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Banque Ouest Africaine de Développement (BOAD)

Statutory Auditors' report on interim financial information for the period from January 1, 2023 to June 30, 2023

For the six-months period ended June 30, 2023
B.O.A.D.
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This report contains 3 pages
Appendice contains 31 pages



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BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD)

Registered office : 68, Avenue de la Libération, PO. Box 1172
Share Capital: XOF 1 709 350 000 000

Statutory Auditors' Report on the interim financial Information
From January 1, 2023, to June 30, 2023

Introduction

We have reviewed the accompanying condensed statement of financial position of Banque Ouest Africaine de Développement (BOAD) as at June 30, 2023, 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, 2023 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

Emphasis of Matters

We draw your attention to:

- a) Note 20 to the financial statements which describes the impact of Russia-Ukraine's conflict on the bank's accounts.
- b) Note 21 "Subsequent events" to the financial statements, which sets out the effects of the economic sanctions imposed by ECOWAS and the WAMU monetary authorities against Niger.

Our conclusion is not modified in respect of these matters.

Lome, September 20, 2023

Statutory Auditors

KPMG Togo



Franck FANOU
Partner



INTERIM FINANCIAL REPORT AS AT 30 JUNE 2023

SEPTEMBER 2023

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Statement of financial position

ASSETS		Note	30 June 2023	31 December 2022
Cash and cash equivalents		4	292,022	284,092
Financial assets at amortized cost		5	2,782,678	2,805,778
- Loans and advances to banks			10,357	238
- Loans and advances to customers			2,379,293	2,439,926
- Loans and advances to staff			21,291	18,571
- Debt securities portfolio			365,839	340,595
- Receivables from shareholders			5,899	6,448
Equity investments		6	154,874	146,440
- Equity investments designated at fair value through P&L			10,061	10,025
- Equity investments designated at fair value through non-recyclable OCI			144,813	136,414
Adjustment accounts and other assets		7	99,595	115,521
- Derivative assets			70,546	94,084
- Accruals assets			19,339	11,560
- Other adjustment accounts			9,710	9,877
Tangible assets		8	6,020	6,041
Investment properties		8	598	627
Intangible assets		8	1,482	1,537
Non-current assets held for sale		8	12,711	2,245
TOTAL ASSETS			3,349,979	3,362,279
LIABILITIES				
		Note	30 June 2023	31 December 2022
Financial liabilities at amortized cost		9	2,056,188	2,135,146
- Deposits from banks			7,199	7,171
- Debt represented by a security			1,516,735	1,562,479
- Other debts			532,254	565,496
Earmarked funds		10	81,498	92,305
Adjustments accounts and other liabilities		11	42,689	20,181
- Derivative liabilities			1,836	306
- Accruals liabilities			24,701	15,400
- Other adjustment accounts			16,151	4,475
Provisions			10,714	10,006
Total liabilities			2,191,089	2,257,638
Capital			301,904	260,888
- Subscribed capital			1,474,800	1,103,650
- Callable capital			-881,670	-826,230
- Unpaid Capital			-290,650	-15,956
- Cost related to deferred release of capital			-577	-577
Share premium			2,622	2,622
Reserves			854,365	841,131
- Reserves allocated to development activities			76,050	76,050
- Net gains on investments in equity instruments designated at fair value through other comprehensive income non recyclable			54,908	48,045
- Cash flow hedges reserves			20,601	34,504
- Other reserves			26	26
- Retained earnings			677,492	559,570
- Remeasurements of defined benefit schemes liability			-746	-746
- Net income for the period			26,034	123,682
Total equity		12	1,158,890	1,104,641
TOTAL LIABILITIES AND EQUITY			3,349,979	3,362,279

Comprehensive income statement

COMPREHENSIVE INCOME STATEMENT	Note	30 June 2023	30 June 2022
Interests and related income		84,790	74,639
Interests and related charges		-40,652	-39,602
Margin on interests		44,138	35,036
Fees and commissions (income)		2,957	1,237
Fees and commissions (charges)		-2,759	-1,794
Margin on interests and fees		44,337	34,479
Exchange rate gains		20,175	756
Exchange rate losses		-651	-92,749
Gains/ losses on hedging instruments		-11,165	103,966
Net gains/ Losses on foreign exchange		8,359	11,973
Margin on interests, fees and foreign exchange		52,695	46,452
Net gains/ losses on financial assets designated at fair value through profit and loss		36	532
Dividends received		4,138	2,596
Net banking income	13	56,869	49,580
Cost of risk	14	-18,083	-16,779
Allocations from Member states		3,200	3,200
Other operating income		255	90,151
Expenses related to development activities	15	-807	-661
General operating expenses		-15,389	-13,674
- Staff costs		-9,177	-7,865
- Amortisations on property, equipment and intangible assets		-637	-619
- Other operating costs		-5,576	-5,190
Other operating expenses		-11	-16
Other net operating income		-12,752	79,000
Net income for the period	16	26,034	111,800
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss (a)		-13,903	6,922
Cash flow hedges (CFH)		-13,903	6,922
Items that will not be reclassified to profit or loss (b)		6,863	2,252
Equity investments at FVOCI - net change in fair value		6,863	2,252
Remeasurements of net defined benefit schemes liability		0	0
Other comprehensive income for the period (a)+(b)		-7,040	9,174
Total comprehensive income for the period		18,993	120,974

Variations in equity

	Capital				Share premium	Reserves						Total
	Subscribed cap	Callable capita	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	
Equity as at 1st January 2022	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										0
Unpaid capital												0
<i>Changes of the first application of IFRS 9</i>									0			0
<i>Net income as at 31 December 2022 before allocation</i>											123,682	123,682
<i>Others changes</i>				-67								-67
<i>Allocation of 2020 income</i>											-3,000	-3,000
<i>Capital paid up in 2022</i>			13,053									13,053
<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)									8,381		0	8,381
Reclassification of gains on equity instruments to reserves											0	0
Remeasurements of defined benefit schemes liability								-447				-447
Cash flow hedges										11,990		11,990
Sub-total other comprehensive income	0	0	0	0	0	0	0	-447	8,381	11,990	0	19,924
Transfers												0
Contributions and distributions												
Total transactions with the owners of the Bank												
Equity as at 31 december 2022 and as at 1st january 2023	1,103,650	-826,230	-15,956	-577	2,622	76,050	26	-746	48,045	34,504	683,253	1,104,641
<i>Increase in capital</i>	371,150	-27,900										343,250
<i>Net income as at 30 June 2023</i>											26,034	26,034
<i>Others changes</i>				0							240	240
<i>Increase in shareholder receivables for the year</i>		-27,540	-315,710								-6,000	-349,250
<i>Capital paid-up in 2023</i>			41,016									41,016
<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)									6,863		0	6,863
Reclassification of gains on equity instruments to reserves									0		0	0
Remeasurements of defined benefit schemes liability								0				0
Cash flow hedges										-13,903		-13,903
Sub-total other comprehensive income	0	0	0	0	0	0	0	0	6,863	-13,903	0	-7,040
Transfers												0
Contributions and distributions												
Total transactions with the owners of the Bank												
Balance as at 30 June 2023	1,474,800	-881,670	-290,650	-577	2,622	76,050	26	-746	54,908	20,601	703,526	1,158,890

Cash flows table

Items	Notes	30 June 2023	30 June 2022
Cashflows from operational activities			
Income for the period		26,034	111,800
<i>Adjustments related to non-monetary and other items</i>			
Unrealised gains/losses		-8,953	-11,282
Exchange gains		-57	-756
Exchange losses		651	66
Allocations of Amortizations		637	619
Depreciations		0	0
Cost of risk		18,083	16,779
Gains/ losses on financial assets designated at fair value through profit and loss		-36	-532
Other items		-2,491	-2,574
		7,834	2,320
Changes in assets and liabilities from operations			
Interbank loans		-10,118	10,227
Disbursements on receivables from customers		-209,396	-160,987
Repayments of receivables from customers		326,772	199,473
Other receivables from customers		-74,660	-55,089
Loans and advances to staff		-2,720	-2,303
Debt securities portfolio		-24,803	16,941
Other receivables		0	0
Other assets		-8,451	5,457
Deposits from banks		28	-201
Variation in derivative assets and liabilities		0	0
Other debts		38,046	40,007
Other liabilities		4,170	-78,135
		38,870	-24,609
Cashflows from operations (a)		72,737	89,511
Cashflows from investment activities			
Acquisitions of tangible assets		-13,242	-327
Sales of tangible assets		2,245	0
Acquisitions of intangible assets		-2	-310
Sales of intangible assets		0	0
Acquisitions of shares		-15,310	-642
Sales of shares		14,014	1,514
Cashflows from investments (b)		-12,294	236
Cashflows from financing activities			
Resources from shareholders (capital paying-up)		44,995	16,133
Redemption of shares		0	0
Debts represented by a security		0	0
Repayment/debts represented by a security		-59,352	-76,454
Repayment/other loans		-38,157	-40,346
Cashflows from financing activities (c)		-52,514	-100,667
Net increase/(decrease) of cash and cash equivalents (a)+(b)+(c)		7,930	-10,921
Cash and cash equivalents at opening	4	284,092	230,373
Cash and cash equivalents at closing	4	292,022	219,452
ADDITIONAL INFORMATION			
Operating cashflow from interests and dividends:			
Interests paid		46,110	46,355
Interests received		61,571	62,052
Dividends received		4,138	1,544

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 2023 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 2022.

The separate financial statements at 30 June 2023 have been prepared in accordance with the same principles as at 31 December 2022, 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 2023 are therefore not affected by seasonal factors (e. g. climate).

2.2 Basis of measurement

The financial statements have been prepared on historical cost basis except for the following items, which are measured on the following alternative basis on each reporting date.

Items	Measurement basis
Non derivative financial instruments at FVTPL	Fair value
Derivative financial instruments	Fair value
Equity securities at FVTPL/ FVOCI	Fair value

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.

¹ International Accounting Standards (IAS)

² International Accounting Standards Board (IASB)

b) Key estimates

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

Impairment of loans and advances to customers: the determination of input parameters in the ECL valuation model requires judgments. These parameters refer to default probabilities, the consideration of key assumptions in the estimation of recoverable cash flows, to conversion factors to credit equivalents and information on the forward-looking

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 to assess the hedging instruments deployed to protect itself against currency risk on borrowings contracted in SDRs and USD.

Assessing obligations linked to defined benefit pension plan: the actual value of pension obligations is sensitive to the financial and actuarial assumptions used, including the discount rate. At the end of each reporting date, the Bank determines the appropriate discount rate to be used to determine the fair value of the estimated future pension obligations

2.4 Interim financial statements

The interim financial statement as at 30 June 2023, 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 2023 is based on projected actuarial calculations at the end of the previous year.

2.5 Functional currency

The interim financial statements are presented in African Financial Community Franc (FCFA/XOF), which is the Bank's functional currency. All amounts have been rounded to the nearest millions.

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 2023 were approved by the Board of Directors at its meeting of 20 September 2023.

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 2022, the provisions of the new standards and interpretations that came into force for the 2023 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 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. The application of these amendments has no material impact on the Bank's accounts.
1 st January 2023	Amendments to IAS 8 "Definition of Accounting Estimates"	These amendments aim to facilitate the distinction between accounting methods and accounting estimates. The anticipated impact of these amendments is not material.
1 st January 2023	Amendments to IAS 1 and the Practice Statement "Disclosures on accounting policies"	The objective of these amendments is to improve the definition of the term "significant" in order to allow entities to more easily exercise their judgment in terms of materiality for the information to be included in the financial statements. The application of these amendments will have no significant impact on the Bank's accounts.
1 st January 2023	Amendments to IAS 12, Income Taxes	The purpose of these amendments is to clarify how entities should account for deferred taxes on transactions such as leases and decommissioning obligations. As BOAD is exempt from all taxes due to the established headquarters agreement, these amendments will have no impact on its accounts.
1 st 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. There will therefore be no impact on BOAD's accounts.

3.2 Upcoming provisions

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

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
	Non-Current Amendments to IAS 1 –	<ul style="list-style-type: none"> • To remove the requirement for an "unconditional" right and to allow companies to classify a liability as non-current since they have a right to defer the settlement for at least 12 months after the reporting date. However, the classification is not affected by management's intentions or expectations as to whether the company will exercise its right to defer the settlement or will proceed to an early redemption. • on one hand to require, companies whose debts are charged with covenants to consider the risk of non-compliance with covenants in assessing whether they are classified as current or non-current and secondly, disclose in the notes to the financial statements those non-current liabilities subject to covenants, information to help users understand the risk that these liabilities will become repayable within 12 months after the reporting date. <p>The application of these amendments has no material impact on the Bank's accounts. In fact, all of the Bank's liabilities are classified in accordance with their future settlement dates. The Bank has no right to defer settlement of its liabilities. In addition, the Bank has always complied with its covenants and paid particular attention to compliance with covenants.</p>
1 st January 2024	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	<p>These amendments to IFRS 16 recommend that companies in a seller-lessee position in sale and leaseback contracts, include variable lease payments when measuring a lease liability arising from a sale and leaseback transaction at on initial recognition. On subsequent recognition subsequently, no gain or loss relating to the retained right of use must no longer be recorded, regardless of the measurement approach adopted by the seller-lessee.</p> <p>The Bank has not entered into any lease or sale and leaseback contracts. It is therefore not affected by these amendments to IFRS 16.</p>

NOTE 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Cash and cash equivalents		30 June 2023	31 December 2022
Cash accounts		180	55
BOAD HQ Current Account		60,065	32,417
Deposit Accounts for Resident Missions at BCEAO	4.1	107,741	119,831
Japan Eximbank Special Account		15	15
FDE P/C Contribution Account		1,985	1,985
BOAD Settlement Account Lomé		74,172	89,920
Operating Account for Resident Missions		89	217
Bank and correspondent bank accounts		11,541	8,610
Short-term bank deposits	4.2	36,200	31,010
Deposits/ Margin calls		33	33
TOTAL		292,022	284,092

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

Resident missions	30 June 2023	31 December 2022
Deposit Account BCEAO Abidjan	7,053	2,820
Deposit Account BCEAO Bamako	4,172	397
Deposit Account BCEAO Bissau	212	564
Deposit Account BCEAO Cotonou	2,022	13,906
Deposit Account BCEAO Dakar	9,972	23,541
Deposit Account BCEAO Lomé	74,742	53,228
Deposit Account BCEAO Niamey	6,815	11,079
Deposit Account BCEAO Ouagadougou	2,753	14,296
Total	107,741	119,831

4.2 Short-term bank deposits include:

Short-term bank deposits	30 June 2023	31 December 2022
BOA-CI, special liquidity account	0	0
BOA-BENIN liquidity account	0	1,010
Term deposit with BOA Group	26,200	15,000
Term deposit with Coris Bank Group	0	5,000
Term deposit with BSIC Group	0	5,000
Term deposit with NSIA		5,000
Term deposit with BICIM MALI	10,000	
Total	36,200	31,010

NOTE 5. FINANCIAL ASSETS AT AMORTIZED COST

The item on financial assets at amortized cost is as follows:

Financial assets at amortized cost		30 June 2023	31 December 2022
Loans and advances to banks	5.1	10,357	238
Loans and advances to customers	5.2	2,379,293	2,439,926
Loans and advances to staff		21,291	18,571
Debt securities portfolio	5.3	365,839	340,595
Receivables from shareholders		5,899	6,448
TOTAL		2,782,678	2,805,778

5.1 Loans and advances to banks

Loans and advances to banks include interbank loans and related interests. Related interests are less than one year. Loans and advances to banks per counterparty is detailed as at 30 June 2023 and 31 December 2022 are as follows :

Counterparties	30 June 2023	31 December 2022
BCEAO- Interests on ordinary accounts	37	35
BDM	10,000	
Interest receivables	319	203
TOTAL	10,357	238

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 2023 and 31 December 2022 is as follows:

Items	30 June 2023	31 December 2022
Gross outstanding receivables from customers	2,531,724	2,577,940
of which gross outstanding loans	2,454,373	2,516,414
At most six months	157,894	154,133
More than six months and less than one year	145,499	159,847
More than one year and less than two years	288,664	304,817
More than two years and less than three years	282,215	297,699
More than three years and less than five years	466,676	493,563
More than five years	1,113,425	1,106,354
of which advances for financing studies	15,120	14,812
of which related receivables to loans	62,231	46,713
Total depreciation on loans and related receivables	-142,764	-129,505
of which depreciation of non-performing loans (*)	-84,859	-78,355
of which depreciation on buckets 1 and 2	-57,905	-51,150
Deferred income from fees	-8,680	-7,521
Value adjustment on advances to customers	-988	-988
<i>Receivables from customers</i>	<i>2,379,292</i>	<i>2,439,926</i>

(*) The total amount of depreciation of overdue receivables includes 62,494 M FCFA for depreciation on the principal (including 53,549 M FCFA for loans and 8,945 M FCFA for studies) and 22,365 M FCFA for interest. and commissions on overdue debts.

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 2022 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 june 2023(e) = (a) + (d)
1. Gross outstanding of non-performing loans	73,422	0	-10,080	-10,080	63,342
2. Depreciation	-59,903	0	6,354	6,354	-53,549
3. Net outstanding of non performing loans = (1) + (2)	13,519	0	-3,726	-3,726	9,794

5.3 Debt securities portfolio

5.3.1 Changes in debt securities portfolio

Changes in debt securities portfolio as at 30 June 2023 are as follows:

	Balance as at	Variations of the period			Balance as at
	31 december 2022 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2023 (e) = (c) + (f)
1. Gross outstanding of securities portfolio	333,549	75,752	-48,132	27,620	361,169
2. Interest receivables of securities portfolio	9,382	9,806	-11,708	-1,902	7,480
3. Depreciation (buckets 1 et 2)	-2,336	-475	0	-475	-2,810
4. Net outstanding of securities portfolio (gross outstanding and interest receivables) = (1) + (2) + (3)	340,595	85,084	-59,840	25,243	365,839

5.3.2 Details of the debt securities portfolio

The debt securities portfolio is detailed as follows:

Securities portfolio	30 June 2023	31 December 2022
Treasury bonds Senegal	63,875	60,250
Treasury bonds Ivory Coast	32,857	37,857
Treasury bonds Benin	14,000	11,500
Treasury bonds Burkina	43,354	34,875
Coris Bank Holdings bonds	10,000	13,000
Treasury bonds Mali	32,000	47,448
Treasury bonds Niger	41,000	32,000
Treasury bonds Togo	59,517	66,700
CRRH Bonds	6,667	7,317
EBID Bonds	7,478	7,645
SONATEL Bonds	9,000	10,000
DOLI P Bonds	1,502	0
Treasury bills Burkina	2,500	0
Treasury bills Mali	5,000	5,000
Treasury bills Niger	7,500	0
Treasury bills Ivory Coast	5,000	0
Treasury bills Senegal	5,000	0
Treasury bills Togo	15,000	0
Sub-total 1. Gross outstandings	361,251	333,591
Bonds premiums and discounts	-82	-43
Sub-total 2. Net outstandings of premiums	361,169	333,549
Interests receivable	7,480	9,382
Depreciation	-2,810	-2,336
TOTAL	365,839	340,595

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 2023 and 31 December 2022 is as follows:

Maturity	30 June 2023	31 December 2022
At most six months	49,077	48,043
More than six months and less than one year	68,217	24,077
More than one year and less than two years	54,301	76,456
More than two years and less than three years	65,999	57,664
More than three years and less than five years	34,534	61,831
More than five years	89,123	65,521
<i>Sub-total 1. Gross outstandings</i>	361,251	333,591
Bonds premiums and discounts	-82	-43
<i>Sub-total 2. Net outstandings of premiums</i>	361,169	333,549
Interests receivable	7,480	9,382
Depreciation	-2,810	-2,336
TOTAL	365,839	340,595

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 2023	December 2022
Gross outstanding of equity investments as at 1st January	95,885	96,539
Increases	15,550	1,265
Decreases	-14,014	-1,919
Gross outstanding of equity investments	97,421	95,885
Gains /losses of equity investments designated at fair value through non-recyclable OCI	54,908	48,043
Gains /losses of equity investments designated at fair value through P&L	2,546	2,510
Net outstanding of equity investments	154,874	146,439

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 2022 and 30 June 2023

N°	Country	Equity investments	Percentage of interest (%)	30/06/2023				31/12/2022			
				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	1,263	-6	3,757	2,500	1,240	23	3,763
2	h-uemoa	FEFISOL	8.2%	16	37	0	53	16	31	7	53
3	SN	FCPI/FC BOAD	100.0%	5,000	1,209	43	6,252	5,000	689	520	6,209
TOTAL				7,516	2,509	36	10,061	7,516	1,959	550	10,025

b) Changes in instruments recognized at fair value through other comprehensive income between 31 December 2022 and 30 June 2023

N°	Country	Equity investments	Percentage of interest (%)	30/06/2023				31/12/2022			
				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	157	247	350	103	-25	90	193
3	SN	BNDE	9,1%	1,000	-170	2,383	3,383	1,000	324	2,553	3,553
4	h-uemoa	CAURIS CROISSANCE II	17,7%	4,268	-462	-1,932	2,336	4,268	371	-1,470	2,798
5	TG	GARI S. A.	11,6%	1,500	247	1,396	2,896	1,500	54	1,149	2,649
6	MA	BDM Mali	16,0%	600	-127	18,503	19,103	600	385	18,630	19,230
7	BN	BOA Bénin	2,3%	98	-81	2,648	2,746	98	309	2,729	2,827
8	NG	SONIBANK Niger	7,1%	1,082	93	2,311	3,393	1,082	-286	2,218	3,300
9	CI	BHCI Côte d'Ivoire	0,3%	150	-6	-146	4	150	10	-140	10
10	NG	BOA Niger	5,7%	137	67	4,238	4,375	137	510	4,171	4,308
11	TG	BIA Togo	5,2%	392	24	339	731	392	63	316	708
12	h-uemoa	Afreximbank	0,3%	2,500	1,375	4,970	7,470	2,500	1,448	3,594	6,094
13	SN	Banque Régionale de Marché (BRM)	4,0%	1,610	-1,210	-1,610	0	400	0	-400	0
14	BF	Banque de l'Habitat du BF	0,9%	200	73	98	298	200	6	25	225
15	CI	BRVM	9,2%	56	111	600	656	56	-42	489	545
16	CI	DC/BR (BRVM)	9,1%	140	47	266	406	140	-16	219	359
17	TG	CICA RE	2,0%	999	299	796	1,795	999	28	497	1,496
18	MA	MANDE Hotel	16,7%	50	-4	225	275	50	-6	229	279
19	CI	CIPREL	2,0%	584	242	1,512	2,096	584	-416	1,270	1,854
20	TG	ASKY (EX SPCAR)	16,8%	5,990	4,673	598	6,588	5,990	1,915	-4,075	1,915
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	-226	785	5,132	4,347	194	1,011	5,358
23	TG	BOAD-Titrisation	100,0%	500	0	-500	0	500	-185	-500	0
24	TG	CRRH-UEMOA	15,3%	1,543	-14	1,361	2,904	1,543	227	1,375	2,918
25	h-uemoa	Fonds Agricole pour l'Afrique (FAA)	2,6%	2,189	-122	-1,847	343	2,189	-544	-1,725	465
26	TG	ORAGROUP	2,1%	1,642	-1,974	1,977	3,619	1,642	-378	3,951	5,593
27	BF	Fidélis Finance (ex Burkina Bail)	14,3%	689	-6	284	972	689	-30	290	978
28	SN	CNCAS	7,9%	1,573	-1,313	264	1,837	1,573	680	1,577	3,150
29	BF	CORIS BANK	0,0%	0	0	0	0	0	0	0	0
30	CI	Nouvelle BRS CI/ORA Bank CI	24,5%	16,995	2,963	23,684	40,679	16,995	4,623	20,721	37,716
31	CI	Banque de l'Union Côte d'Ivoire (BDU-CI)	9,6%	1,100	459	1,412	2,512	1,100	392	954	2,054
32	BF	Banque de l'Union Burkina Faso (BDU-BF)	10,1%	1,100	-356	1,093	2,193	1,100	571	1,449	2,549
33	Kenya	FAER	4,9%	5,844	-639	-490	5,354	5,844	-998	149	5,993
34	BF	AMETHIS WEST AFRICAN (AWA)	11,1%	1,040	181	-32	1,008	1,040	750	-213	827
35	CI	Air Côte d'Ivoire	7,9%	10,320	3,090	-6,630	3,690	10,320	-715	-9,720	600
36	h-uemoa	Investisseurs & Partenaires/ Développement (IPDEV2)	11,0%	1,018	-240	-561	457	781	-35	-322	459
37	Bn	Société Immobilière d'Aménagement Urbain SlimAU	10,0%	500	316	332	832	500	69	16	516
38	SN	Banque Outarde	11,3%	2,000	-101	-767	1,233	2,000	-3	-665	1,335
39	h-uemoa	Fonds I&P Afrique Entrepreneurs 2 (IPAE2)	3,3%	1,134	85	-206	928	1,068	-8	-292	777
40	NG	Banque de l'Habitat du Niger	7,0%	825	-126	-399	426	825	-96	-273	552
41	h-uemoa	Fonds d'investissements dédié au développement des services financiers dans l'UEMOA	48,7%	4,781	-681	-1,025	3,756	4,781	654	-344	4,437
42		ECP Africa Fund IV	1,8%	3,000	-135	911	3,911	3,000	-400	1,047	4,047
43	CI	MANSA BANK	7,6%	1,200	219	-30	1,170	1,200	74	-249	951
44	h-uemoa	ADIWALE Fund I	6,4%	914	164	-226	688	892	-235	-389	502
45	h-uemoa	AFIG Fund	4,0%	2,592	-29	-324	2,268	2,592	-857	-295	2,297
		TOTAL		89,905	6,863	54,909	144,813	88,370	8,381	48,045	136,415

NOTE 7. ADJUSTMENT ACCOUNTS AND OTHER ASSETS

Accruals and other assets include the following items:

Adjustment accounts and other assets		30 June 2023	31 December 2022
Derivative assets	7.1	70,546	94,084
Accruals assets	7.2	19,339	11,560
Other adjustment accounts	7.3	9,710	9,877
TOTAL		99,595	115,521

7.1 Derivative assets

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

Derivative assets	30 June 2023	31 December 2022
Derivative assets-fair value hedge	0	0
Derivative assets-cash flow hedge	70,546	94,084
TOTAL	70,546	94,084

Derivative asset amounts correspond to the proportionate 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 other than euros. The increase in derivative assets as of 30 June 2023 results from the increase of the hedge following the rise in the dollar and SDR exchange rates over the period.

7.2 Accruals assets

Accruals assets	30 June 2023	31 December 2022
Deferred expenses	4,258	10,150
Accruals and prepaid expenses	1,003	524
Accrued receivables	198	181
Other accruals	13,880	704
TOTAL	19,339	11,560

7.3 Other adjustment assets

Other adjustment accounts	30 June 2023	31 December 2022
Sundry debtors	1,639	462
Prefinancing of studies from foreign funds meant for studies	1,190	1,861
Deposits paid	63	59
Cash advances on mission expenses	0	0
Cash advances and prepayments made	384	830
Other endowments and subsidies to be received	6,435	6,665
TOTAL	9,710	9,877

NOTE 8. TANGIBLE AND INTANGIBLE ASSETS

8.1 Tangible assets

The net book value of fixed assets at 30 June 2023 and 31 December 2022 is as follows:

Tangible assets	30 June 2023	31 December 2022
Cost of acquisition	25,481	24,950
Allocations and reversals of amortizations	-19,461	-18,909
Net outstanding of tangible assets	6,020	6,041

The change in the net carrying amount of fixed assets between 31 December 2022 and 30 June 2023 is as follows:

Acquisitions/Disposals of tangible assets	30 June 2023	Allocations and reversal of amortizations	30 June 2023
Balance as at 1 January 2023	24,950	Balance as at 1 January 2023	18,909
Acquisitions	531	Amortization charges	562
Disposals	0	Reversals of amortizations	-10
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 2023	25,481	Balance as at 30 June 2023	19,461
Net value on balance sheet as at 30 June 2023			6,020

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 2022	415	13,695	418	9,863	0	24,391
Acquisitions	0	0	285	711	0	995
Transfers	0	0	0	0	0	0
Disposals	0	0	0	-437	0	-437
Transfers to investment properties	0	0	0	0	0	0
Other revaluations	0	0	0	0	0	0
Balance as at 1st January 2023	415	13,695	702	10,137	0	24,950
Acquisitions	0	0	217	314	0	531
Transfers	0	0	0	0	0	0
Transfers to investment properties	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Balance as at 30 June 2023	415	13,695	919	10,451	0	25,481
Accumulated amortizations and disposals						
Balance as at 1st January 2022	0	10,718	0	7,496	0	18,214
Amortization charges	0	345	0	774	0	1,119
Reversals of amortizations (disposals)	0	0	0	0	0	0
Transfers to investment properties	0	0	0	-424	0	-424
Reversals of depreciation	0	0	0	0	0	0
Balance as at 1st January 2023	0	11,064	0	7,846	0	18,909
Amortization charges	0	171	0	391	0	562
Transfers to investment properties	0	0	0	-10	0	-10
Reversals of amortizations (disposals)	0	0	0	0	0	0
Balance as at 30 June 2023	0	11,235	0	8,226	0	19,461
Net value of tangible assets as at 30 June 2023						6,020

8.2 Investment properties

The net book values of investment properties are presented below :

Investment properties	30 June 2023	31 December 2022
Cost of acquisition	770	770
Allocations and reversals of amortizations	-172	-144
Net outstanding of intangible assets	598	627

The evolution of the net book value of investment properties between 31 December 2022 and 30 June 2023 is as follows :

Acquisitions/Disposals of investment properties	30 June 2023	31 December 2022	Allocations and reversal of amortizations	30 June 2023	31 December 2022
Balance as at 1 January 2023	770	770	Balance as at 1 January 2023	144	144
Acquisitions	0	0	Amortization charges	18	18
Disposals	0	0	Reversals of amortizations	10	10
Transfers to investment properties	0	0	Transfers to investment properties	0	0
Classified as assets held for sale	0	0	Classified as assets held for sale	0	0
Balance as at 30 June 2023	770	770	Balance as at 30 June 2023	172	172
Net value on balance sheet as at 30 June 2023			Net value on balance sheet as at 30 June 2023	598	598

8.3 Intangible assets

Below are the net carrying amounts of intangible assets:

Intangible assets	30 June 2023	31 December 2022
Cost of acquisition	3,188	3,187
Allocations and reversals of amortizations	-1,707	-1,650
Net outstanding of intangible assets	1,482	1,537

Changes in the net carrying amount of intangible assets between 31 December 2022 and 30 June 2023 are as follows:

Acquisitions/Disposals of intangible assets	30 June 2023	31 December 2022	Allocations and reversal of amortizations	30 June 2023	31 December 2022
Balance as at 1 January 2023	3,187	3,187	Balance as at 1 January 2023	1,650	1,650
Acquisitions	2	2	Amortization charges	56	56
Disposals	0	0	Reversals of amortizations	0	0
Classified as assets held for sale	0	0	Classified as assets held for sale	0	0
Balance as at 30 June 2023	3,188	3,187	Balance as at 30 June 2023	1,707	1,707
Net value on balance sheet as at 30 June 2023			Net value on balance sheet as at 30 June 2023	1,482	1,482

8.4 Non-current assets held for sale

The Bank has been declared the owner of a property by judicial auction.

This property is presented as a non-current asset held for sale. An active buyer research program has been initiated.

The asset held for sale was recorded at the lower of acquisition cost (corresponding to the sum of the auction price and all costs and expenses incurred until the property is actually acquired, which amounted to 12,711 million) and the fair value less costs of sale. Any gain or loss on disposal and the cost of sale will be recognized to profit or loss.

There is no accumulated income or expense included in other comprehensive income relating to assets held for sale.

NOTE 9. FINANCIAL LIABILITIES AT AMORTIZED COST

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

9.1 Breakdown of the item "Financial liabilities at amortized cost"

The breakdown of this item is as follows as at 30 June 2023 and 31 December 2022:

Financial liabilities at amortized cost	30 June 2023	31 December 2022
I-Debts represented by a security		
BOAD bonds issues (*)	1,494,699	1,512,572
BOAD bills	0	19,557
Maturities of less than one year/debts repr. by securities	0	0
Sub-total I	1,494,699	1,532,130
II- Debts attached to debts represented by a security		
Accrued interests on debts represented by a security	22,036	30,354
Deferred charges on bonds and bills	0	-4
Sub-total II	22,036	30,349
A) Total debts represented by a security (I+II)	1,516,735	1,562,479
III- Other loans from foreign partners		
Loans to finance long-term projects	529,959	563,077
Loans for financing long-term project studies	482	482
Maturities of less than one year/loans	0	0
Sub-total III	530,441	563,558
IV- Debts related to other borrowings		
Accrued interest and commissions on other borrowings	2,351	2,536
Deferred charges on other borrowings	-538	-598
Sub-total IV	1,813	1,938
B) Total debts represented by a security (III+ IV)	532,254	565,496
C) Deposits from banks (Cauris ROPPA, AFD...)	7,199	7,171
Total (A+B+C)	2,056,188	2,135,146

(*) The total outstanding of bonds includes 1,495 M FCFA 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 2022 and 30 June 2023 are as follows:

Debts	Balance as at 31 December 2022	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2023
Deposits from banks	7,171	207	-180	0	0	7,199
TOTAL DEPOSITS FROM BANKS	7,171	207	-180	0	0	7,199

Changes in debt securities issued

Debts	Balance as at 31 December 2022	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2023
Debentures	1,512,572	0	0	-18,842	970	1,494,699
Bonds	19,557	0	-19,557	0	0	0
TOTAL DEBTS SECURITIES ISSUED	1,532,130	0	-19,557	-18,842	970	1,494,699

Changes in other debts

Debts	Balance as at 31 December 2022	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2023
IDA	147,699	0	-2,532	-1,122	0	144,045
KFW	133,134	0	-13,594	0	0	119,540
AFD	161,696	0	-7,595	0	0	154,101
BEI	1,260	0	-1,260	0	0	0
BAD	53,144	0	-5,382	0	0	47,763
BDC	0	0	0	0	0	0
BADEA	9,584	0	-1,207	-154	0	8,223
BNP Fortis	4,566	0	-273	0	0	4,292
BDA	19,679	0	0	0	0	19,679
OPEC	32,798	0	0	0	0	32,798
TOTAL OTHER DEBTS	563,558	0	-31,842	-1,276	0	530,441
TOTAL DEBTS	2,102,859	207	-51,579	-20,118	970	2,032,339

9.3 Maturity of liabilities at amortized cost

The borrowing schedule as at 31 December 2022 and 30 June 2023 is as follows:

Maturity	30 June 2023	31 December 2022
At most six months	65,493	53,285
More than six months and less than one year	30,791	63,625
More than one year and less than two years	58,520	60,059
More than two years and less than three years	63,039	58,741
More than three years and less than five years	63,189	637,622
More than five years	1,751,306	1,229,525
Sub-total outstanding	2,032,339	2,102,859
Debts attached to loans and & debts repr.	23,849	32,287
TOTAL	2,056,188	2,135,146

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 2023, outstanding borrowings stood at 179% of shareholders' equity for a statutory threshold of 300%.

NOTE 10. EARMARKED FUNDS

Earmarked funds are broken down as follows:

Funds	30 June 2023	31 December 2022
Belgian Technical Assistance Fund	215	215
Dutch Fund	34	34
IDA Matching Fund	558	551
AFD Research Fund	310	310
AFD Counterpart Fund	26	26
Environmental Partnership Fund	4	4
KfW Counterpart Fund	5,057	5,215
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)	587	472
New subsidy mechanism fund	29,260	9,468
CMS Fund for Interest Subsidy	1,000	1,000
Global Environment Facility	10,729	10,817
Climate change fund	5,791	3,352
Climate green fund	16,318	16,438
Regional initiatives supports fund	383	383
KfW Fund for loans adapted to natural disasters (PACAN)	6,237	6,232
KfW Fund for early payment of capital	0	32,798
TOTAL	81,498	92,305

NOTE 11. ADJUSTMENT ACCOUNTS AND OTHER LIABILITIES

Accruals and other liabilities as at 30 June 2023 are as follows:

Adjustment accounts and liabilities		30 June 2023	31 December 2022
Derivatives liabilities	11.1	1,836	306
Accruals liabilities	11.2	24,701	15,400
Other adjustment accounts	11.3	16,151	4,475
TOTAL		42,689	20,181

11.1 Derivative liabilities

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

Derivatives liabilities	30 June 2023	31 December 2022
Derivatives liabilities-fair value hedge	1,836	306
Derivatives liabilities-cash flow hedge	0	0
TOTAL	1,836	306

Derivative liabilities at 30 June amounts to 1,836 M FCFA and relates solely to the hedging of credit lines in dollars and SDRs. This level of financial liability is due to the fall in the dollar and SDR exchange rates compared to the exchange rates obtained by BOAD when

the hedging contracts were put in place. The continued decline of the dollar and the SDR since the end of the last financial year has emphasized the level of derivative liabilities during the first half of the year.

11.2 Accruals liabilities

The details of the accruals and deferrals are as follows:

Accruals liabilities	30 June 2023	31 December 2022
Deferred income	19,917	9,683
Accrued liabilities	3,640	5,602
Advanced payments	1,144	115
TOTAL	24,701	15,400

11.3 Other adjustment liabilities

Details of other liabilities are as follows:

Other adjustment accounts	30 June 2023	31 December 2022
Sundry creditors	1,171	1,333
Suppliers payables	14,980	3,143
TOTAL	16,151	4,475

The increase in suppliers payables is mainly due to maturities on the 2027 Eurobond of which redemption is expected in July 2023.

NOTE 12. SHAREHOLDERS' EQUITY

12.1 Details of the shareholders' equity capital

Changes in equity as at 31 December 2022 and 30 June 2023 respectively are as follows:

Equity capital	30 June 2023	31 December 2022
Subscribed capital	1,474,800	1,103,650
Callable capital	-881,670	-826,230
Unpaid Capital	-290,650	-15,956
Cost related to deferred paying-up of capital	-577	-577
Capital (A)	301,904	260,888
Share premium (B)	2,622	2,622
Reserves allocated to development activities	76,050	76,050
Other reserves	26	26
Retained earnings	677,492	559,570
Reserves and retained earnings (C)	753,568	635,646
Net income for the period (D)	26,034	123,682
Net gains on investments in equity instruments designated at fair value through non recyclable other comprehensive income	54,908	48,045
Cashflow hedging reserves	20,601	34,504
Remeasurements of defined benefit schemes liability	-746	-746
Other comprehensive income (E)	74,763	81,804
TOTAL (A+B+C+D+E)	1,158,890	1,104,641

12.2 BOAD's capital structure

a) The following table sets out the Bank's capital structure as at 30 June 2023 in nominal terms and its distribution in shares. Each share confers 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)
CATEGORY A							
BENIN	95,400	6.47%	1,908	46,913	15,673	31,240	48,487
BURKINA	95,400	6.47%	1,908	46,913	15,673	31,240	48,487
COTE D'IVOIRE	95,400	6.47%	1,908	46,913	15,673	31,240	48,487
GUINEE BISSAU	95,400	6.47%	1,908	46,913	15,673	31,240	48,487
MALI	95,400	6.47%	1,908	46,913	15,673	31,240	48,487
NIGER	95,400	6.47%	1,908	46,913	15,673	31,240	48,487
SENEGAL	95,400	6.47%	1,908	46,913	15,673	31,240	48,487
TOGO	95,400	6.47%	1,908	46,913	15,673	31,240	48,487
BCEAO	547,950	37.15%	10,959	141,604	125,384	16,220	406,346
	1,311,150	88.90%	26,223	516,908	250,768	266,140	794,242
CATEGORY B							
France	84,300	5.72%	1,686	27,960	9,280	18,680	56,340
Germany	34,750	2.36%	695	34,750	34,750	0	0
Belgium	5,600	0.38%	112	1,400	1,400	0	4,200
EIB	4,000	0.27%	80	1,000	1,000	0	3,000
AfDB	6,000	0.41%	120	1,500	1,500	0	4,500
EXIM BANK OF INDIA	750	0.05%	15	188	181	7	563
CHINA	12,000	0.81%	240	3,000	2,900	100	9,000
MOROCCO	16,250	1.10%	325	6,425	125	6,300	9,825
	163,650	11.10%	3,273	76,223	51,136	25,087	87,428
SUBSCRIBED CAPITAL	1,474,800	100.00%	29,496	593,131	301,904	291,227	881,670
UNSUBSCRIBED CAPITAL	234,550		4,691				
AUTHORIZED CAPITAL	1,709,350		34,187				

During 2022, the Bank's governing bodies have authorised a capital increase of 554,350 M FCFA, raising the Bank's authorised capital from 1,155,000 M FCFA to 1,709,350 M FCFA.

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

	30 June 2023	31 December 2022
Unpaid Capital without cost related to deferred paying-up of capital (a)	290,650	15,956
Cost related to deferred paying-up of capital (b)	577	577
Unpaid capital (a+b)	291,227	16,533

12.3 Effective equity

The Bank's effective equity as at 30 June 2023 and 31 December 2022 is as follows:

Items	30 June 2023	31 December 2022
A- Core own funds (=1+2)	1,051,196	989,906
1- Capital and other funds	301,904	260,888
2- Reserves and other funds	749,292	729,019
B- Additional own funds	80,212	73,350
Effective equity capital/Core Tier 1 Capital (=A+B)	1,131,408	1,063,256
C- Unpaid own funds	27,482	41,386
Equity capital (A+B+C)	1,158,891	1,104,641

NOTE 13. NET BANKING INCOME

Details of this item are as follows:

Net banking income	30 June 2023	30 June 2022
1-Income and interest charges		
Interests and fees on loans	76,023	64,771
Fees on bond loan guarantees	0	0
Interests and investment income	11,724	11,105
<i>Sub-total interest income (A)</i>	87,748	75,876
Interests and charges on debts represented by a security	-30,953	-31,974
Interests and charges on loans and investments	-6,134	-7,170
Other financial services and commissions	-6,324	-2,253
<i>Sub-total interest charges (B)</i>	-43,411	-41,396
Margin on interests and fees C= (A)-(B)	44,337	34,479
2.1-Exchange gains and losses		
Consumed exchange gain	57	756
Potential exchange gain	20,118	0
<i>Sub-total exchange gain (D)</i>	20,175	756
Consumed exchange loss	-651	-66
Potential exchange loss	0	-92,684
<i>Sub-total exchange loss (E)</i>	-651	-92,749
Net exchange loss F=(D)-(E)	19,524	-91,993
2.2-Gains/losses on hedging instruments (G)	-11,165	103,966
2-Net gains/losses on foreign exchange (G)+(F)	8,359	11,973
3-Net gains/losses on equity investments designated at fair value through profit	36	532
4-Dividends	4,138	2,596
5-Net banking income = (1)+(2)+(3)+(4)	56,869	49,580

Foreign exchange gains and losses stem from funds mobilization in foreign currencies other than euros by the Bank from its financial partners and on the international financial market for project financing. The losses have been hedged with forwards and swaps transactions.

NOTE 14. COST OF RISK

The cost of risk as at 30 June 2023 is as follows:

Cost of risk	30 June 2023	30 June 2022
Depreciations on receivables from customers	-19,304	-17,726
Reversals of depreciations on receivables from customers	6,427	1,678
Depreciations on securities portfolio	-475	-732
Reversals of depreciations on securities portfolio	915	0
Losses on receivables covered by depreciations	-5,039	0
Depreciations on other assets	-14,014	0
Reversals of depreciations on other assets	13,406	0
TOTAL	-18,083	-16,779

The level of depreciation on receivables as at 30 June 2023 is linked to the socio-political and security position in the WAEMU zone as well as the level of disbursements for the period.

NOTE 15. COSTS RELATED TO DEVELOPMENT ACTIVITIES

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

Costs related to development activities	30 June 2023	30 June 2022
Interest subsidy	-807	-661
TOTAL	-807	-661

NOTE 16. NET INCOME OF THE PERIOD

Net income of the period	30 June 2023	30 June 2022
Net income excluding donation	26,034	21,800
Donation for the equity capital's strengthening	0	90,000
TOTAL	26,034	111,800

In the first half of 2022, the Bank recorded a profit of 111,800 M FCFA. The exceptional level of profit was due to the decision of the UEMOA Council of Ministers decision of the WAEMU Council of Ministers authorising the transfer to the WADB, in the form of a donation part of the funds from the new subsidy mechanism, in the form of a grant, for an amount of 90,000 M FCFA.

The purpose of this grant was to strengthen the Bank's equity capital as part of the measures taken by its Management to anticipate any shocks resulting from the economic and financial economic and financial sanctions imposed on Mali at that date.

Excluding this grant, the Bank's profit at 30 June 2022 was 21,800 M FCFA.

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 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 2022.

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 2023.

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				292,022	292,022	292,022
Interbank loans				10,357	10,357	10,357
Debt securities portfolio				365,839	365,839	365,839
Loans and advances to customers				2,379,293	2,379,293	2,379,293
Loans and advances to staff				21,291	21,291	21,291
Receivables from shareholders				5,899	5,899	5,899
Equity investments	10,061		144,813		154,874	154,874
Derivative assets	70,546				70,546	70,546
Total amount of financial assets	80,607	0	144,813	3,074,700	3,300,120	3,300,120
Borrowings				2,056,188	2,056,188	2,056,188
Derivative liabilities	1,836				1,836	1,836
Total amount of financial liabilities	1,836	0	0	2,056,188	2,058,024	2,058,024

The carrying amounts and fair values and classification of financial assets and liabilities as at 31 December 2022, 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				284,092	284,092	284,092
Interbank loans				238	238	238
Debt securities portfolio				340,595	340,595	340,595
Loans and advances to customers				2,439,926	2,439,926	2,439,926
Loans and advances to staff				18,571	18,571	18,571
Receivables from shareholders				6,448	6,448	6,448
Equity investments	10,025		136,414		146,439	146,439
Derivative assets	94,084				94,084	94,084
Total amount of financial assets	104,109	0	136,414	3,089,870	3,330,392	3,330,393
Borrowings				2,135,146	2,135,146	2,135,146
Derivative liabilities	306				306	306
Total amount of financial liabilities	306	0	0	2,135,146	2,135,452	2,135,452

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 2023 and 31 December 2022:

	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 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Derivative assets			70,546	94,084			70,546	94,084
Equity participations-Financial assets designated at fair value through profit and loss			10,061	10,025			10,061	10,025
Equity participations-Financial assets designated at fair value through non-recyclable other comprehensive income (OCI)	10,740	12,728	-	-	134,072	123,687	144,813	136,414
Total amount of financial assets	10,740	12,728	80,607	104,109	134,072	123,687	225,420	240,523
Derivative liabilities			1,836	306			1,836	306
Total amount of financial liabilities	-	-	1,836	306	-	-	1,836	306

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

Type of financial instrument	Valuation techniques	Significant unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Forward foreign currency contracts	Futures price fixing Fair value is calculated using quoted forward exchange rates at the reporting date and commuted value measurements based on high-quality contract yield curve / yield curves.	Non applicable	Non applicable
Currency swaps	Swaps models Fair value is the present value of the estimated cash flows. Floating rate future cash flow estimates are based on quoted swap rates, futures contract prices and interbank lending rates. The estimated cash flows are discounted using a yield curve developed from similar sources that reflects the benchmark interbank rate used by market participants in setting foreign exchange swap prices.	Non applicable	Non applicable
Equity investments	Sales comparison approach/ Discounted Cash Flow/ Net book value The fair value is estimated based (i) on the last market prices of comparable assets (normally up to 12 months), entered into under normal market conditions or a firm bid on more than 15% of the existing stock or (ii) the net present value is calculated using a discount rate of equity investments with similar risk/yield couple adjusted to take account of finance structure (provided that the entity has generated positive cashflow from operating activities during at least the two previous years), or (iii) the mathematical value based on the last financial statements available.	Non applicable	Non applicable

NOTE 19. OFF-BALANCE SHEET COMMITMENTS

19.1 Commitments received

The breakdown of these commitments is as follows:

Commitments received	31 December 2022	
	30 June 2023	31 December 2022
Loan commitments to be drawn (a)	190,318	190,318
Guarantees received from Regional Funds (b)	17,723	18,972
Guarantees received from international Insurers (c)	299,306	24,182
Total	507,347	233,473

- (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 299,306 M FCFA as at 30 June 2023.

19.2 Commitments given

They are broken down as follows:

Commitments given	30 June 2023	31 December 2022
Loan commitments given (a)	2,150,263	1,866,246
Advances for financing studies	24,066	24,066
Equity investments commitments (b)	59,991	54,197
Securities and other guarantees	25,000	25,000
Credit insurance premiums payable (c)	25,274	4,978
Total	2,284,595	1,974,487

- (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 25,274 M FCFA as at 30 June 2023.

NOTE 20. EFFECTS OF THE RUSSIA-UKRAINE CONFLICT

The conflict between Russia and Ukraine which began in February 2022 still has effects on the WAEMU zone, in particular through the increase in the prices of fuel and certain staple goods, thus leading to generalized inflation in the zone. Public counterparties, the Bank's main customers, could be impacted by this situation; which would result in an increase in their deficit and therefore in their credit worthiness. 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 unable to fulfill its obligations to BOAD in connection with this instability.

NOTE 21. EVENTS AFTER THE REPORTING DATE

The Economic Community of West African States (ECOWAS) imposed economic and financial sanctions on Niger on States of West Africa (ECOWAS) against Niger on 30 July 2023. These sanctions resulted in the suspension of operations with Niger. The anticipated impacts have been taken into account in these financial statements. The exposure exposure is approximately 12%. The Bank is closely monitoring the situation with counterparties based in Niger.