>45,395</b>	<b>114,083</b>

## **NOTE 11. ADJUSTMENT ACCOUNTS AND OTHER LIABILITIES**

Accruals and other liabilities as at 30 June 2022 are as follows:

Adjustment accounts and liabilities		30 June 2022	31 December 2021
Derivatives liabilities	11.1	0	0
Accruals liabilities	11.2	9,819	24,533
Other adjustment accounts	11.3	12,006	3,739
<b>TOTAL</b>		<b>21,825</b>	<b>28,271</b>

### **11.1 Derivative liabilities**

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

Derivatives liabilities	30 June 2022	31 December 2021
Derivatives liabilities-fair value hedge	0	0
Derivatives liabilities-cash flow hedge	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

The gain on all hedging contracts which had resulted in the absence of a derivative liability as of 31 December 2021 increased during the first half of 2022 (see note 7.1) due to the continued rise in the dollar and SDR rates. Thus, derivative liabilities remained nil as of 30 June 2022 in connection with the rise in currency rates which are at a level above the guaranteed rate.

## 11.2 Accruals liabilities

The details of the accruals and deferrals are as follows:

Accruals liabilities	30 June 2022	31 December 2021
Deferred income	4,403	18,826
Accrued liabilities	5,168	4,723
Advanced payments	248	984
<b>TOTAL</b>	<b>9,819</b>	<b>24,533</b>

## 11.3 Other adjustment liabilities

Details of other liabilities are as follows:

Other adjustment accounts	30 June 2022	31 December 2021
Sundry creditors	1,234	1,491
Suppliers payables	10,772	2,248
<b>TOTAL</b>	<b>12,006</b>	<b>3,739</b>

The increase in suppliers payables is mainly due to maturities on BOAD's bonds in favor of counterparties based in Mali. This comes from the payments which could not be made in the first half of 2022 resulting from the Mali's suspension at the BOAD window.

## NOTE 12. SHAREHOLDERS' EQUITY

### 12.1 Details of the shareholders' equity capital

Changes in equity as at 31 December 2021 and 30 June 2022 respectively are as follows:

Equity capital	30 June 2022	31 December 2021
Subscribed capital	1,103,650	1,103,650
Callable capital	-826,230	-826,230
Unpaid Capital	-16,443	-29,009
Cost related to deferred paying-up of capital	-510	-510
<b>Capital (A)</b>	<b>260,468</b>	<b>247,902</b>
<b>Share premium (B)</b>	<b>2,622</b>	<b>2,622</b>
Reserves allocated to development activities	76,050	76,050
Other reserves	26	26
Retained earnings	559,570	531,745
<b>Reserves and retained earnings (C)</b>	<b>635,646</b>	<b>607,821</b>
<b>Net income for the period (D)</b>	<b>111,800</b>	<b>30,824</b>
Net gains on investments in equity instruments designated at fair value through non recyclable other comprehensive income	41,915	39,664
Cashflow hedging reserves	29,436	22,514
Remeasurements of defined benefit schemes liability	-298	-298
<b>Other comprehensive income (E)</b>	<b>71,053</b>	<b>61,880</b>
<b>TOTAL (A+B+C+D+E)</b>	<b>1,081,589</b>	<b>951,049</b>

## 12.2 BOAD's capital structure

a) The following table sets out the Bank's capital structure as at 30 June 2022 in nominal terms and its distribution in shares. Each share confers on its holder the same rights and obligations.

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)
<b>CATEGORY A</b>							
BENIN	64,650	5,86%	1,293	16,163	15,183	980	48,487
BURKINA	64,650	5,86%	1,293	16,163	15,183	980	48,487
COTE D'IVOIRE	64,650	5,86%	1,293	16,163	15,183	980	48,487
GUINEE BISSAU	64,650	5,86%	1,293	16,163	15,183	980	48,487
MALI	64,650	5,86%	1,293	16,163	15,183	980	48,487
NIGER	64,650	5,86%	1,293	16,163	15,183	980	48,487
SENEGAL	64,650	5,86%	1,293	16,163	15,183	980	48,487
TOGO	64,650	5,86%	1,293	16,163	15,183	980	48,487
BCEAO	517,200	46,86%	10,344	129,304	121,464	7,840	387,896
	<b>1,034,400</b>	<b>93,73%</b>	<b>20,688</b>	<b>258,608</b>	<b>242,928</b>	<b>15,680</b>	<b>775,792</b>
<b>CATEGORY B</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	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	1,500	0	4,500
EXIM BANK OF INDIA	750	0,07%	15	188	175	13	563
CHINA	12,000	1,09%	240	3,000	2,700	300	9,000
MOROCCO	500	0,05%	10	125	125	0	375
	<b>69,250</b>	<b>6,27%</b>	<b>1,385</b>	<b>18,813</b>	<b>17,540</b>	<b>1,273</b>	<b>50,438</b>
<b>SUBSCRIBED CAPITAL</b>	<b>1,103,650</b>	<b>100,00%</b>	<b>22,073</b>	<b>277,421</b>	<b>260,468</b>	<b>16,953</b>	<b>826,230</b>
<b>UNSUBSCRIBED CAPITAL</b>	<b>51,350</b>		<b>1,027</b>				
<b>AUTHORIZED CAPITAL</b>	<b>1,155,000</b>		<b>23,100</b>				

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

	30 June 2022	31 December 2021
Unpaid Capital without cost related to deferred paying-up of capital (a)	16,443	29,009
Cost related to deferred paying-up of capital (b)	510	510
<b>Unpaid capital (a+b)</b>	<b>16,953</b>	<b>29,519</b>

## 12.3 Effective equity

The Bank's effective equity as at 30 June 2022 and 31 December 2021 is as follows:

Items	30 June 2022	31 December 2021
<b>A- Core own funds (=1+2)</b>	<b>978,051</b>	<b>856,685</b>
1- Capital and other funds	260,468	247,902
2- Reserves and other funds	717,583	608,783
<b>B- Additionnal own funds</b>	<b>67,220</b>	<b>64,968</b>
<b>Effective equity capital/Core Tier 1 Capital (=A+B)</b>	<b>1,045,271</b>	<b>921,653</b>
C- Unpaid own funds	36,318	29,396
<b>Equity capital (A+B+C)</b>	<b>1,081,589</b>	<b>951,049</b>

### **NOTE 13. NET BANKING INCOME**

Details of this item are as follows:

Net banking income	30 June 2022	30 June 2021
<b>1-Income and interest charges</b>		
Interests and fees on loans	64,771	63,544
Fees on bond loan guarantees	0	0
Interests and investment income	11,105	12,228
<i>Sub-total interest income (A)</i>	<i>75,876</i>	<i>75,773</i>
Interests and charges on debts represented by a security	-31,974	-38,112
Interests and charges on loans and investments	-7,170	-7,489
Other financial services and commissions	-2,253	-554
<i>Sub-total interest charges (B)</i>	<i>-41,396</i>	<i>-46,156</i>
<b>Margin on interests and fees C= (A)-(B)</b>	<b>34,479</b>	<b>29,617</b>
<b>2.1-Exchange gains and losses</b>		
Consumed exchange gain	756	26,772
Potential exchange gain	0	0
<i>Sub-total exchange gain (D)</i>	<i>756</i>	<i>26,772</i>
Consumed exchange loss	-66	-30,073
Potential exchange loss	-92,684	-30,271
<i>Sub-total exchange loss (E)</i>	<i>-92,749</i>	<i>-60,344</i>
<b>Net exchange loss F=(D)-(E)</b>	<b>-91,993</b>	<b>-33,572</b>
<b>2.2-Gains/losses on hedging instruments (G)</b>	<b>103,966</b>	<b>42,312</b>
<b>2-Net gains/losses on foreign exchange (G)+(F)</b>	<b>11,973</b>	<b>8,741</b>
<b>3-Net gains/losses on equity investments designated at fair value through profit</b>	<b>532</b>	<b>261</b>
<b>4-Dividends</b>	<b>2,596</b>	<b>2,201</b>
<b>5-Net banking income = (1)+(2)+(3)+(4)</b>	<b>49,580</b>	<b>40,820</b>

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 2022 is as follows:

<b>Cost of risk</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
Depreciations on receivables from customers	-17,726	-1,810
Reversals of depreciations on receivables from customers	1,678	60
Depreciations on securities portfolio	-732	-739
Reversals of depreciations on securities portfolio	0	524
Depreciations on other assets	0	-10,586
<b>TOTAL</b>	<b>-16,779</b>	<b>-12,551</b>

The level of depreciation on receivables as at 30 June 2022 is linked to the socio-political and security position in the WAEMU zone.

**NOTE 15. COSTS RELATED TO DEVELOPMENT ACTIVITIES**

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

<b>Costs related to development activities</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
Interest subsidy	-661	-465
<b>TOTAL</b>	<b>-661</b>	<b>-465</b>

**NOTE 16. NET INCOME OF THE PERIOD**

<b>Net income of the period</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
Net income excluding donation	21,800	20,636
Donation for the equity capital's strengthening	90,000	0
<b>TOTAL</b>	<b>111,800</b>	<b>20,636</b>

The first half ended as at 30 June 2022 recorded a profit of 111,800 M FCFA. The exceptional level of the result is explained by the decision of the WAEMU Council of Ministers to transfer to BOAD, in the form of a donation, part of the funds of the new bonus mechanism for an amount of 90,000 M FCFA.

The purpose of this donation is to allow the strengthening of the Bank's equity capital within the framework of the measures taken by its Management to anticipate any shocks resulting from the economic and financial sanctions taken against Mali.

If this donation is not taken into account, the Bank's profit as of 30 June 2022 would be 21,800 M FCFA against 20,636 M FCFA as of 30 June 2021.

**NOTE 17. FINANCIAL RISK MANAGEMENT**

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

risks) are monitored by special Committees (Commitments Committee, ALM Committee, etc.)

Since 1<sup>st</sup> 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 2021.

## **NOTE 18. FAIR VALUE OF FINANCIAL INSTRUMENTS**

### **18. 1 Classification of financial instruments**

The following table presents the carrying amounts and fair values of the Bank's financial assets and liabilities and their classification as at 30 June 2022.

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				219,452	219,452	219,452
Interbank loans				185	185	185
Debt securities portfolio				378,374	378,374	378,374
Loans and advances to customers				2,369,012	2,369,012	2,369,012
Loans and advances to staff				17,817	17,817	17,817
Receivables from shareholders				6,448	6,448	6,448
Equity investments	10,006		130,066		140,072	140,072
Derivative assets	198,955				198,955	198,955
<b>Total amount of financial assets</b>	<b>208,961</b>	<b>0</b>	<b>130,066</b>	<b>2,991,287</b>	<b>3,330,315</b>	<b>3,330,315</b>
Borrowings				2,203,699	2,203,699	2,203,699
Derivative liabilities	0				0	0
<b>Total amount of financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,203,699</b>	<b>2,203,699</b>	<b>2,203,699</b>

The carrying amounts and fair values and classification of financial assets and liabilities as at 31 December 2021, 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				230,373	230,373	230,373
Interbank loans				10,412	10,412	10,412
Debt securities portfolio				396,047	396,047	396,047
Loans and advances to customers				2,368,457	2,368,457	2,368,457
Loans and advances to staff				15,514	15,514	15,514
Receivables from shareholders				6,585	6,585	6,585
Equity investments	10,771		127,390		138,161	138,161
Derivative assets	88,067				88,067	88,067
<b>Total amount of financial assets</b>	<b>98,838</b>	<b>0</b>	<b>127,390</b>	<b>3,027,388</b>	<b>3,253,615</b>	<b>3,253,615</b>
Borrowings				2,188,700	2,188,700	2,188,700
Derivative liabilities	0				0	0
<b>Total amount of financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,188,700</b>	<b>2,188,700</b>	<b>2,188,700</b>

### **18.2 Classification of financial instruments by fair value level**



The table below shows the financial instruments carried at fair value by fair value level at 30 June 2022 and 31 December 2021:

	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 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Derivative assets			198,955	88,067			198,955	88,067
Equity participations-Financial assets designated at fair value through profit and loss			10,007	10,771			10,007	10,771
Equity participations-Financial assets designated at fair value through non-recyclable other comprehensive income (OCI)	13,027	12,286	-	-	117,039	115,104	130,066	127,390
<b>Total amount of financial assets</b>	<b>13,027</b>	<b>12,286</b>	<b>208,962</b>	<b>98,838</b>	<b>117,039</b>	<b>115,104</b>	<b>339,028</b>	<b>226,228</b>
Derivative liabilities			-	-			-	-
<b>Total amount of financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	<b>Futures price fixing</b> 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	<b>Swaps models</b> 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	<b>Sales comparison approach/ Discounted Cash Flow/ Net book value</b> The fair value is estimated based (i) on the last market prices of comparable assets (normally up to 12 months), entered into under normal market conditions or a firm bid on more than 15% of the existing stock or (ii) the net present value is calculated using a discount rate of equity investments with similar risk/yield couple adjusted to take account of finance structure (provided that the entity has generated positive cashflow from operating activities during at least the two previous years ), or (iii) the mathematical value based on the last financial statements available.	Non applicable	Non applicable

## **NOTE 19. OFF-BALANCE SHEET COMMITMENTS**

### **19.1 Commitments received**

The breakdown of these commitments is as follows:

Commitments received	30 June 2022	31 December 2021
Loan commitments to be drawn (a)	153,606	185,880
Guarantees received from Regional Funds (b)	23,953	27,651
Guarantees received from international Insurers (c)	25,395	0
<b>Total</b>	<b>202,953</b>	<b>213,531</b>

- (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.
- (c) During the 2021 financial year, the Bank concluded credit insurance policies with Insurers having a better international ratings (A, A+, etc.). The purpose of this transaction is to reduce the Bank's exposure risk and to benefit from the effect of the better rating of these Insurers; which should enable the Bank, in time, to improve its own rating and increase its capacity to intervene in favor of States.

The outstanding of loans insured under these policies amounts to 25,395 M FCFA as at 30 June 2022.

## **19.2 Commitments given**

They are broken down as follows:

Commitments given	30 June 2022	31 December 2021
Loan commitments given (a)	1,822,585	1,764,044
Advances for financing studies	20,927	20,892
Equity investments commitments (b)	54,782	55,264
Securities and other guarantees	10,000	10,000
Credit insurance premiums payable (c )	5,444	5,903
<b>Total</b>	<b>1,913,739</b>	<b>1,856,102</b>

- (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.
- (c) The cost of commitments to future payments under these insurance policies amounts to XOF 5,444 M as at 30 June 2022.

## **NOTE 20. EFFECTS OF THE COVID-19 AND THE SOCIO-POLITICAL SITUATION ON THE FINANCIAL STATEMENTS OF THE BANK**

### **20.1. Effects of the covid-19**

On the date of closing of the individual accounts by its Board of Directors and taking into account the evolution of the pandemic, the known and estimated effects of COVID-19 were recorded in the Bank's financial statements. BOAD will continue to anticipate and report other financial effects of COVID-19 in its financial statements as they become known and estimable.

**20.2. Suspension of operations with Mali**

The first half of 2022 was marked by the sanctions of the Economic Community of West African States (ECOWAS) against Mali. These sanctions resulted in the suspension of operations with Mali.

**20.3. Conflict in Ukraine**

The conflict between Russia and Ukraine which began in February 2022 has effects on the WAEMU zone, in particular through the increase in the prices of fuel and certain basic necessities, thus leading to generalized inflation in the zone. Public counterparties, the Bank's main clients, could be impacted by this situation; which would result in an increase in their deficit and therefore in their credit quality. Private counterparties are also facing this difficult economic situation. Nevertheless, it should be noted that on the date of closing of the accounts, no counterparty was prevented from fulfilling its obligations to BOAD in connection with this instability.

**NOTE 21. EVENTS AFTER THE REPORTING DATE**

The economic and financial sanctions imposed by ECOWAS against Mali were lifted on 03 July 2022. Following this lifting of the sanctions, the Bank resumed its transactions with Malian counterparts. Also, the outstanding payments between the Bank and Mali have been fully settled.

As of the date of closing of the June 2022 interim financial statements by the Board of Directors, the Bank's management had not recorded any events after the reporting date likely to influence the Bank's financial position and profits.