

## **BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD)**

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### **Auditor's report on review of interim financial information**

Period from 1<sup>st</sup> January to 30<sup>th</sup> June 2025

## Auditor's report on Review of Interim Financial Information

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### **BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD)**

68, Avenue de la libération

BP 1172, Lomé - Togo

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To the Board of Directors,

We have reviewed the accompanying statement of financial position of Banque Ouest Africaine de Développement (BOAD) as of 30<sup>th</sup> June 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed interim financial information. Board of Director is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standards on Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on this 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 is not prepared, in all material respects, in accordance with International Accounting Standards on Interim Financial Reporting (IAS 34).

Lomé, 18<sup>th</sup> september 2025

**Deloitte Togo**

**Statutory Auditor**



**Kodjo AKPATIGBE**

**Partner**

**Condensed Interim financial  
statements as of 30 June 2025**



## INTERIM FINANCIAL REPORT AS AT JUNE 30 2025

SEPTEMBER 2025

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## STATEMENT OF FINANCIAL POSITION

ASSETS		Note	30 June 2025	31 December 2024
Cash and cash equivalents		4	600,423	515,905
Financial assets at amortized cost		5	3,418,731	3,068,111
- Loans and advances to banks			32,434	33,989
- Loans and advances to customers			2,502,015	2,372,600
- Loans and advances to staff			24,883	23,977
- Debt securities portfolio			854,598	632,471
- Receivables from shareholders			4,800	5,075
Equity investments		6	173,959	157,661
- Equity investments designated at fair value through P&L			11,212	10,625
- Equity investments designated at fair value through OCI non-recyclable			162,747	147,036
Adjustment accounts and other assets		7	41,986	130,214
- Derivative assets			8,071	108,895
- Accruals assets			22,953	9,458
- Others assets			10,961	11,860
Tangible assets		8	6,703	6,966
			0	0
Investment properties		8	596	605
			0	0
Intangible assets		8	1,368	1,305
			0	0
Non-current assets held for sale		8	12,711	12,711
<b>TOTAL ASSETS</b>			<b>4,256,478</b>	<b>3,893,477</b>
LIABILITIES		Note	30 June 2025	31 December 2024
Financial liabilities at amortized cost		9	2,710,514	2,482,092
- Deposits from banks			7,770	7,913
- Debt securities issued			1,445,460	1,573,354
- Other debts			855,874	772,090
- Subordinated debts			401,410	128,736
Earmarked funds		10	124,783	105,291
Adjustments accounts and other liabilities		11	89,271	43,319
- Derivative liabilities			43,872	3,366
- Accruals liabilities			30,198	24,351
- Others liabilities			15,201	15,601
Provisions			12,989	13,185
<b>Total liabilities</b>			<b>2,937,557</b>	<b>2,643,887</b>
Capital			429,872	393,770
- Subscribed capital			1,525,750	1,525,750
- Callable capital			-892,170	-892,170
- Unpaid Capital			-194,427	-230,529
- Cost related to deferred paying-up of capital			-9,281	-9,281
Share premium			2,622	2,622
Reserves			886,427	853,198
- 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			52,422	50,284
- Cashflow hedging reserves			-152	-17,580
- Other reserves			26	26
- Retained earnings			737,455	706,554
- Remeasurements of defined benefit liability			-1,538	-1,538
- Net income for the period			22,163	39,402
<b>Total equity</b>		12	<b>1,318,921</b>	<b>1,249,590</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>4,256,478</b>	<b>3,893,477</b>

**COMPREHENSIVE INCOME STATEMENT**

COMPREHENSIVE INCOME STATEMENT		Note	30 June 2025	30 June 2024
Interests and related income			94,127	89,523
Interests and related charges			-58,030	-44,147
<i>Net interest income</i>			36,097	45,376
Fees and commissions (income)			3,327	4,797
Fees and commissions (charges)			-3,992	-1,490
<i>Net interest and fee income</i>			35,433	48,683
Exchange gains (a)			166,553	13,877
Exchange losses (b)			-232	-48,310
Gains/ losses on hedging instruments (c)			-158,757	43,726
<b>Gains/ Losses on foreign exchange (a + b + c)</b>			<b>7,564</b>	<b>9,292</b>
<i>Margin on interests, fees and foreign exchange</i>			42,996	57,975
Gains/ losses on financial assets designated at fair value through profit and loss (IFRS 9)			588	302
Dividends received (income from equity investments)			1,250	4,391
<b>Net banking income</b>		13	<b>44,834</b>	<b>62,667</b>
<b>Cost of risk</b>		14	<b>-6,829</b>	<b>-18,690</b>
Endowment from member states			3,200	3,200
Other operating income			121	175
Charges related to development activities		15	-639	-689
General operating expenditures			-18,421	-18,025
	- Staff overheads		-11,125	-9,944
	- Amortizations and depreciations - Property, equipment and intangible assets		-685	-660
	- Other operating costs		-6,611	-7,420
Other operating charges			-103	-12
<b>Other net operating income</b>			<b>-15,842</b>	<b>-15,351</b>
<b>Net income for the period</b>			<b>22,163</b>	<b>28,627</b>
<b>Other comprehensive income</b>				
<b>Items that will be reclassified to profit or loss (d)</b>			<b>17,428</b>	<b>-434</b>
Cashflow hedges (CFH)			17,428	-434
<b>Items that will not be reclassified to profit or loss (e)</b>			<b>2,138</b>	<b>-11,925</b>
Revaluation of tangible and intangible assets				
Net gains on financial assets at fair value through "other comprehensive income"			2,138	-11,925
Remeasurements of defined benefit liability			0	0
<b>Total other comprehensive income (d) + (e)</b>			<b>19,566</b>	<b>-12,359</b>
<b>Total comprehensive income for the period</b>			<b>41,729</b>	<b>16,268</b>

## CHANGES IN EQUITY

CHANGE IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2024	Capital				Share premium	Reserves						Total
	Subscribed capital	Callable capital	Unpaid Capital	Cost related to the deferred paying-up capital (1)		Reserves allocated to development activities	Other reserves	Remeasurements of defined benefit liability	Net gains on investments in equity instruments designated at fair value	Cash flow hedges reserves	Retained earnings	
<b>Equity as at 1st January 2023</b>	1 511 000	-892 170	-274 818	-17 911	2 622	76 050	26	-1 321	58 152	1 092	713 945	1 176 668
												0
Increase in capital	14 750											14 750
Callable capital												0
Increase in shareholders' receivables for the year			-14 750									-14 750
Discounted effect of Deferred capital release cost			-8 630	8 630								0
Release of capital for the 2024 financial year			67 669									67 669
<i>Allocation of profit for the 2023 financial year</i>											-8 000	-8 000
<i>Net income as at 31 December 2024 before allocation</i>											39 402	39 402
<b>Other comprehensive income</b>											0	0
Change in retained earnings											0	0
Change in fair value on equity instruments (IFRS 9)									-7 868		0	-7 868
Reclassification of gains or losses on equity instruments to reserves											608	608
Remeasurements of defined benefit liability								-216				-216
Change in cash flow hedges										-18 672		-18 672
<b>Sub-total other comprehensive income</b>	0	0	0	0	0	0	0	-216	-7 868	-18 672	608	-26 149
<b>Total comprehensive income of the 2024 financial year</b>	0	0	0	0	0	0	0	-216	-7 868	-18 672	40 010	13 253
Transfers												0
Contributions and distributions												
<b>Total transactions with the owners of the Bank</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 december 2024</b>	1 525 750	-892 170	-230 529	-9 281	2 622	76 050	26	-1 538	50 284	-17 580	745 955	1 249 590



CHANGE IN SHAREHOLDERS' EQUITY AS OF JUNE 30, 2025	Capital				Share premium	Reserves						Total
	Subscribed capital	Callable capital	Unpaid Capital	Cost related to the deferred paying-up capital (1)		Reserves allocated to development activities	Other reserves	Remeasurements of defined benefit liability	Net gains on investments in equity instruments designated at fair value	Cash flow hedges reserves	Retained earnings	
Equity as at 1st January 2025	1 525 750	-892 170	-230 529	-9 281	2 622	76 050	26	-1 538	50 284	-17 580	745 955	1 249 590
Increase in capital	0											0
Callable capital											0	0
Increase in shareholders' receivables for the year			0									0
Discounted effect of Deferred capital release cost												0
Release of capital for the 2025 financial year			36 102									36 102
Allocation of 2024 income											-8 500	-8 500
Net income as at 30 June 2025											22 163	22 163
Other comprehensive income												
Change in retained earnings											0	0
Change in fair value on equity instruments (IFRS 9)									2 138		0	2 138
Reclassification of gains or losses on equity instruments to reserves									0		0	0
Remeasurements of defined benefit liability								0				0
Change in cash flow hedges										17 428		17 428
Sub-total other comprehensive income	0	0	0	0	0	0	0	0	2 138	17 428	0	19 566
Total comprehensive income of the 2025 financial year	0	0	0	0	0	0	0	0	2 138	17 428	22 163	41 729
Transfers												0
Contributions and distributions												
Total transactions with the owners of the Bank												
Balance as at 30 June 2025	1 525 750	-892 170	-194 427	-9 281	2 622	76 050	26	-1 538	52 422	-152	759 618	1 318 921

## CASHFLOW STATEMENT

Items	Notes	2025	2024
		30/06/2025	30/06/2024
<b>Cashflow from operational activities</b>			
Income for the period		<b>22,163</b>	<b>28,627</b>
<i>Adjustments related to non-monetary and other items</i>			
Unrealised gains/losses		-7,562	-9,302
Realized Exchange gains		0	-107
Realized Exchange losses		0	117
Amortization		685	660
Depreciation		0	0
Cost of risk		6,829	18,690
Gains / losses on financial assets designated at fair value through profit and loss		-588	-302
Other items *		-3,397	-2,424
		<b>-4,032</b>	<b>7,331</b>
Changes in assets and liabilities from operations			
Loans and advances to banks		1,554	-18,624
Loans disbursements		-298,815	-170,052
Repayments of loans		222,164	203,888
Other receivables from customers		-58,707	-72,479
Loans and advances to staff		-906	-1,750
Securities portfolio		-223,014	13,860
Other receivables		0	0
Other assets		-12,826	-7,744
Deposits from banks		-143	-152
Other debts		44,879	43,068
Other liabilities		16,438	28,460
		<b>-309,375</b>	<b>18,475</b>
<b>Cashflow from operations activities (a)</b>		<b>-291,244</b>	<b>54,433</b>
<b>Cashflow from investment activities</b>			
Acquisitions of tangible assets		-384	-674
Sales of tangible assets		4	1
Acquisitions of intangible assets		-95	-40
Sales of intangible assets		0	0
Acquisitions of shares		-13,597	-2,042
Sales of shares		24	0
<b>Cashflow from investment activities (b)</b>		<b>-14,048</b>	<b>-2,755</b>
<b>Cashflow from financing activities</b>			
Resources from capital paying-up		39,807	45,159
Redemption of shares		0	0
Debt issuance		449,447	118,072
Repayment/debts represented by a security		-36,274	-36,669
Repayment/other loans		-63,169	-44,294
<b>Cashflow from financing activities (c)</b>		<b>389,811</b>	<b>82,268</b>
<b>Net increase/(decrease) of cash and cash equivalents (a+b+c)</b>		<b>84,519</b>	<b>133,946</b>
<b>Cash and cash equivalents at opening</b>	<b>4</b>	<b>515,905</b>	<b>419,516</b>
<b>Cash and cash equivalents at closing</b>	<b>4</b>	<b>600,423</b>	<b>553,462</b>
<b>ADDITIONAL INFORMATION</b>			
Operating cashflow from interests and dividends :			
Interest paid		-50,364	47,582
Interest received		72,354	65,041
Dividends received		618	4,138

(\*) The "others items" line include of the neutralization of gains or losses on the sale of fixed assets, the cash outflow for the payment of staff pensions and the neutralization of the discounting effect of the subsidy to be paid by the States to BOAD.

## **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), established by an Agreement signed on 14 November 1973.

BOAD became operational in 1976.

As an international public institution, BOAD has its headquarters in Lomé (Togo), located at 68, avenue de la Liberation, and Resident Missions in each of the capital cities of the other seven WAEMU member countries.

The Bank's shareholders include WAEMU member countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, Togo) and the West African Central Bank (BCEAO), three European countries (Germany, France and Belgium), as well as African Development Bank (AfDB) and European Investment Bank, People's Republic of China, Eximbank 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 the achievement of 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, natural resources, industry, agro-industry, transport, tourism, health and education, financial institutions and other services.

In order to finance its activities, the Bank can, as stated under Article 37 of its Articles of Association, issue bond loans on the Union's domestic market or on the foreign capital markets and contract, from international or foreign public or private agencies, loans with any maturities and repayment conditions, both in the Union's currency and foreign currencies or units of accounts as may be deemed suitable to the Bank's Board of Directors.

Under Article 44 of its Articles of Association, the Bank, its revenues, property and other assets, as well as transactions and operations undertaken by it under these Articles of Association, shall be exempted from all direct or indirect taxes. No tax shall be levied by the Union's governments or communities on bonds issued by the Bank or on interests therefrom, whosoever the titleholder may be.

## **NOTE 2. SUMMARY OF KEY ACCOUNTING PRINCIPLES AND PRACTICES**

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

### **2.1 Declaration of conformity**

The principles underlying the presentation of the financial information are as follows: The interim condensed financial statements as at 30 June 2025 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.

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

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

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 2024.

The separate financial statements at 30 June 2025 have been prepared in accordance with the same principles as at 31 December 2024, 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 2025 are therefore not affected by seasonal factors (e. g. climate).

## **2.2 Functional currency and reporting 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.

## **2.3 Basis of presentation of financial information: Going concern**

The interim condensed financial statements for the half year ended 30 June 2025 have been prepared on a going concern basis as the Bank has neither the intention, nor the need to end or significantly reduce the scope of its activities.

The Bank has sufficient resources to continue its business for the foreseeable future.

In making this assessment, management has considered a wide range of information, including profitability projections, regulatory capital requirements and funding requirements.

The assessment also includes consideration of reasonably possible adverse economic scenarios and their potential impact on the Bank's profitability, capital and liquidity.

## **2.4 Key basis for evaluation**

The interim condensed financial statements are based on historical cost except for those items presented below which are measured on a different valuation method:

Items	Valuation method basis
Financial derivatives	Fair value
Equity securities (equity investments) recognized at fair value through profit and loss or non-recyclable other comprehensive income	Fair value
Actual value of pension obligations linked to defined benefit pension plan net of plan assets	Fair value of plan assets less the present value of the benefited obligation, limited as explained in Note 2.15.2
Interbank receivables, Receivables from customers, Employee loans, Debt securities portfolio, Receivables from shareholders to be paid up, Interbank debts, Debts represented by a security, Other borrowings and Subordinated debts.	Amortized cost

## **2.5 Critical accounting assumptions and key sources of uncertainty for estimates**

The preparation of financial statements, in accordance with IFRS Accounting Standards, requires that the Bank's management provides estimates, assumptions and judgements 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:

### **2.5.1 Main judgements**

#### **Classification**

The Bank's accounting policy requires that financial assets and liabilities be recorded during their acquisition into different accounting categories. This decision requires detailed meaningful judgment on the classification.

#### **Evaluation**

In accordance with each category, the evaluation of the financial assets of the Bank is carried out in accordance with IFRS 9 (loans and receivables, equity instruments, and portfolio of other debt securities held):

(See Notes 19.1.5.2. et 19.1.6 of financial statements for the year ended 31 december 2024: Establishing the criteria for determining whether credit risk on financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL).

(see Note 2.8 : Classification of financial asset: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI).

### **2.5.2 Main assumptions and uncertainties related to the estimates**

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

#### **Impairment of loans and advances to customers:**

All debt securities of the BOAD are classified as financial assets measured at amortized cost and require the determination of impairments (ECL).

The determination of input parameters in the ECL valuation model such as default probabilities, the consideration of key assumptions in the estimation of recoverable cash flows (e.g. conversion factors to credit equivalents) and information on the forward-looking (***See Note 2.8.2.2***)

**Assessing the fair value of equity investments:** at each reporting date, the Bank reviews its equity investments portfolio to assess its fair value based on financial information or stock prices available and estimates changes in fair value (***See Note 2.6***).

**Assessing fair value of financial derivatives:** at each reporting date, the Bank contracts a specialist to assess the fair value of hedging instruments put in place to protect itself against currency risk on loans contracted in SDR and USD. (***See Note 2.19***).

**Measurement defined benefit obligations:** *Key actuarial assumptions. (See Note 2.15).*

## **2.6. Fair value of financial instruments**

### **2.6.1 Definition and hierarchy of fair value**

Fair value is the price at which an asset would be sold or bought to transfer a liability in a normal transaction between market participants at the valuation date.

The fair value of financial instruments is presented according to a fair value hierarchy with three levels depending on the importance of the data used for the assessments.

**Level 1:** Fair value determined using quoted prices (unadjusted) on active markets for similar assets or liabilities.

**Level 2:** Fair value estimated from data, other than quoted prices in level 1 whose asset or liability is observable directly (in the form of prices) or indirectly (derived from prices)

**Level 3:** Instruments for which data for valuation are not based on observable market data ('unobservable' data).

### **2.6.2 Valuation methods**

For financial instruments measured at fair value on the balance sheet, the fair value is determined primarily on the basis of prices quoted in an active market. These prices may be adjusted, where applicable if they are not available at the reporting date or if the available price does not reflect the fair one.

When third party information, such as quotations, is used to measure fair value, the reference source is that published on the official listing bulletin of the WAEMU Regional Securities Exchange.

However, due to the multiplicity of the features of the financial instruments negotiated OTC on financial markets, a large number of financial products handled by BOAD are not directly listed on the markets. The fair value of these products is determined by using the valuation techniques with observable and/or unobservable data.

### **2.6.3. Evaluation framework**

The Bank has a control framework in place for fair value measurement. This framework includes a validation of the fair value results by the Risk Division.

Valuation governance is based on the following lines of defense: Risk Directorate and Commitments Committee.

- **Risk Management**

The Risk Directorate is responsible for evaluating financial instruments at each accounting close and submits the results to the Commitments Committee for validation.

- **Commitments Committee**

The Commitments Committee conducts an independent review of and approves the fair value results.

## **2.7 Cash and Cash equivalents**

Cash includes cash on hand and demand deposits.

Bank deposits of more than three (3) months are also classified as cash and cash equivalents given the clause specifying that they can be freed-up at any time without penalty. Only a request for early redemption at least three (03) working days before the desired redemption date must be sent to the Bank.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. They are held in order to meet the short-term (operational and functional) cash commitments.

Cash and cash equivalents are carried at amortized cost in the statement of financial position.

## **2.8 Financial assets at amortized cost**

These are debt instruments that are classified at amortized cost if both of the following criteria are met: the contractual cash flows are solely payments of principal and interest on the principal and the business model qualifies as pure collection. This category of financial assets includes:

- Loans and advances to banks
- Loans and advances to customers
- Loans to staff
- Receives from shareholders
- Debt securities portfolio

### **2.8.1 Loans and advances to banks**

Loans and advances to banks include interbank loans, related accrued interests and Interests receivable from BCEAO on BOAD's deposits on demand. As at 30 June 2025, all these receivables were due in less than a year.

They are recorded at amortized cost representing the nominal amount and accrued interest. These operations do not involve any transaction or commitment fees.

### **2.8.2 Loans and advances to customers**

#### **Main characteristics of loans and advances to customers**

The Bank's portfolio on "loans and advances to customers" mainly correspond to loans granted to the public (non-commercial and commercial public) and private sectors.

Loans granted by BOAD are denominated in CFA Francs (XOF) and at fixed rates. They are accounted at the effective interest rate contract rate. Borrowers have the option to make early repayment of such amounts subject to conditions contained in loan agreements and conventions.

#### **Interests and commissions on receivables from customers**

Loans are initially recorded at their Fair Value and then measured at amortized cost at each reporting date. Interest and commissions on loans granted to customers are recorded in the period in which they were acquired using effective interest rate. Interests that have accrued but not yet due at the reporting date are recorded as interests on receivable loans.

Default interests are calculated on unpaid instalments after a grace period of one month.

Flat commissions (processing fees) are fees charged only once at the project evaluation. When they are considered transaction costs in the sense of IFRS9, they are included in the amortized cost of the corresponding credit. Financing arrangement fees that do not qualify as transaction costs are recognized in profit as soon as they are incurred.

### 2.8.2.1 Loans to States

Loans to governments are initially recorded at fair value on the balance sheet in accordance with IFRS, and are subsequently measured at amortized cost.

Some of these loans benefit from interest subsidies for the benefit of the States, based on grant resources, often from third parties and made available to BOAD, thus enabling part of the interest to be covered on the basis of contractual provisions.

#### Index linking clauses in the loans to States

The Bank incorporates an index linking clause in its loans to States portfolio.

Under this clause, the Bank could transfer to the borrowers the exchange rate risk borne by debts denominated in currencies other than euros. The exchange rate risk would thus be passed on to the borrowers in the form of repayments on the loans concerned, depending on changes in the structure of the Bank's debt.

The Bank's policy of hedging the currency risk on its non-euro debts plans a systematic hedging by acquiring forwards for each debt contracted in non-euro currencies (**see note 2.19 Derivatives and hedge accounting**).

### 2.8.2.2 Impairment of loans and advances to customers

The Bank's portfolio is distributed into three buckets using the notion of significant deterioration since inception (initial recognition):

- **Bucket 1:** financial assets considered as performing loans (which are normally reimbursed based on contractual clauses, without arrears exceeding 90 days for private entities or 180 days for sovereigns) with no credit downgrading or downgrading of credit risk by one notch (internal rating scale) since their initial recognition;
  - ✓ Are also classified in this bucket the receivables that were previously in Bucket 2 and have experienced an improvement of two notches in their internal rating compared to their original rating, with a closing rating of at least Gs 5.
  - ✓ At initial recognition, all financial instruments are classified in Bucket 1.
- **Bucket 2:** financial assets whose credit risk shows a downgrading by at least two notches since the initial recognition or whose rating is lower or less than the Gs6 (acceptable instrument with moderate credit risk) sensitivity limit in the case of the Bank or whose unpaid installments last between 30 and 89 days. Depending on the counterparty's financial situation and recovery prospects, renegotiated loans



(restructured loans) are classified in bucket 2 with at least Gs6 (a low instrument with moderate credit risk) during the eighteen (18) months following their restructuring, and a discount is recorded (See 2.8.2.3 below). This period represents an observation period for counterparties according to BOAD's internal risk management model, which estimates that the credit risk remains high for the counterparty during this period and requires the counterparty to remain in Bucket 2. However, elevation of the counterparty to bucket 1 can only occur when its credit risk is deemed low. According to the bank's internal risk management model, credit risk is considered low when the counterparty experiences an improvement in its internal rating above its original rating or with less than two notches below it and with a final rating of at least better at GS 6.

Loans in bucket 3 can also move up to bucket 2 depending on the recovery outlook on a case-by-case basis.

- **Bucket 3:**

- **Non sovereign loans:** financial assets in arrears for 90 days or more where the deterioration in credit risk (according to the analysis of the Bank's internal risk management model) is such that a loss is probable unless the specific circumstances demonstrate that the arrears are due to causes unrelated to the debtor's situation;
- **Sovereign loans:** financial assets in arrears for 180 days or more where the deterioration in credit risk (according to the analysis of the Bank's internal risk management model) is such that a loss is probable unless the specific circumstances demonstrate that the arrears are due to causes unrelated to the debtor's situation.

In addition to the late payment criterion, the assessment of default includes a qualitative analysis taking into account (i) intrinsic considerations relating to the counterparty, (ii) exogenous and forward looking factors and (iii) the history of the counterparty's relationship with the Bank.

For a given counterparty, the rating at the balance sheet date is considered to be the final rating for all exposure to the counterparty.

**a) Expected losses approach to provisionning for buckets 1 and 2**

Expected losses represent an estimate established by probabilistic weighting of credit losses. This weighting must integrate past events, current conditions and the forecast of future economic conditions.

The calculation of expected losses is carried out instrument by instrument or at the limits of a homogeneous portfolio by discounting at effective interest rates according to the formula.

For bucket 1, the formula is presented below:

$$ECL_1 = \sum_{t=1}^T \frac{PD_1 * LGD_1 * EAD_1}{(1 + TIE)^1}$$

Where  $ECL$  = expected credit loss at 1 year or residual maturity : risk of going bankrupt in the next 12 months or the remaining duration if it is less than 12 months.

$LGD_1$  = Loss Given Default in 1 year: amount not recoverable by the BOAD in case of debtor default within the next 12 months.

$EAD$  = Exposure at Default in 1 year : the amount of gross outstanding loan, increased by accrued interest and part of the undrawn commitment loan.

$TIE$  = Effective Interest Rate : Rate including the fees charged to the client.

$T$  = residual maturity in years

For bucket 2, the formula is presented below:

$$ECL_T = \sum_{t=1}^T \frac{MPD_t * LGD_t * EAD_t}{(1 + TIE)^t}$$

where  $ECL_T$  = expected credit loss at horizon or residual maturity  $T$

$MPD_t$  = marginal probability of default in year  $t$ : variation in the risk of bankruptcy from one year to the next over the duration of the loan

$LGD_t$  = Loss Given Default in year  $t$  : amount not recoverable by BOAD in case of debtor default during the loan's lifetime

$EAD_t$  = Exposure at Default in year  $t$  : the amount of gross outstanding loan, increased by accrued interest and part of the undrawn commitment loan.

$TIE$  = Effective Interest Rate : Rate including the fees charged to the client.

$T$  = residual maturity in years

The determination of PD and LGD takes into account the calibration of the Bank's rating models with a "masterscale" mapped to GEM's<sup>4</sup>. This mapping made it possible to draw up a loan claims matrix by category of borrower (sovereign, public and private companies).

For the calculation of the EAD, all outstanding amounts as well as financing commitments are taken into account. A factor of conversion factor into credit equivalent of the balance to be disbursed is applied to the parts not yet disbursed from financing commitments.

The expected credit losses are recognized as cost of risk in the income statement.

It should also be noted that interest income is calculated on the basis of the gross value of the receivables.

## b) Expected losses approach of impairment for bucket 3

<sup>3</sup> The Effective Interest Rate can be replaced by the nominal interest rate when it could not be calculated

<sup>4</sup> Global Emerging Markets (GEMs): rating database of counterparties subscribed to by most development banks in the west African sub region (BOAD included).

Expected losses are calculated on an instrument-by-instrument basis. It is calculated as follows:

- the carrying amount (or the book value) of the instrument concerned, which consists of the disbursed amount not yet repaid, plus interest and costs already capitalised, to which the following items must be added or subtracted:
- (-) the present value of the estimated cash amounts recoverable from the financial guarantees received provided for in the loan agreement, taking into account the recovery periods;
- (+) costs and accrued interest not yet capitalised to be paid;
- (-) the present value of the amount of cash payments expected from the borrower;
- (-) the present value of the mortgage guarantees that can be realised with a precise estimate taking into account the recovery dates. If an estimate is not possible, the BOAD model will use a value of zero (0);
- (-) the discounted amount of the estimated recovery of goodwill received as collateral; if an estimate is not possible, the Bank will retain a value of zero (0);
- (-) finally, the discounted value of any cash inflow that can be reasonably and accurately estimated (insurance indemnity, liquidation bonus, exceptional income related to the loan concerned).

The recovery rate is calculated as the ratio between the total sum of amounts recovered and the total discounted sum of the debt to be recovered.

Regarding the calculation of interest, it should be noted that interest products are calculated based on the net depreciated value of receivables (gross value - depreciations).

### **2.8.2.3 Originating, restructuring or renegotiating loans**

When the loan contracts are modified, the Bank analyzes the reasons (renegotiation, reorganization or restructuring) for the modifications.

The BOAD appreciates the substantial nature of the modifications from two complementary angles. The first angle refers to a quantitative criterion called the '10% criterion' when the present value of the cash flows of the modified loan differs by at least 10% from the present value of the remaining cash flows of the initial loan. The second angle relates to qualitative and intrinsic factors of the contract that are assessed on a case-by-case basis.

#### **a) Changes without substantial impacts**

In the event of a change due to financial difficulties, the Bank considers that the credit risk of the loan has increased. As a result, the loan is classified in bucket 2 and is subject to a discount/mark-up equal to the difference between the discount of the initially expected contractual flows and the discount of the expected future capital and interest flows following the restructuring. The discount rate used is the initial effective interest rate. The gap is recorded as a risk cost in the statement of comprehensive income.

In the case of changes not justified by financial difficulties, the Bank considers that the credit risk remains unchanged. Consequently, the loan is kept in the same bucket. In this

case, accounting adjustment of the receivable is made by the Bank and the difference is recorded in financial income or expenses.

#### **b) Changes with substantial impacts**

When the change is substantial, in relation to financial difficulties, the contractual rights to the cash-flow of the original loan are deemed to have expired. In this case, a new loan is recorded at fair value, while the original loan is derecognized. The difference between the book value of the derecognized loan and the fair value of the new loan is recorded in profit or loss in the "cost of risk" item. Any impairment previously recorded on the loan is reversed and a new depreciation is created on the new receivable from customer, classified in bucket 1.

When the material change is due to a renegotiation without financial difficulties, a new loan is recognised at fair value and classified in bucket 1 and the book value of original loan is derecognised. The difference between the carrying amount of the derecognised loan and the fair value of the new loan is recognised in income as an expense.

#### **2.8.2.4 Pre-financing of surveys or studies**

Pre-financing of studies is an advance granted by the Bank to finance the cost of a feasibility study for a project. The main beneficiaries of pre-financing studies are WAEMU member states and their divisions through the Public Merchant Desk. The amount disbursed for the advance is initially classified under "Financial assets at amortised cost", under "customer receivables". This advance generates interest according to the terms of the advance agreement.

At each financial reporting period, the Bank reviews its portfolio of studies and establishes ECL in accordance with IFRS9.

#### **2.8.2.5 Financial guarantees and financing commitments**

The financing commitments recorded reflect the amounts remaining to be paid under the loan agreements signed with clients or under the subscribed shares not yet released. The financing commitments received correspond to the undrawn amounts on the loans that the Bank benefits from.

The Bank has no loan commitments assessed at fair value. All financing commitments are granted under market conditions. They are not recorded on the balance sheet. They appear in the notes to the financial statements.

Some of the loans granted are covered by financial guarantees received. These financial guarantees allow the Bank to recover from the guaranteeing companies in case of default by its clients.

The Bank also grants financial guarantees (mainly commitments by signature under guarantee or counter-guarantee contracts for short, medium, or long-term facilities) that obligate it to reimburse the beneficiaries of the guarantee in the event of default by the entity whose default is guaranteed. At inception, these guarantees are initially recognized at their fair value in the profit and loss statement.

The amount covered by the financial guarantees is disclosed in the notes to the interim condensed financial statements and corresponds to their nominal value that BOAD could disburse in case of default by the counterparty.

### **a) Evaluation and accounting of the financial guarantees given:**

The financial guarantees provided by BOAD that meet the definition of IFRS 9 are instruments through which BOAD covers the risks of debtor default. These instruments fall under the scope of IFRS 9 (see §4.2.1c).

The accounting treatment is carried out in relation to the classification, initial assessment, subsequent assessment (closing) of financial guarantees and the presentation of the amount covered by the financial guarantee.

#### **Initial valuation**

On the date the financial guarantee is entered into, it is recorded at its fair value.

Upon signing the financial guarantee contract, BOAD assesses its fair value by discounting the expected commissions at the Bank's financing rate for its short-, medium-, or long-term operations, depending on the term of the financial guarantee.

#### **Classification**

In accordance with IFRS 9 (see section 4.2.1c), the value of financial guarantees is classified as financial liabilities.

At BOAD, the value of the financial guarantee is included in the statement of financial position under financial liabilities.

#### **Subsequent measurement at closing**

After recognition, the financial guarantee given is subsequently measured using the higher of the amount of the loss allowance and the initially recognized fair value amount, less, where applicable, the cumulative recognized income.

At each accounting close, BOAD performs:

- (i) the calculation of the value adjustment by applying the same impairment rules as for its customer receivables, with the exposure (EAD) being the value covered by the financial guarantee. Thus, for a given financial guarantee held on a counterparty with low credit risk, the value adjustment is obtained by applying the same impairment calculation rules for the Bank's receivables classified in bucket 1. This approach is identical to the determination of value adjustments for counterparties in bucket 2 or bucket 3.
- (ii) the determination of the new fair value, by taking the initially recognized fair value less the cumulative income already recognized in its statement of comprehensive income;
- (iii) the comparison of the values obtained in i) and ii) above, and it uses the higher of the two values in its statement of financial position under financial liabilities.

Presentation of the amount covered by the financial guarantee

In the Bank's accounts, the amount covered by the financial guarantee given is presented in the appendices under the subcategories of commitments given.

## **b) depreciation of financing commitments given at market conditions**

To remind, all loan commitments are at market conditions.

- The EAD on financing commitments given held on counterparties in bucket 1 or Bucket 2 is obtained by applying a conversion factor to the nominal value of the commitment. The depreciation is calculated in accordance with point **2.8.2.2.a** above.
- Financing commitments given on counterparties in bucket 3 are not provisioned because a defaulting client cannot draw down on a loan and therefore BOAD incurs no risk on the undrawn portion.

### **2.8.3 Loans to staff**

Loans granted to employees are classified as "financial assets at amortized cost." No impairment is recorded on these loans due to the existence of negligible credit risk.

### **2.8.4 Debt securities portfolio**

The portfolio of debt securities consists of instruments acquired to collect contractual cash flows and hold them until maturity. The expected flows from these instruments are only principal and interest payments.

All the securities held by the Bank are classified as financial assets at amortized cost like debt securities. These include bonds with fixed or determinable payments that are not quoted on active market.

The impairment model is the same as that applied to loans and advances to customers (See note 2.8.2.2).

### **2.8.5 Receivables from shareholders**

"Receivables from shareholders" includes allocations and amounts due but not yet paid. The unpaid capital is not included in this section (See 2.16 the capital).

## **2.9 Equity investments**

Equity investments held relate to the interests held by the Bank in other entities across various sectors in accordance with its investment strategy (see note 6.1). These instruments are accounted for at fair value in two distinct categories (fair value through profit or loss and fair value through other comprehensive income that is not recyclable). New equity investments are individually assessed for classification into one of the categories presented below.

### **a) Fair value through profit and loss**

This default classification is mandatory for equity instruments held for transactions. This classification was used by the Bank for equity investments representing a collective investment fund (UCITS). The Bank's SICAV (Variable Capital Investment Companies) and Mutual Funds (Mutual Funds) fall into this category. Dividends and capital gains or losses on these instruments are recognised in net income. They are not subject to impairment.

### **b) Fair value through OCI non-recyclable to profit and loss**

This classification was selected for all equity investments of the Bank considered as

strategic in line with its development mission. Dividends are recognized as income in the income statement. Any subsequent variation of the fair value (gains/losses) is recognized as other items in the comprehensive income statement and never recycled as income.

## **2.10 Fixed assets and amortizations**

### **2.10.1 Recognition and evaluation**

Fixed assets are recognized at their cost of acquisition. When significant components of fixed assets have different useful life, they are recognized as distinct fixed assets (major components). Subsequent expenses are only activated if there is probability that associated economic profits will go to the Bank. The loss or profit on fixed assets are recognized in the net income statement.

### **2.10.2 Amortizations and impairment test**

Fixed assets are amortized on a straight line over their estimated useful life. Estimated residual values are considered as nil. Below is the different useful life:

	Amortization per component over the following duration
<b>1. Constructions</b>	
a. Land	Not amortizable
b. Construction work	40 years
c. Technical installations	20 years
d. Technical lots, fittings and facilities	15 years
e. Diverse facilities	10 years
<b>2. Office materials and furniture</b>	3 to 10 years
<b>3. Housing equipment and furniture</b>	3 to 10 years
<b>4. Transportation material</b>	3 years
<b>5. Fittings and facilities</b>	3 to 10 years

In the case of an impairment loss index, depreciable assets are reviewed annually to determine whether they have suffered a impairment loss.

Given that BOAD does not have complex assets (mainly office furniture, office equipment, buildings and simple fittings and installations) and that almost all of the fixed assets are located on the same site (headquarters), the depreciation tests are carried out on the basis of the results obtained from the physical inventory file of fixed assets which makes a precise point on the good or bad condition of each asset at each closing date. It should be noted that an asset in poor working condition would likely be taken out of service by the Bank and would no longer provide future cash flows. Fixed assets in poor condition are corrected as necessary subject to the other requirements of IAS 36, in particular, the impact on future cash flows.

Assets that are likely to depreciate are reviewed annually to determine whether they have suffered a loss in value. The book value of an asset is immediately captured in the recoverable amount if the book value exceeds its estimated recoverable amount. The recoverable amount is the highest amount between the fair value of the asset (minus selling costs) and its value-in-use. The residual values and useful life of assets are reviewed periodically and adjusted if necessary.

The amortization charges are recognized in the income statement under item "Depreciations" on line "general operating expenses".

### **2.10.3 Intangible assets**

Only software is considered intangible assets. They are amortized over a period of 3 to 5 years. There is no goodwill associated with the business combination.

The softwares are installed on local servers over which BOAD has full control.

Software acquired through a SaaS (Software-as-a-Service) contract is not fixed and is therefore excluded from this item "Intangible assets". The purchase expenses related to these which are actually royalties covering several years, are spread over the term of their operating licence in the income statement.

### **2.10.4 Investment properties**

#### **a) Recognition and measurement**

Investment properties are initially measured at cost, including transaction costs and subsequently measured at amortised cost.

Subsequent expenses are recognized in the book value of the investment property when they increase its capacity or when they are intended to replace significant parts of it. The unamortized portion of the replaced asset is derecognized.

The Bank has chosen the cost model, all the investment properties are measured at cost less accumulated depreciation and less accumulated impairment losses at closing.

#### **b) Transfers to or from investment property classification**

Transfers to, or from, investment property should only be made when there is a change in use. Transfers between categories do not change the book value of the property transferred, and they do not change the cost of the property for measurement or disclosure purposes.

#### **c) Derecognition and disposals**

An investment property should be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

#### **d) Rental income from investment properties**

The Bank recognises the lease payments associated with these leases as an income on a straight-line basis over the lease term. The benefits granted by the Bank under a rental contract form an integral part of the total net rental income over the entire duration of the rental contract.

## **2.11 Leases**

Depending on the type of lease contract concluded, the Bank is in the position of lessee or lessor. Based on this position, and each time a contract is entered into, the Bank analyses it to identify whether or not a lease exists according to IFRS 16.

### **2.11.1 As a lessee**



The Bank has several contracts for the Residences of Officials, the Special Adviser and the Heads of Resident Missions. Under these contracts, the assets concerned are identified (real estate complexes consisting of land and buildings) in an explicit manner but the right of use by the Bank is subject to restrictions (in particular in terms of the development and installation of leased premises, sub-lease or lease assignment) which deprives the Bank of a real right to control the use of the asset over the term or part of the term of the lease. Also, the majority of contracts are concluded for a term of less than or equal to 12 months.

Payments made under these contracts are charged to the income statement on a straight-line basis over the lease term. These payments can be adjusted according to the level of market rents and the Bank does not bear any risk relating to the residual value of the land and building. Consequently, the landlord retains substantially all the risks and rewards of ownership of the land and buildings. In addition, the Bank does not have any right to control the use of such residences subject to the contract. In light of the above, the Bank has not recorded any lease debt in its accounts.

### **2.11.2 As lessor**

The Bank has entered into lease agreements for part of the business premises in its head office building and for the Cité du Personnel leisure centre. The beneficiaries are CAURIS SA, BAD, BOAD TITRISATION and CRRH-UEMOA.

Under the terms of these agreements, the Bank retains control and most of the risks and benefits of the leased premises, since any substantial changes to the leased premises can only be made with its prior authorisation. The Bank has put in place specific security measures deemed necessary. The contracts do not authorise subletting. The contracts also include a clause to review the amount of rent at each renewal, the rate of which may not exceed 10%, in order to reflect price trends on the rental market.

Consequently, all the contracts are classified as operating leases.

The asset (the Bank's building, part of which is leased) is recognised as a fixed asset by the lessor and depreciated on a straight-line basis over its useful life.

The asset is depreciated on a straight-line basis over its useful life, excluding residual value, while the lease payments are recognised in the income statement on a straight-line basis over the term of the lease. Lease payments and depreciation are recognised in the income statement.

### **2.12 Deposit from banks**

Deposits from banks correspond to investments made in BOAD's books by partner institutions such as ROPPA, AFD, NIMAO, etc.

### **2.13 Financial liabilities at amortized cost**

This item includes debt represented by a security, other borrowings (debts from donors) and subordinated debts.

- Debts securities issued correspond to the outstanding bonds and securities debts issued by BOAD on the international financial market or the regional financial market of WAEMU. These issues are classified as "Financial liabilities at amortised cost" in the sub-item "Debt represented by a security".

- Other debts from donors include BOAD's borrowings from its institutional partners such as AFD, EIB, PROPARCO, AfDB, IDA, KfW, etc. All these borrowings are at fixed rates. These liabilities are classified as "Financial liabilities at amortised cost" in the sub-item "Other borrowings".
- Subordinated debt consists of instruments issued by the BOAD in public or private investment with characteristics of financial liabilities. They are either represented by a security issued on the market or mobilized from institutional partners. At the prudential level (Basel II & III), these are additional capital instruments given their ability to absorb losses before senior debt holders.

## **2.14 Allocated external funds**

These are funds with external contributions from donors such as Agence Française de Développement (AFD), International Development Association (IDA), KfW, Green Fund, Credit Mixte Suisse (CMS), Union Economique et Monétaire Ouest Africaine (UEMOA), etc. The funds' resources are made up either of direct subsidies paid by the donor or of loans granted by the donor at a reduced interest rate (the interest rate differential compared with the market rate used to set up the fund). The use of the resources obtained by the Bank and recorded in these Funds is governed by the provisions of the agreements drawn up for this purpose. The Bank is obliged to repay them if the final destination of the resources does not correspond to that provided for in the contracts signed with the lenders. This situation highlights the existence of a debt, hence the recognition of these funds as liabilities.

Expenses incurred are debited directly to the fund created. No income or expense is recognised in the Bank's statement of comprehensive income in respect of these funds. Funds resources must be used by the BOAD for their purpose as defined in the contractual clauses with the donors, otherwise the BOAD would be obliged to reimburse the donors. In view of these obligations, the Assigned Funds were classified as liabilities on the BOAD's balance sheet.

## **2.15 Pension commitments**

### **2.15.1 Plan used by the Bank: Defined benefit scheme**

The Bank uses the "defined benefit" system in which the employer agrees to pay specific benefits in the form of pensions or retirement benefits, depending on the employee's length of service and salary. These benefits are paid directly by the Bank to the beneficiary.

The pension plan is entirely financed by the Bank. Staff are not obliged to contribute to the scheme.

### **2.15.2 Determination of net liability under the defined benefit scheme**

The Bank's net defined benefit obligation is assessed by estimating the amounts of future benefits acquired by the staff during their actual and past periods. This amount is calculated based on the actuarial liability related to the Bank pension obligations, but less the fair value of the hedging assets of the pension fund.

The Bank does not have any assets ceiling to cover its pension plan.

The actuarial assumptions used are calculated annually by a qualified actuary using the Projected Unit credit method.

Revaluations of the net liability for defined benefit plans including actuarial gaps are recorded immediately under other items in the comprehensive income statement.

### 2.15.3 Actuarial assumptions

Actuarial assumptions as at the closing date are as follows:

Actuarial assumptions	30 JUNE 2025	2024
Discount rate	6,10%	6,10%
Rate of salary increase	6%	6%
Rate of staff turnover	1%	1%
Retirement age	60 years	60 years
Mortality table	Table CIMA	Table CIMA

The risks related to the retirement benefit scheme/plan are rather related to the changes in discount rate and increases in salary. The discount rate applied in 2024 represents the current ceiling rate for the issue of BOAD bonds. It also corresponds to the interest rate of the last issue of back-to-back bonds issued by the BOAD in the WAEMU zone, the repayment of which (including coupons) is ensured by the cash flows and other pecuniary benefits generated by a portfolio of loans made available to WAEMU member states by the BOAD. In 2023, it corresponded to the average yield on government bonds acquired by the Bank.

The rate of salary increases has not changed.

## 2.16 Capital

The Bank's capital is divided into shares with a nominal value of XOF 50,000,000. In accordance with Article 6 of the Articles of Association, the capital is divided between two categories of shareholders:

- Series A shareholders (regional shareholders), i.e. the WAEMU Member States, each of which subscribes an identical number of shares, and BCEAO;
- Series B shareholders (non-regional shareholders), i.e. States which are not members of the Union, as well as international financing organisations wishing to contribute to the development of the Union and approved by the Union's Council of Ministers.

The capital is paid up on the basis of a long-term payment schedule. As a result, the amount called up but not yet paid in is updated at each balance sheet date.

In order to present relevant and useful information, the difference is recorded in a debit sub-account of capital (cost related to the deferred payment of capital). Unpaid capital consists of callable capital and capital to be released (called and able to be released according to a release schedule). They are presented in the debtor sections of the capital item.

In accordance with Article 7 of the Articles of Association, the amount of the Bank's callable capital serves as a guarantee for its borrowings.

## 2.17 Allocations

Member countries make allocations annually to BOAD.

BOAD's right to these allocations is established at the adoption of the Bank's updated financial outlook over a period of six (6) years. This application is made annually and as a result, the allocations are captured annually as income to the item "State allocations" which is an element of the item "Other operating results". The allocations are therefore recognized as receivables during the fiscal year, with impact on the year's income under IAS 20.

This recognition helps cover expenses related to development activities namely studies conducted but captured as final consumption, some interest rate subsidies for loans to States, costs related to the release of capital, ...

### **2.18 Investment income from the Central Bank**

Interests paid by BCEAO on BOAD's assets invested with it, are captured as "Interests and related income" for the period in which they were earned.

Interests receivable from BCEAO as at the year-end reporting are recorded as assets under "loans and advances to banks".

### **2.19 Interests and fees on debts**

The interest and commitment fees on loans corresponding to the concept of transaction cost according to IFRS 9 are taken into account in the calculation of amortized cost.

At each reporting date, the amortized cost of the amounts related to loans denominated in foreign currencies is undervalued at the last known exchange rate, with the impact of the revaluation reflected in the results.

### **2.20 Derivatives and hedge accounting**

The Bank has adopted the provisions of IFRS 9 regarding hedging.

#### **2.20.1 Derivatives**

The Bank uses derivative instruments to hedge exchange risks. These instruments are mainly an exchange cross-currency swap specifically for the Eurobond 1 issue and forward exchange contracts on Eurobond 2 issue and other borrowings. Derivatives serve to cover the variability of cash flows resulting from exchange rates fluctuations on borrowings contracted in foreign currencies (SDR and USD). This relation is established from the date of issue of the borrowing and maintained throughout the contract terms.

The Bank assesses all its financial derivatives at fair value and changes in fair value are generally recognized through profit and loss. When the required conditions are met for the application of the fair value option, the debt in question is also assessed at fair value and changes in fair value are recognized as net income.

The Bank measures all its derivatives at fair value and records them either in a fair value or cash flow hedging relationship.

#### **2.20.2 Fair value hedge**

The Bank applies fair value hedge accounting to derivatives to hedge the exposure to currency risk associated with foreign currency borrowings. Under fair value hedge

accounting, changes in fair value of the hedging instrument and changes in fair value of the hedged item attributable to the risk being hedged are recognized as profit and loss.

From the onset, the Bank documents the relation between the hedging instrument and the hedged item as well as the risk management objectives and its strategy to undertake hedging transactions. The hedge accounting stops being applied when the objective of the Bank's risk management for the hedging relationship changes or when the hedging instrument has matured, is sold or is abrogated or is exercised or when the hedge accounting does no longer meet required conditions for the hedge accounting.

When the hedge is at fair value, gains and losses on the hedge are recognised in profit or loss and foreign exchange gains and losses on the hedged item are also recognised in profit or loss. In the case of a 100% effective hedge, the gains and losses on the hedge on one hand and the exchange gains and losses on the debt on the other hand offset each other in the income statement.

### **2.20.3 Cash flow hedge**

When a derivative is recognized as cash flow hedge instrument, the effective portion of the change in fair value of the derivatives is recognized as other comprehensive income and accumulated in the cashflow hedge reserve. All other ineffective portion in the change in fair value of the derivative is recognized immediately as profit or loss.

The accumulated amount in equity is recognized as Other comprehensive income and reclassified to profit or loss at a date or dates when the anticipated cashflow hedged or the hedged item affects profit or loss.

If the hedged transaction is no longer highly probable, it is no longer expected that the expected transaction will occur and that the hedge no longer meets the criteria for hedge accounting, when the hedging instrument matures, is sold, terminated, exercised, or its designation is revoked, the Bank ceases to apply hedge accounting prospectively. Furthermore, as soon as it is no longer expected that the expected transaction will occur, the balance in equity is reclassified to net income.

In essence, when the hedge is cash flow, gains and losses on the hedge are recognised in other comprehensive income and foreign exchange gains and losses except for the ineffective part which is recognised in profit or loss, with recycling into profit or loss in the same period as when the expected cash flows covered or the hedged item affect net income.

## **2.21. Accruals assets/ Accruals liabilities**

### **2.21.1. Accruals assets**

This item includes prepaid expenses, income receivable by the Bank and certain expenses incurred by the Bank which may be reimbursed by third parties, including the collection of unaccounted-for funds, and the provision of unaccounted-for funds to certain employees to make expenditures on behalf of the Bank.

### **2.21.2 Accruals accounts liabilities**

This item records prepaid income, charges payable by the Bank whose invoices have not yet arrived at the closing date of the accounts and funds received pending their allocation

to a specific project.

## **2.22 Other assets / other liabilities**

### **2.22.1 Other assets**

The item "Other assets" records the amounts disbursed by the Bank to various debtors other than customers, pre-financing of activities on behalf of certain partners, deposits paid by the Bank, Advances and instalments paid to certain persons, and allocations and subsidies receivable from Member States.

### **2.22.2 Other liabilities**

The item "other liabilities" includes debts to the Bank's suppliers of goods and services as well as amounts owed to staff, social security institutions and tax authorities.

## **2.23 Non-current Assets Held for Sale**

Non-current assets are classified as held for sale if it is highly likely that they will be recovered primarily through sale rather than through continuous use.

Non-current assets that are classified as held for sale are measured at the lower of book value and fair value less costs to sell. Any impairment prior to classifying an asset as held for sale and gains or losses for any subsequent increase in fair value less costs to sell of an asset are recognised in the statement of profit or loss.

## **2.24 Cashflow statement principles of presentation**

The cashflow statement explains the change in the Bank's cashflows during the period under review.

The cashflows are distributed among the operating, investments and financing activities. Cash and cash equivalents appearing in the cashflow table should be compared with those presented in the financial statement. Flows from operating activities are presented using the indirect method whereby the result is adjusted of the effects of non-cash transactions, any deferrals or accruals from past entries or past/future operational cash payments and income or expenditure items related to the cashflows for investments or financing.

Cashflows related to investing and financing activities are presented separately according to major categories of gross cash inflows and outflows from investing and financing activities.

Cashflows from foreign currency transactions are recorded under the Bank's functional currency by applying the foreign exchange rate between the functional currency and the foreign currency as at the date of the cashflows.

## **2.25 Subsequent events**

The Bank makes adjustments to its financial statements to reflect events that occurred between the reporting date and the date on which the said financial statements are authorized for issue, provided that these events relate to existing situations as at the reporting date.

If these events relate to events that occurred after the date of closing of the accounts but require disclosure, the balance sheet, income statement, cash flow statement and the statement of changes in equity are not adjusted. The nature and potential impact of these events are captured in note 20 below.

## **2.26 Approval of accounts**

BOAD's individual accounts as at 30 June 2025 were approved by the Board of Directors at its 18 September 2025 meeting.

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

The standards and interpretations contained in the Bank's financial statements as at 31 December 2024 were supplemented by provisions of the new standards and interpretations for the 2025 financial year. These involve 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 2025	Lack of exchangeability – Amendments to IAS 21	<p>Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets. The amendments offer nothing less in proposing that companies use an exchange rate based on their best estimate rather than using an inaccessible official rate.</p> <p><b>All the currencies in which the Bank intervenes are since then exchangeable into FCFA, this amendment will therefore have no impact on BOAD's accounts.</b></p>

### **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 2026	Annual Improvements to IFRS Accounting Standards: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	<p><b>IFRS 1:</b> Consistency improvement change with the hedge accounting requirements of IFRS 9.</p> <p><b>IFRS 7:</b> Disclosures on (i) the deferred difference between fair value and transaction price; (ii) gain or loss on derecognition and (iii) credit risk.</p>

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
		<p><b>IFRS 9:</b> Amendments relating to (i) the derecognition of lease liabilities and (ii) better clarification of transaction prices.</p> <p><b>IFRS 10:</b> Amendments to IFRS 10 relating to the determination of a de facto agent.</p> <p><b>IAS 7:</b> Amendments to IAS 7 relating to the Cost Method.</p> <p><b>No impact resulting from these annual improvements is anticipated</b></p>
1 <sup>st</sup> January 2026	Amendments to IFRS 9 and IFRS 7: Classification and measurement of financial instruments	<ul style="list-style-type: none"> <li>▪ <b>Initial recognition and derecognition of financial assets and liabilities :</b> The provisions of IFRS 9 is amended to clarify the date of initial recognition or derecognition of financial assets and liabilities. Instead of a financial liability being required to be derecognized on its settlement date under the existing requirements, the new amendments allow an entity to consider a financial liability that will be settled in cash using an electronic payment system and to be discharged before the settlement date if, and only if, the entity has initiated a payment order through a less risky channel and without the possibility of cancellation by the entity. <b>The analyses are underway to assess the impacts of these new provisions by the year ended December 2025.</b></li> <li>▪ <b>Classification of financial instruments:</b> The guidance for applying IFRS 9 is amended to provide guidance on how an entity assesses whether the contractual cash flows of financial assets are consistent with a basic loan arrangement. This is intended to assist an entity in applying the requirements for measuring contractual cash flows to financial assets with environmental, social and governance (ESG) characteristics. The IASB clarifies that when measuring interest, an entity focuses on what it is being compensated for, rather than the amount of compensation which may indicate that the entity is being compensated for something other than the basic risks and costs of the loan. The amendments clarify that contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. <b>The analyses are underway to assess the impacts of these new provisions by the year ended December 2025.</b></li> <li>▪ <b>Financial assets with non-recourse characteristics</b> IFRS 9 is amended to improve the description of the term "non-recourse". According to the amendments, a financial asset is non-recourse if the ultimate right of an entity to receive cash flows is contractually limited to the cash flows generated by specified assets and not the performance of the issuer. <b>Since the Bank does not have such assets, the application of this amendment will have no impact on the accounts.</b></li> <li>▪ <b>Contractually linked instruments</b> The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in these instruments, a prioritization of payments to holders of financial assets by means of several contractually linked</li> </ul>



Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
		<p>instruments (tranches) are established via a cascade payment structure, which results in a concentration of credit risk and a disproportionate distribution of losses between the holders of the different tranches.</p> <p>In such a structure, the requirements for contractually linked instruments in IFRS 9 apply only if the underlying pool includes one or more instruments that have contractual cash flows that are solely payments of principal and interest. Other cases are excluded from IFRS 9.</p> <p><b>The analyses are underway to assess the impacts of these new provisions by the year ended December 2025.</b></p>
1 <sup>st</sup> January 2026	Amendments to IFRS7	<ul style="list-style-type: none"> <li>▪ <b>Disclosures – investments in equity instruments designated at fair value through other comprehensive income (OCI)</b></li> </ul> <p>The disclosure requirements in IFRS 7 for investments in equity instruments designated at fair value through OCI are amended. In particular, an entity is required to disclose the fair value gain or loss presented in OCI during the period, showing separately the fair value gain or loss that relates to investments derecognised during the period and the fair value gain or loss that relates to investments held at the end of the period.</p> <p>In addition, an entity is no longer required to disclose the fair value at the reporting date of each equity instrument designated at fair value through other comprehensive income; this information can be provided by class of instrument.</p> <p><b>The analyses are underway to assess the impacts of these new provisions by the year ended December 2025.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Contractual conditions that may change the timing or amount of contractual cash flows</b></li> </ul> <p>The amendments introduce disclosure requirements for financial instruments that include contractual conditions that may change the timing or amount of contractual cash flows upon the occurrence (or non-occurrence) of a contingent event that is not directly related to changes in the risk and cost basis of the loan.</p> <p><b>The analyses are underway to assess the impacts of these new provisions by the year ended December 2025.</b></p>
1 <sup>st</sup> January 2026	Amendments to IFRS 7, 9 and 19 relating to renewable energy contracts	<p>Contracts referring to renewable energy, also known as Power Purchase Agreements (PPAs) are contracts for the purchase and delivery of electricity produced from natural resources.</p> <p>The amendments relate to hedging accounting requirements to allow the use of contracts for electricity from nature-dependent renewable energy sources as a hedging instrument if certain conditions are met. They also introduce additional disclosure requirements to enable investors to understand the impact of these contracts on a company's future financial performance and cash flows.</p> <p><b>The Bank has not signed a renewable energy purchase agreement. Therefore, the application of this change has no impact on its accounts.</b></p>
1 <sup>st</sup> January 2027	IFRS 18, replaces IAS 1 Presentation of Financial Statements	<p>The new standard, IFRS 18, replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements of IAS 1. IFRS 18 introduces new requirements (i)</p>

Date of entry into force	New standards or amendments	Impact on the Bank's financial statements
		to present specified categories and defined subtotals in the statement of profit or loss, (ii) to provide information on management-defined performance measures (MPMs) in the notes to the financial statements and (iii) improve aggregation and disaggregation. In addition, some of the requirements of IAS 1 are moved to IAS 8 Accounting Policies, Accounting Changes, Estimates and Errors and IFRS 7 Financial Instruments for disclosures. <b>The analyses are underway to assess the impacts of these new provisions by the year ended December 2025.</b>
1 <sup>st</sup> January 2027	New IFRS 19 standard	<ul style="list-style-type: none"> <li>The IASB has issued IFRS 19, which allows an eligible subsidiary to provide reduced disclosures when applying IFRS accounting standards in its financial statements. A subsidiary is eligible for reduced disclosures if it has no public accountability and its ultimate parent or any intermediate parent produces consolidated financial statements available for public use in accordance with IFRS accounting standards. This standard is optional for eligible subsidiaries and sets out the disclosure requirements to be provided by subsidiaries that choose to apply it.</li> </ul> <b>Since BOAD is not a subsidiary, this standard has no impact on its individual accounts.</b>

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

Analysis of the "Cash and cash equivalents" item (*see Note 2.7 on Summary of key accounting principles and policies*) comprises the following:

Cash and cash equivalents	Note	30 June 2025	31 December 2024
Cash accounts		114	87
BOAD HQ Current Account		135,643	108,429
Deposit Accounts for Resident Missions at BCEAO	4.1	258,869	207,960
Japan Eximbank Special Account		15	15
Kingdom of Belgium Special Account		1,985	1,985
BOAD Settlement Account Lomé		33,674	50,399
Operating Account for Resident Missions		6,195	7,592
Bank and correspondent bank accounts		39,954	33,903
Short-term bank deposits (a)	4.3	104,000	105,500
Deposits / Margin calls		19,974	33
<b>TOTAL</b>		<b>600,423</b>	<b>515,905</b>

4.1. The deposit accounts of Resident missions are detailed as follows:

Resident missions deposit accounts	30 June 2025	31 December 2024
Deposit Accounts BCEAO Abidjan	12,350	147
Deposit Accounts BCEAO Bamako	3,283	789
Deposit Accounts BCEAO Bissau	2,177	88
Deposit Accounts BCEAO Cotonou	14,364	1,249
Deposit Accounts BCEAO Dakar	33,381	4,646
Deposit Accounts BCEAO Lomé	177,854	197,988
Deposit Accounts BCEAO Niamey	9,772	10
Deposit Accounts BCEAO Ouagadougou	5,687	3,045
<b>Total</b>	<b>258,869</b>	<b>207,960</b>

4.2. This account records the resources of the Energy Development Fund (FDE) used to finance energy projects in the WAEMU region. The Bank is the fund manager.

4.3. Short-term bank deposits include the following:

Short-term bank deposits	30 June 2025	31 December 2024
Term deposit with SONIBANK	15,000	15,000
Term deposit with ECOBANK NG	12,000	12,000
Term deposit with BIIC BN	0	6,500
Term deposit with BANQUE ATLANTIQUE	5,000	10,000
Term deposit with BICIMML	0	10,000
Term deposit with MANSABANK	7,000	0
Term deposit with CORIS BANK	10,000	10,000
Term deposit with BSIC	10,000	10,000
Term deposit with BANQUE D'ABIDJAN	10,000	10,000
Term deposit with BOA	10,000	12,000
Term deposit with NSIABANK	5,000	5,000
Term deposit with ORABANK	0	5,000
Term deposit with AFG BANK	10,000	0
Term deposit with UBA	10,000	0
Term deposit with UBA	0	0
<b>Total</b>	<b>104,000</b>	<b>105,500</b>

## **NOTE 5. FINANCIAL ASSETS AT AMORTISED COST**

The item « loans and receivables at amortised cost » (see note 2.8 of summary of accounting principles and practices) breaks down as follows:

Loans and receivables at amortized cost	Note	30 June 2025	31 December 2024
Loans and advances to banks	5.1	32,434	33,989
Loans and advances to customers	5.2	2,502,015	2,372,600
Loans and advances to staff		24,883	23,977
Securities portfolio	5.3	854,598	632,471
Receivables from shareholders		4,800	5,075
<b>TOTAL</b>		<b>3,418,731</b>	<b>3,068,111</b>

### 5.1 Loans and advances to banks

Loans and advances to banks include interbank loans and related interests. Loans and advances to banks per counterparty is detailed as at 30 June 2025 and 31 December 2024 as follows:

Counterparties	30 June 2025	31 December 2024
BCEAO- Interests on ordinary accounts	108	93
Interbank loans (*)	30,000	32,000
Interests receivable	2,326	1,896
<b>TOTAL</b>	<b>32,434</b>	<b>33,989</b>

(\*) The details of interbank loans are as follows:

Counterparties	30 June 2025	31 December 2024
Interbank loans from BSIC	5,000	5,000
Interbank loans from BCI	0	10,000
Interbank loans from AFG HOLDING	10,000	15,000
Interbank loans from AFRICAN LEASE TOGO	0	2,000
Interbank loans from IB BANK BF	15,000	0
<b>TOTAL</b>	<b>30,000</b>	<b>32,000</b>

### 5.2 Loans and advances to customers

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

#### 5.2.1 Schedule of receivables from customers

The schedule of receivables from customers is presented as follows as at 30 June 2025 and 31 December 2024:

Items	30 June 2025	31 December 2024
<b>Gross outstanding receivables from customers</b>	<b>2,701,923</b>	<b>2,565,446</b>
of which gross outstanding loans	<b>2,595,156</b>	<b>2,463,134</b>
At most six months	149,046	172,907
More than six months and less than one year	172,073	173,530
More than one year and less than two years	401,961	318,407
More than two years and less than three years	378,983	294,631
More than three years and less than five years	485,380	495,011
More than five years	1,007,713	1,008,648
of which advance for financing studies	15,804	15,419
of which related receivable to loans	90,964	86,893
<b>Total depreciation on loans and related receivables</b>	<b>-186,712</b>	<b>-180,923</b>
of which depreciation of credit impaired (non-performing loans) (*)	-101,177	-101,083
of which depreciation on buckets 1 and 2	-85,535	-79,840
<b>Deferred income from fees</b>	<b>-11,401</b>	<b>-10,128</b>
<b>Value adjustment on advances to customers (**)</b>	<b>-1,795</b>	<b>-1,795</b>
<b>Receivables from customers</b>	<b>2,502,015</b>	<b>2,372,600</b>

(\*) The total amount of depreciation of receivables in bucket 3 includes 54,558 M in depreciation on the principal, 13,338 M for studies and 33,281 M in interest and commissions on receivables in bucket 3.

(\*\*) the amount corresponds to the discounts recorded on counterparties whose receivables have been subject to restructuring.

## 5.2.2 Variation table for credit impaired (non-performing loans)

Gross loans outstanding include bucket 3 receivables (credit-impaired or non-performing loans according the prudential sense of Basel II & III) that have evolved as follows:

	Balance as at	Changes of the period			Balance as at
	31 december 2024 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2025 (e) = (a) + (d)
1. Gross outstanding of credit impaired (non-performing loans)	60,690	0	-1,437	-1,437	59,253
2. Depreciation	-55,809	-60	1,311	1,251	-54,558
3. Net outstanding of non performing loans = (1) + (2)	<b>4,881</b>	<b>-60</b>	<b>-126</b>	<b>-187</b>	<b>4,695</b>

## 5.3 Debt securities portfolio

### 5.3.1 Variation table for securities

The variation table of securities as at 30 June 2025 is as follows:

	Balance as at	Variations of the period			Balance as at
	31 december 2024 (a)	Increase (b)	Decrease (c)	Balance of the period (d) = (b) + (c)	30 June 2025 (e) = (a) + (d)
1. Gross outstanding of securities portfolio (premiums bonds included)	628,819	407,547	-187,842	219,705	848,524
2. Interest receivables of securities portfolio	11,561	16,117	-12,808	3,309	14,870
3. Depreciation	-7,909	-886	0	-886	-8,795
4. Net outstanding of securities portfolio = (1) + (2) + (3)	<b>632,471</b>	<b>422,777</b>	<b>-200,649</b>	<b>222,128</b>	<b>854,598</b>

### 5.3.2 Details of debt securities portfolio

The breakdown of the debt securities portfolio is as follows:

Securities portfolio	30 June 2025	31 December 2024
Treas ury bonds S enegal	71,538	43,413
Treas ury bonds Côte d'Ivoire	150,854	32,884
Treas ury bonds Benin	19,810	21,238
Treas ury bonds Burkina Faso	52,105	58,293
Coris Bank Holdings bonds	4,500	4,500
Treas ury bonds Mali	33,000	21,000
Treas ury bonds Niger	58,375	46,000
Treas ury bonds Togo	85,237	61,651
CRRH Bonds	4,368	4,918
EBID Bonds	10,549	11,347
SONATEL Bonds	5,000	6,000
DOLIP Bonds	114,754	132,754
BAOBAB S ENEGAL Bonds	3,000	3,000
Coris inves t group Bonds	5,000	0
Nourmony holding Bonds	3,000	0
FCTC FS YAKAAR ALPH Bonds	3,000	0
FCTC KEUR SAMBA Bonds	4,571	0
Treas ury bills Guinée Bissau	0	0
Treas ury bills Mali	10,000	20,000
Treas ury bills Niger	130,059	77,500
Treas ury bills Côte d'Ivoire	51,590	35,000
Treas ury bills sénégal	15,000	30,000
Treas ury bills Togo	10,000	15,000
Treas ury bills Bénin	5,000	5,000
<i>Sub-total 1. Gross outstandings</i>	<b>850,310</b>	<b>629,498</b>
Bonds premiums and dis counts	-1,786	-680
<i>Sub-total 2. Gross outstandings with premiums included</i>	<b>848,524</b>	<b>628,819</b>
Interes ts receivable	14,870	11,561
Depreciation/s ecurities portfolio (buckets 1 and 2)	-8,795	-7,909
<b>TOTAL</b>	<b>854,598</b>	<b>632,471</b>

### 5.3.3 Schedule of debt securities portfolio

The contractual schedule of debt securities portfolio in XOF' M as at 30 June 2025 and 31 December 2024 is as follows:

Maturity	30 June 2025	31 December 2024
At most six months	204 281	177 133
More than six months and less than one year	130 042	109 751
More than one year and less than two years	100 299	92 266
More than two years and less than three years	131 217	97 674
More than three years and less than five years	164 396	97 634
More than five years	120 072	55 041
<b>Sub-total 1. Gross outstandings</b>	<b>850 308</b>	<b>629 498</b>
Bonds premiums and discounts	-1 786	-680
<b>Sub-total 2. Gross outstandings with premiums included</b>	<b>848 522</b>	<b>628 819</b>
Interests receivable	14 870	11 561
Depreciation/securities portfolio (buckets 1 and 2)	-8 795	-7 909
<b>TOTAL</b>	<b>854 598</b>	<b>632 471</b>

#### 5.4 Receivables from shareholders to be paid up

The item on « receivables from shareholders to be paid up » includes the following:

Receivables from shareholders	30 June 2025	31 December 2024
Endowment from member states receivable	4,800	5,029
Admission fee Guinea Bissau	0	46
<b>TOTAL</b>	<b>4,800</b>	<b>5,075</b>

### NOTE 6. EQUITY INVESTMENTS

#### 6.1. The Bank's equity investments strategy

Equity investment activity is consistent with the Articles of Association 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 32, 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 share capital of several companies. Many companies in the financial sector (banks, financial institutions) and non-financial sector businesses (energy, telecommunications, hotels, airlines, etc.) have benefited from such financial support.

The Bank's equity investment strategy 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 conditions 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 in the governing bodies:** each of the Bank's equity participations is conditioned by 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 equity investment strategy, BOAD has taken measures to (i) adapt to the evolution and the requirements of WAEMU's financial sector (increase of minimum capital of banks and financial institutions) and (ii) take into account the special nature of the agricultural sector with regard to its importance in the economies of WAEMU countries.

## 6.2. Change in equity investments

### 6.2.1 Equity investments variation table

Changes in gross equity investments (see note 2.9 of summary of accounting principles and practices) are as follows:

Changes in equity investments	30 June 2025	31 December 2024
Gross outstanding of equity investments as at 1st January	104 268	98 979
Increases	13 597	5 859
Decreases	-24	-570
<b>Gross outstanding of equity investments as at 31 December</b>	<b>117 842</b>	<b>104 268</b>
Gains / losses of equity investments designated at fair value through OCI non-recyclable	52 422	50 285
Gains / losses of sold equity investments designated at fair value through OCI non-recyclable	3 696	3 108
<b>Net outstanding of equity investments as at 31 December</b>	<b>173 959</b>	<b>157 661</b>

### 6.2.2 Breakdown of equity securities per counterparty

The change in Equity investments recognized in the Statement of Financial Position between December 31, 2024 and June 30, 2025 is detailed by counterparty in the tables below:

#### a) Instruments recognized at fair value through profit or loss

N°	Country	Equity investments	Percentage of interest (%)	30 June 2025			
				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) + (c)
1	BN	FOAI - Sicav ABDOU DIOUF	14,5%	2 500	1 216	400	4 116
2	h-ue-moa	FEFISOL	8,2%	16	37	0	53
3	SN	F C P / I F C BOAD	100,0%	5 000	1 856	187	7 043
<b>TOTAL</b>				<b>7 516</b>	<b>3 109</b>	<b>588</b>	<b>11 212</b>

N°	Country	Equity investments	Percentage of interest (%)	31 December 2024			
				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) + (c)
1	BN	FOAI - Sicav ABDOU DIOUF	14,5%	2 500	1 169	47	3 716
2	h-ue-moa	FEFISOL	8,2%	16	37	0	53
3	SN	F C P / I F C BOAD	100,0%	5 000	1 459	397	6 856
<b>TOTAL</b>				<b>7 516</b>	<b>2 666</b>	<b>443</b>	<b>10 625</b>



b) Instruments recognized at fair value through non-recyclable other comprehensive income

N°	Country	Equity investments	Percentage of interest (%)	30 June 2025			
				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)
1	BN	SOAGA	19%	103	107	198	300
2	TG	CAURIS CROISSANCE	0%	-	-	-	-
2	SN	BNDE	2%	1,000	63	293	1,293
3	h-uemoa	CAURIS CROISSANCE II	18%	4,268	1	2,016	2,251
4	TG	GARIS . A	12%	1,500	-	1,530	3,030
5	MA	BDM Mali	16%	600	900	24,382	24,982
6	BN	BOA Bénin	2%	98	387	2,040	2,138
7	NG	SONIBANK Niger	7%	1,082	23	2,201	3,283
8	CI	BHCI Côte d'Ivoire	0%	150	5	85	65
9	NG	BOA Niger	6%	137	41	1,822	1,959
10	TG	BIA Togo	0%	-	-	-	-
11	h-uemoa	Afreximbank	0%	2,500	5,666	1,982	4,482
12	SN	Banque Régionale de Marché (BRM)	4%	1,610	378	961	648
13	BF	Banque de l'Habitat du BF	1%	200	8	72	272
14	CI	BRVM	9%	56	150	728	784
15	CI	DC/BR (BRVM)	9%	140	241	619	759
16	TG	CICARE	2%	999	229	1,253	2,252
17	MA	MANDE Hotel	17%	50	4	213	263
18	CI	CIPREL	2%	584	1	1,278	1,862
19	TG	ASKY (EXSPCAR)	14%	5,990	5,310	8,995	14,985
20	CI	RASCOM	7%	1,600	-	1,600	-
21	h-uemoa	PROPARGO	1%	6,659	206	1,311	7,971
22	TG	BOAD-Titrisation	100%	500	1,158	658	1,158
23	TG	CRRH-UEMOA	15%	3,468	-	1,978	5,446
24	h-uemoa	Fonds Agricole pour l'Afrique (FAA)	3%	2,189	168	1,845	345
25	TG	ORAGROUP	2%	1,642	392	702	2,344
26	BF	Fidélis Finance (ex Burkina Bail)	7%	689	156	760	1,449
27	SN	CNCAS	4%	1,573	-	32	1,541
28	BF	CORIS BANK	0%	-	-	-	-
28	CI	Nouvelle BRS CIVORA Bank CI	24%	16,995	579	12,432	29,427
29	CI	Banque de l'Union Côte d'Ivoire (BDU-CI)	10%	1,100	452	1,900	3,000
30	BF	Banque de l'Union Burkina Faso (BDU-BF)	10%	1,100	368	2,509	3,609
31	Kenya	FAER	5%	5,844	544	1,600	4,244
32	BF	AMETHIS WEST AFRICAN (AWA)	11%	1,040	215	274	766
33	CI	Air Côte d'Ivoire	8%	11,511	641	6,460	5,051
34	h-uemoa	Investisseurs & Partenaires/ Développement (IPDEV2)	11%	1,131	72	314	817
35	Bn	Société Immobilière d'Aménagement Urbain SImAU	10%	500	-	585	1,085
36	SN	Banque Outarde	11%	2,000	53	646	1,354
37	h-uemoa	Fonds I&P Afrique Entrepreneurs 2 (IPAE2)	3%	1,442	17	306	1,135
38	NG	Banque de l'Habitat du Niger	7%	825	64	418	407
39	h-uemoa	Fonds d'investissements dédié au développement des services financiers dans l'UEMOA	36%	8,896	339	763	8,133
40		ECP Africa Fund IV	2%	2,621	756	6	2,627
41	CI	MANSABANK	8%	1,200	153	494	1,694
42	h-uemoa	ADIWALE Fund I	6%	2,011	464	148	1,863
43	h-uemoa	AFIG Fund	4%	2,592	391	1,090	1,502
44	h-uemoa	Africa 50 Infrastructure Acceleration Fund	0%	131	131	130	0
45	BN	BIIC BN	3%	10,000	171	171	10,171
TOTAL				110,325	2,137	52,422	162,747

N°	Country	Equity investments	Percentage of interest (%)	31 December 2024			
				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) + (c )
1	BN	SOAGA	19%	103	- 0	91	193
2	TG	CAURIS CROISSANCE	0%	-	-	-	-
2	SN	BNDE	2%	1 000	- 2 057	356	1 356
3	h-uemoa	CAURIS CROISSANCE II	18%	4 268	- 83	2 015	2 252
4	TG	GARIS . A.	12%	1 500	747	1 530	3 030
5	MA	BDM Mali	16%	600	3 316	23 482	24 082
6	BN	BOA Bénin	2%	98	- 1 271	1 653	1 751
7	NG	SONIBANK Niger	7%	1 082	- 111	2 223	3 305
8	CI	BHCI Côte d'Ivoire	0%	150	57	90	60
9	NG	BOA Niger	6%	137	- 2 096	1 781	1 918
10	TG	BIATogo	0%	-	-	-	-
11	h-uemoa	Afreximbank	0%	2 500	1 776	7 648	10 148
12	SN	Banque Régionale de Marché (BRM)	4%	1 610	1 026	583	1 026
13	BF	Banque de l'Habitat du BF	1%	200	11	64	264
14	CI	BRVM	9%	56	- 21	577	633
15	CI	DC/BR (BRVM)	9%	140	-	378	518
16	TG	CICARE	2%	999	283	1 024	2 023
17	MA	MANDE Hotel	17%	50	- 8	217	267
18	CI	CIPREL	2%	584	- 200	1 278	1 862
19	TG	ASKY (EX SPCAR)	14%	5 990	3 543	3 685	9 675
20	CI	RASCOM	7%	1 600	-	1 600	-
21	h-uemoa	PROPARGO	1%	6 659	321	1 106	7 765
22	TG	BOAD-Titrisation	100%	500	- 0	500	-
23	TG	CRRH-UEMOA	15%	3 468	544	1 978	5 446
24	h-uemoa	Fonds Agricole pour l'Afrique (FAA)	3%	2 189	149	1 676	513
25	TG	ORAGROUP	2%	1 642	- 1 026	1 094	2 736
26	BF	Fidélis Finance (ex Burkina Bail)	7%	689	452	916	1 605
27	SN	CNCAS	4%	1 573	- 197	32	1 541
28	BF	CORIS BANK	0%	-	-	-	-
29	CI	Nouvelle BRS CI/ORA Bank CI	24%	16 995	- 12 645	11 853	28 848
30	CI	Banque de l'Union Côte d'Ivoire (BDU-CI)	10%	1 100	- 287	1 449	2 549
31	BF	Banque de l'Union Burkina Faso (BDU-BF)	10%	1 100	536	2 142	3 242
32	Kenya	FAER	5%	5 844	- 175	1 056	4 788
33	BF	AMETHIS WEST AFRICAN (AWA)	11%	1 040	- 27	59	981
34	CI	Air Côte d'Ivoire	8%	10 320	- 471	7 101	3 219
35	h-uemoa	Investisseurs & Partenaires/ Développement (IPDEV2)	11%	1 018	42	242	776
36	Bn	Société Immobilière d'Aménagement Urbain SImAU	10%	500	253	585	1 085
37	SN	Banque Outarde	11%	2 000	40	593	1 407
38	h-uemoa	Fonds I&P Afrique Entrepreneurs 2 (IPAE 2)	3%	1 400	- 67	289	1 110
39	NG	Banque de l'Habitat du Niger	7%	825	30	354	471
40	h-uemoa	Fonds d'investissements dédié au développement des services financiers dans l'UEMOA	36%	6 945	240	424	6 521
41		ECP Africa Fund IV	2%	2 621	287	762	3 383
42	CI	MANSA BANK	8%	1 200	341	341	1 541
43	h-uemoa	ADIWALE Fund I	6%	1 735	- 403	612	1 122
44	h-uemoa	AFIG Fund	4%	2 592	- 365	698	1 894
45	h-uemoa	Africa 50 Infrastructure Acceleration Fund	0%	131	0	0	131
TOTAL				96 753	-7 515	50 284	147 036

## NOTE 7. ADJUSTMENTS ACCOUNTS AND OTHER ASSETS

Adjustment accounts and other assets include the following items:

Others assets	Note	30 June 2025	31 December 2024
Derivative assets	7.1	8,071	108,895
Accruals assets	7.2	22,953	9,458
Other adjustment accounts	7.3	10,961	11,860
<b>TOTAL</b>		<b>41,986</b>	<b>130,214</b>

## 7.1 Derivative assets

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

Derivative assets	30 June 2025	31 December 2024
Derivative assets - fair value hedge	0	0
Derivative assets - cash flow hedge	8,071	108,895
<b>TOTAL</b>	<b>8,071</b>	<b>108,895</b>

BOAD has in its books a part of the debts denominated in foreign currency (dollars and SDRs) which exposes it to exchange risk. Exchange rate risk is the possibility of losses due to unfavourable market exchange rates. The Bank may therefore experience a decline in profitability due to unfavourable changes in the exchange rate of certain currencies against the euro, since the parity between the euro and the FCFA is fixed. In order to hedge against currency fluctuations, the Bank has introduced hedging contracts (foreign exchange purchase and sale contracts) on its non-euro currency borrowings (SDR and dollars). Through these contracts, the Bank covers 100% of its exposure to foreign exchange risk.

The Bank's policy is to align the core terms of hedging contracts with those of the hedged items. All hedging contracts for the Bank's bond loans have the same maturity as principal and interest loans. The only special feature is the relatively long maturity of loans contracted with certain institutional lenders. The hedging contracts relating to them cover relatively short periods and are therefore subject to renewal upon expiry. These renewals ensure full and permanent debt coverage in accordance with the Bank's risk management policy.

Hedging instruments are essentially forward purchases. The treatment of the report/deferral is presented in note 13 below.

The types of hedging relationship is (i) fair value for the principal coverage of borrowing lines with institutional lenders and (ii) Cash flow hedging for principal and interest coverage of debt represented by a security consisting of bonds and subordinated debt (hybrid debt) in dollars.

The banking partners in the hedging relationship are leading international banks such as BNP, JPM, Standard Bank Natixis, Société Générale, etc.

As at 30 June 2025 the "Derivative assets - currency risk hedging instruments" item has a balance of 8,071 million CFA compared to CFAF 108,895 million CFA as at 31 December 2024. The decrease in the value of hedging is explained by the decrease in dollar and SDR prices over the period and.

The fair value of the hedging derivatives is broken down as follows:

Instruments	Type of coverage	30 June 2025	31 December 2024
Euro bund coverage 2017 - 2027	cash flow	0	54,449
Euro bund coverage 2019 - 2031	cash flow	6,527	50,757
Hybrid debt coverage 2024 - 2028	cash flow	0	3,689
Hybrid debt coverage 2025 - 2030	cash flow	0	0
Rate coverage	cash flow	1,545	0
Coverage of other debts with institutional lenders	Fair value	0	0
<b>TOTAL</b>		<b>8,071</b>	<b>108,895</b>

## 7.2 Accruals assets

This item includes prepaid expenses, income receivable by the Bank and certain expenses incurred by the Bank which may be reimbursed by third parties, including cases of judicial recovery and the making available of unaccounted for funds to certain employees in order to make expenditures on behalf of the Bank.

Accruals assets	30 June 2025	31 December 2024
Deferred expenses	2,192	1,954
Accruals and prepaid expenses (*)	5,425	3,695
Accrued receivables (**)	696	2,867
Other accruals (***)	14,640	942
<b>TOTAL</b>	<b>22,953</b>	<b>9,458</b>

\* The evolution of prepaid expenses as of June 30, 2025, is explained by payments made in the first half of 2025 for portfolio credit insurance premiums related to the period after June 30, 2025.

\*\* the downward trend of receivables as of June 30, 2025, is explained by the actual payment made during the first half year for dividends from previous financial years of some equity investments.

\*\*\* The other asset adjustment accounts consist of payments due to be received on some investment instruments.

## 7.3 Others assets

Other assets records the amounts disbursed by the Bank to various debtors other than customers, pre-financing of activities on behalf of certain partners, deposits paid by the Bank, Advances and instalments paid to certain persons, and operating grants and subsidies to be received from Member States.

Others assets	30 June 2025	31 December 2024
Sundry debtors	813	1,067
Pre-financing of studies (*)	3,572	2,580
Deposits paid	97	104
Advances and prepayments made	321	1,722
Other endowments and subsidies to be received (**)	6,157	6,387
<b>TOTAL</b>	<b>10,961</b>	<b>11,860</b>

\* Pre-financing of activities are amounts paid by the Bank for certain projects or activities on behalf of external partners. These sums are then reimbursed by these partners at the end of the activities concerned upon presentation of supporting documents.

\*\* the WAEMU Member States committed in 1994 to pay allocations and an annual grant to the Bank from 1995 to 2033 to cover accounting losses caused by the devaluation of the FCFA franc against the French franc. The balance of these allocations and subsidies receivable from States amounts to 6,157 M at 30 June 2025.

## NOTE 8. TANGIBLE AND INTANGIBLE ASSETS

### 8.1 Tangible assets

The net book value of tangible assets as at 30 June 2025 and 31 December 2024 is as follows:

Tangible assets	30 June 2025	31 December 2024
Cost of acquisition	28,216	27,864
Allocations and reversal of depreciations	-21,513	-20,898
Net outstanding of tangible assets	6,703	6,966

The breakdown by category of tangible assets is shown in the table below (in XOF' M):

Items	Lands	Buildings	Properties under construction	Fittings and fixtures	Total
<b>Cost of acquisition</b>					
Balance as at 1st January 2024	415	13,695	1,337	10,778	26,226
Acquisitions	340	0	2,168	1,998	4,506
Transfers	0	0	-2,689	0	-2,689
Disposals	0	0	0	0	0
Revaluation acquisitions	0	0	0	-179	-179
Other revaluations	0	0	0	0	0
Balance as at 1st January 2025	755	13,695	817	12,597	27,864
Acquisitions	0	0	0	445	445
Transfers	0	0	0	-74	-74
Transfers to investment properties	0	0	0	0	0
Sales	0	0	0	-18	-18
Balance as at 30 June 2025	755	13,695	817	12,949	28,216
					0
<b>Cumulative amortizations and disposals</b>					0
Balance as at 1st January 2024	0	11,409	0	8,406	19,815
Amortization charges	0	385	0	868	1,253
Reversals of depreciation (disposals)	0	0	0	0	0
Impairment losses recognized during the period	0	0	0	-170	-170
Reversals of depreciation	0	0	0	0	0
Balance as at 1st January 2025	0	11,794	0	9,104	20,898
Amortization charges	0	197	0	433	630
Reversals of amortization (disposals)	0	0	0	0	0
Transfers to investment properties	0	0	0	-15	-15
Impairment losses recognized during the period	0	0	0	0	0
Balance as at 30 June 2025	0	11,991	0	9,522	21,513
Net value of tangible assets as at 30 June 2025					6,703

### 8.2 Investment properties

The investment properties consist solely of the leisure center of the staff city. The contract provides for an initial non-cancellable rental period of two years. Rents are payable in advance quarterly. Subsequent renewals are negotiated by mutual agreement between the parties. No conditional rent is charged.

The net book values of investment properties are presented below:

Investment properties	30 June 2025	31 December 2024
Cost of acquisition	850	836
Allocations and reversal of depreciations	-254	-231
Net outstanding of intangible assets	596	605

The evolution of the net book value of investment properties between 31 December 2024 and 30 June 2025 is as follows:

Investment properties (amounts in XOF 'M)	30 June 2025	31 December 2024
Balance as at 1st January	836	770
Increases	14	65
Transfers from tangible assets	-	-
Amortization charges and reversal of amortization	-254	-231
Gains and losses in fair value	-	-
Balance as at 30 June	596	605

Taking into account the fact that the asset has not undergone any degradation, its fair value is estimated equal to the cost generated by the Bank for its acquisition, or FCFA 850 million. It should be noted that the asset is on someone else's land and consequently, its value is not influenced by the evolution of land prices in the area.

### 8.3 Intangible assets

Intangible assets consist solely of software installed on the Bank's local servers under its control.

The net book values of intangible assets are as follows:

Intangible assets	30 June 2025	31 December 2024
Cost of acquisition	3,225	3,131
Allocations and reversal of depreciations	-1,858	-1,826
Net outstanding of intangible assets	1,368	1,305

The net book value of intangible assets between 30 June 2025 and 31 December 2024 is as follows:

Acquisitions of intangible assets (in XOF 'M)		Allocations and reversal of depreciations (in XOF 'M)	
Balance as at 1st January 2025	3,131	Balance as at 1st January 2025	1,826
Acquisitions	95	Amortization charges	32
Disposals	0	Write-back of amortization	0
Transfers	0	Transfers	0
Classified as assets held for sale	0	Classified as assets held for sale	0
Balance as at 30 June 2025	3,225	Balance as at 30 June 2025	1,858
Net value on balance sheet as at 30 June 2025			1,368

### 8.4 Non-current assets held for sale

The Bank has been declared the owner of a property by judicial auction, which is presented as a non-current asset held for sale. The necessary formalities (change of title, securing, cleaning, etc.) prior to initiating the active transfer program were completed in early 2023. The procedures for the sale (collection and analysis of offers from potential buyers, etc.) were carried out during the 2024 financial year. At the date of preparation of these financial statements, the Bank has identified potential borrowers. The file will be submitted to the Board of Directors of the Bank during 2025 for approval, which may enable the sale to be concluded with one of the licensees already identified.

Assets held for sale have been recognised 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 MF CFA**) and fair value less costs to sell. Any gain or loss on disposal and the costs of sale will be taken to net 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 debts attached to them (accrued interest and fees).

##### **9.1 Breakdown of item “financial liabilities at amortized cost”**

Details of this item as at 30 June 2025 and 31 December 2024 is as follows (in XOF' M)

Liabilities at amortized cost	30 June 2025	31 December 2024
<b>A) Deposits from banks (Cauris ROPPA, AFD)</b>	<b>7,770</b>	<b>7,913</b>
<b>I-Debts represented by a security</b>		
BOAD bond issues (*)	1,424,523	1,543,374
BOAD bills	0	0
Maturities of less than one year/debts repr. by securities	0	0
<b>Sub-total I</b>	<b>1,424,523</b>	<b>1,543,374</b>
<b>II- Other loans from foreign partners</b>		
Accrued interest on debts represented by a security	20,937	29,980
Deferred charges on bonds and bonds	0	0
<b>Sub-total II</b>	<b>20,937</b>	<b>29,980</b>
<b>B) Total debts represented by a security (I+II)</b>	<b>1,445,460</b>	<b>1,573,354</b>
<b>I- Debts attached to loans and &amp; debts repr.</b>		
Loans to finance long-term projects	875,942	794,609
Loans for financing long-term studies	327	380
Maturities within one year/borrowings	0	0
<b>Sub-total I</b>	<b>876,269</b>	<b>794,989</b>
<b>II- Debts related to other borrowings</b>		
Accrued interest and commissions on other borrowings	17,923	5,620
Deferred charges on other borrowings	-38,318	-28,519
<b>Sub-total II</b>	<b>-20,395</b>	<b>-22,898</b>
<b>C) Total others debts (I+II)</b>	<b>855,874</b>	<b>772,090</b>
<b>D) Subordinated debts (**)</b>	<b>401,410</b>	<b>128,736</b>
<b>Total I+II+III+IV</b>	<b>2,710,514</b>	<b>2,482,092</b>

(\*) The total outstanding of bonds only consists of eurobonds issued in 2017, 2019 and 2021 on the international financial market.

(\*\*) Subordinated debt (hybrid debt) consists of instruments issued by BOAD and has similar characteristics. It has an initial maturity of 30 years with a non-call period of 05 years. The list of lessors and sources of mobilization of this resource appears in the table of changes in borrowings in point 9.2 below. In terms of IFRS Accounting Standards, it is a debt instrument without a capital component due to the existence of contractual clauses that will require BOAD to pay coupons when certain events occur outside its control. From a prudential perspective, the instrument meets the criteria for full integration into the effective own funds in the tier 2 category. It is taken into account in the calculation of the debt ratio (Effective own funds/Financial liabilities) and capital adequacy ratios.



## 9.2 Table of changes in borrowings

The borrowings variation per counterparty between 31 December 2024 and 30 June 2025 is as follows:

### Changes in deposits from banks

Debts	Balance as at 31 december 2024	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2025
Deposits from Banks	7,913	0	-143	0	0	7,770
<b>TOTAL</b>	<b>7,913</b>	<b>0</b>	<b>-143</b>	<b>0</b>	<b>0</b>	<b>7,770</b>

### Changes in debt securities issued

Debts	Balance as at 31 december 2024	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2025
Debentures	1,543,374	0	0	-119,906	1,055	1,424,523
Bonds	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,543,374</b>	<b>0</b>	<b>0</b>	<b>-119,906</b>	<b>1,055</b>	<b>1,424,523</b>

### Changes in other debts by counterparties

Debts	Balance as at 31 december 2024	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2025
IDA	149,480	7,019	-10,797	-3,030	0	142,671
KfW	146,104	0	-11,844	0	0	134,260
AFD	131,316	0	-6,104	0	0	125,212
BEI	0	0	0	0	0	0
BAD	54,576	0	-5,382	0	0	49,195
BDC	0	0	0	0	0	0
BADEA	0	0	0	0	0	0
BNP Fortis	3,473	0	-3,473	0	0	0
BDA	19,679	0	-1,640	0	0	18,039
OPEC	32,798	0	0	0	0	32,798
SIMBC	65,596	0	0	0	0	65,596
CDP 1 60MEuros	19,679	0	0	0	0	19,679
CDP 2 75 MEuros	39,357	0	-9,839	0	0	29,518
FinDev Canada	6,560	0	0	0	0	6,560
HSBC	63,186	63,186	0	0	0	126,371
SOCIETE GENERALE	63,186	63,186	0	0	0	126,371
<b>TOTAL BY COUNTERPARTIES</b>	<b>794,989</b>	<b>133,390</b>	<b>-49,079</b>	<b>-3,030</b>	<b>0</b>	<b>876,269</b>

### Changes in subordinated debts

Debts	Balance as at 31 december 2024	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 30 June 2025
BADEA	63,140	0	0	-7,171	0	55,969
CDP	65,596	0	0	0	0	65,596
Hybrides Debentures Blossom	0	316,057	0	-36,212	0	279,845
<b>TOTAL</b>	<b>128,736</b>	<b>316,057</b>	<b>0</b>	<b>-43,383</b>	<b>0</b>	<b>401,410</b>

<b>TOTAL BY COUNTERPARTIES</b>	<b>2,475,011</b>	<b>449,447</b>	<b>-49,222</b>	<b>-166,319</b>	<b>1,055</b>	<b>2,709,971</b>
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The variation in borrowings by counterparty between 31 December 2023 and 31 December 2024 is as follows:

## Changes in deposits from banks

Debts	Balance as at 31 december 2023	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2024
Deposits from Banks	6,814	1,701	-602	0	0	7,913
<b>TOTAL</b>	<b>6,814</b>	<b>1,701</b>	<b>-602</b>	<b>0</b>	<b>0</b>	<b>7,913</b>

## Changes in debt securities issued

Debts	Balance as at 31 december 2023	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2024
Debentures	1,478,539	0	0	63,210	1,625	1,543,374
Bonds	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,478,539</b>	<b>0</b>	<b>0</b>	<b>63,210</b>	<b>1,625</b>	<b>1,543,374</b>

## Changes in other debts by counterparties

Debts	Balance as at 31 december 2023	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2024
IDA	154,736	853	-7,585	1,477	0	149,480
KfW	151,863	19,679	-25,438	0	0	146,104
AFD	146,506	0	-15,190	0	0	131,316
BEI	0	0	0	0	0	0
BAD	42,381	22,958	-10,763	0	0	54,576
BDC	0	0	0	0	0	0
BADEA	0	0	0	0	0	0
BNP Fortis	4,019	0	-547	0	0	3,473
BDA	19,679	0	0	0	0	19,679
OPEC	32,798	0	0	0	0	32,798
SMBC	65,596	0	0	0	0	65,596
CDP 1.60MEuros	0	19,679	0	0	0	19,679
CDP 2.75 MEuros	0	49,197	-9,839	0	0	39,357
FinDev Canada	0	6,560	0	0	0	6,560
HSBC	0	63,186	0	0	0	63,186
SOCIETE GENERALE	0	63,186	0	0	0	63,186
<b>TOTAL BY COUNTERPARTIES</b>	<b>617,578</b>	<b>245,296</b>	<b>-69,362</b>	<b>1,477</b>	<b>0</b>	<b>794,989</b>

## Changes in subordinated debts

Debts	Balance as at 31 december 2023	Increases	Decreases	Exchange risk	Capitalisation interests differential by effective interest rate	Balance as at 31 december 2024
BADEA	59,363	0	0	3,777	0	63,140
CDP	0	65,596	0	0	0	65,596
<b>TOTAL</b>	<b>59,363</b>	<b>65,596</b>	<b>0</b>	<b>3,777</b>	<b>0</b>	<b>128,736</b>

<b>TOTAL DEBTS</b>	<b>2,162,293</b>	<b>312,593</b>	<b>-69,965</b>	<b>68,463</b>	<b>1,625</b>	<b>2,475,011</b>
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## 9.3 Maturity of financial liabilities at amortized cost

Maturity	30 June 2025	31 December 2024
At most six months	40,963	41,489
More than six months and less than one year	53,576	38,861
More than one year and less than two years	159,132	173,736
More than two years and less than three years	542,270	611,686
More than three years and less than five years	418,979	128,458
More than five years	1,502,776	1,490,127
<b>Sub-total outstanding</b>	<b>2,717,696</b>	<b>2,484,357</b>
<b>Debts attached to loans and &amp; debts repr.</b>	<b>542</b>	<b>7,081</b>
<b>TOTAL</b>	<b>2,718,238</b>	<b>2,491,438</b>

#### 9.4 The Bank's debt-equity ratio

The WAMU Council of Ministers decided to limit the Bank's total outstanding borrowings, at any time, to three times its equity. As at 30 June 2025, the Bank's outstanding borrowings represented 158 % of its equity capital out of the regulatory threshold of 300%.

#### NOTE 10. EARMARKED FUNDS

Earmarked funds are funds with external contributions from some donors. The resources of the Funds are made up either of a direct grant from the lender or of loans at reduced interest rates granted by the lender (the difference between the rate and the market rate used to set up the Fund). The use of the resources obtained by the Bank and registered in these funds is governed by the provisions laid down in the agreements established for this purpose. The Bank is obliged to reimburse them if the final destination of the resources does not correspond to that provided for in the contracts concluded with the donors.

As at 30 June 2025 and 31 December 2024 funds are made up of the following:

Earmarked funds	Funders	30 June 2025	31 December 2024
Belgian Technical Assistance Fund	Royaume de Belgique	217	217
Dutch Fund	Pays bas	34	34
IDA Counterpart Fund	IDA	547	490
AFD Research Fund	AFD	310	310
AFD Counterpart Fund	AFD	26	26
Environmental Partnership Fund	Fonds de Partenariat Environnemental	4	4
KfW Counterpart Fund	KfW	4,427	4,577
China Cooperation Fund	CHINE	139	139
AFD IV Capacity Improvement Fund	AFD	30	30
Energy Development Fund	FDE	1,985	1,985
Crop Insurance Fund	UE MOA	2,869	2,873
Regional Collaboration Centre (RCC)	Centre Régional de Collaboration (CRC)	807	807
New subsidy mechanism fund	Fonds du nouveau mécanisme de bonifi	51,658	33,745
CMS Fund for Interest Subsidy	CMS	1,000	1,000
Global environment fund	FEM	9,239	9,373
Climate change fund	Fonds d'Adaptation	12,071	12,071
Green Climate Fund	Fonds Vert pour le Climat	25,225	25,225
Regional initiatives supports fund	UE MOA	383	383
PACAN KfW Funds	KfW	3,099	3,772
RSE Project resources	RSE	5	5
Fonds Etudes Climat	FEM	2,000	1,000
AFD-Bonif/SONG-TAABA	AFD	6,351	6,351
Digital Transformation Fund (KfW)	KfW	857	874
BOAD Foundation	BOAD	1,500	0
<b>TOTAL</b>		<b>124,783</b>	<b>105,291</b>

## NOTE 11. ADJUSTMENT ACCOUNTS AND OTHER LIABILITIES

As at 30 June 2025, the adjustment accounts and other liabilities were as follows:

Others liabilities	Note	30 June 2025	31 December 2024
Derivatives liabilities	11.1	43,872	3,366
Accruals liabilities	11.2	30,198	24,351
Other liabilities	11.3	15,201	15,601
<b>TOTAL</b>		<b>89,271</b>	<b>43,319</b>

### 11.1 Derivatives liabilities

The Bank has put in place hedging instruments to protect itself against the exchange risks of its debts denominated in dollars and SDRs and against the risk of changes in the rates of its variable rate borrowings (see note 7.1).

The derivative liabilities correspond to the negative value of the hedging instruments as at 30 June 2025

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

Derivatives liabilities	30 June 2025	31 December 2024
Derivatives liabilities -fair value hedge	4,316	1,794
Derivatives liabilities -cas h flow hedge	39,556	1,573
<b>TOTAL</b>	<b>43,872</b>	<b>3,366</b>

The amount of derivative liabilities as at June 30, 2025 amounts to 43,872 M FCFA and relates to the hedging of borrowing lines raised in dollars and SDRs and variable interest rate hedges in order to make them fixed in accordance with the Assets Liabilities management policy of the Bank. This level of financial liability arises from (i) the decrease in the prices of the dollar and the SDR compared to the guaranteed price levels achieved by BOAD during the establishment of hedging contracts, and (ii) the signing of new hedging contracts on which the Bank recorded a loss of 34,684 million CFA francs related to the downward trend in the dollar's prices during the period.

The fair value of the hedging derivatives is broken down as follows:

Instruments	Type of coverage	30 June 2025	31 December 2024
Eurobond Coverage 2017-2027	Cas h flow	1,413	0
Eurobond Coverage 2019-2031	Cas h flow	0	0
Fair Value Hybrid Debt Coverage 2024-2028	Cas h flow	3,459	0
Fair Value Hybrid Debt Coverage 2025-2030	Cas h flow	34,684	0
Coverage Rate	Cas h flow	0	1,573
Coverage of other debts to ins titutional lenders	Fair value	4,316	1,794
<b>Total</b>		<b>43,872</b>	<b>3,366</b>

This item records prepaid income, charges payable by the Bank whose invoices have not yet arrived at the closing date of the accounts and funds received pending their allocation to a specific project.

### 11.2 Accruals liabilities

This item records prepaid income, charges payable by the Bank whose invoices have not yet arrived at the closing date of the accounts and funds received pending their allocation to a specific project.

Details of accruals liabilities are as follows:

Accruals liabilities	30 June 2025	31 December 2024
Deferred income (*)	17,166	12,098
Accrued liabilities (**)	5,422	6,281
Advanced payments (***)	7,610	5,973
<b>TOTAL</b>	<b>30,198</b>	<b>24,351</b>

\* the revenue to be regularised are receipts received on suspense accounts but not yet identified at the cut-off date and receipts received on securitised receivables awaiting repayment to the Securitisation Fund.

\*\* the accrued expenses relate to the expenses of the half year for which the invoices have not yet been received by the closing date.

\*\*\* the pre-recognised proceeds are mainly related to interest prepayments on treasury bills that will be spread over the maturity of the bills pro rata temporis.

The change in this item as at 30 June 2025 is due to the (i) of the deferred income related to treasury bonds (ii) the revenues to be regularized concerning the resources received that have not yet been allocated to a specific project.

### 11.3 Other liabilities

The item "other liabilities" includes debts to the Bank's suppliers of goods and services as well as amounts owed to staff, social security institutions and the Tax Administration.

Details of other liabilities accounts are as follows:

Other liabilities	30 June 2025	31 December 2024
Sundry creditors (*)	2,511	1,986
Suppliers payables	12,689	13,616
<b>TOTAL</b>	<b>15,201</b>	<b>15,601</b>

\*the various creditors consist of amounts due to Bank staff, social security institutions and the tax authorities.

The level of the item "other liabilities" as of June 30, 2025, is explained by accounts payable to suppliers for insurance within the credit portfolio and repayment deadlines for

## NOTE 12. EQUITY

### 12.1 Details of equity

The equity as at 30 June 2025 and 31 December 2024 is as follows:

Equity capital	30 June 2025	31 December 2024
Subscribed capital	1,525,750	1,525,750
Callable capital	-892,170	-892,170
Unpaid Capital	-194,427	-230,529
Cost related to deferred paying-up of capital	-9,281	-9,281
<b>Capital (A)</b>	<b>429,872</b>	<b>393,770</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	737,455	706,554
<b>Reserves and retained earnings (C)</b>	<b>813,531</b>	<b>782,629</b>
<b>Net income for the period (D)</b>	<b>22,163</b>	<b>39,402</b>
Net gains on investments in equity instruments designated at fair value through	52,422	50,284
Cashflow hedging reserves	-152	-17,580
Remeasurements of defined benefit liability	-1,538	-1,538
<b>Other comprehensive income (E)</b>	<b>50,732</b>	<b>31,167</b>
<b>EQUITY CAPITAL (A+B+C+D+E)</b>	<b>1,318,921</b>	<b>1,249,590</b>
<b>Subordinated debts (F)</b>	<b>401,410</b>	<b>128,736</b>
<b>EQUITY CAPITAL AND SUBORDINATED DEBTS (A+B+C+D+E+F)</b>	<b>1,720,331</b>	<b>1,378,326</b>

### 12.2 BOAD capital structure

a) The table below outlines the Bank's capital structure as at 30 June 2025 in nominal value and share distribution. Each share confers the same rights and duties to its holder.

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	95 400	6,25	1 908	46 913	28 463	18 450	48 487
BURKINA	95 400	6,25	1 908	46 913	28 463	18 450	48 487
COTE D'IVOIRE	95 400	6,25	1 908	46 913	28 463	18 450	48 487
GUINEE BISSAU	95 400	6,25	1 908	46 913	16 163	30 750	48 487
MALI	95 400	6,25	1 908	46 913	28 463	18 450	48 487
NIGER	95 400	6,25	1 908	46 913	16 163	30 750	48 487
SENEGAL	95 400	6,25	1 908	46 913	22 313	24 600	48 487
TOGO	95 400	6,25	1 908	46 913	28 463	18 450	48 487
BCEAO	547 950	35,91	10 959	141 604	134 224	7 380	406 346
	<b>1 311 150</b>	<b>85,93</b>	<b>26 223</b>	<b>516 908</b>	<b>331 178</b>	<b>185 730</b>	<b>794 242</b>
<b>CATEGORY B</b>							
France	84 300	5,53	1 686	27 960	23 370	4 590	56 340
Germany	34 750	2,28	695	34 750	34 750	0	0
Belgium (1)	16 950	1,11	339	5 940	3 216	2 724	11 010
EIB	22 700	1,49	454	19 700	19 700	0	3 000
AfDB	20 750	1,36	415	16 250	10 350	5 900	4 500
EXIMBANK OF INDIA	750	0,05	15	188	188	0	563
CHINA	18 150	1,19	363	5 460	4 476	984	12 690
MOROCCO	16 250	1,07	325	6 425	2 645	3 780	9 825
	<b>214 600</b>	<b>14,07</b>	<b>4 292</b>	<b>116 673</b>	<b>98 694</b>	<b>17 978</b>	<b>97 928</b>
	<b>1 525 750</b>	<b>100%</b>	<b>30 515</b>	<b>633 581</b>	<b>429 872</b>	<b>203 708</b>	<b>892 170</b>
<b>UNSUBSCRIBED CAPITAL</b>	<b>183 600</b>		<b>3 672</b>				
<b>AUTHORIZED CAPITAL(*)</b>	<b>1 709 350</b>		<b>34 187</b>				

(\*) In December 2022, the Bank's governing bodies authorised a capital increase of XOF 554 M, thus raising the Bank's authorised capital from XOF 1,155 M to XOF 1,709 M. At the end of the 2024 financial year, this increase amounted to 422,100 MFCFA and releases to 152,452 MFCFA.

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

	30 June 2025	31 December 2024
Unpaid Capital without cost related to deferred paying-up of capital (a)	194,427	230,529
Cost related to deferred paying-up of capital (b)	9,281	9,281
<b>Unpaid capital (a+b)</b>	<b>203,708</b>	<b>239,810</b>

### 12.3 Effective equity (core tier 1 capital)

The Bank's effective equity is broken down as at 30 June 2025 and 31 December 2024 as follows:

Items	30 June 2025	31 December 2024
<b>A- Tiers 1 capital* (=1+2)</b>	<b>1,235,709</b>	<b>1,185,899</b>
1- Capital and other funds	429,872	393,770
2- Reserves and other funds	805,837	792,128
<b>B 1- Additionnal equity excluding subordinated debt</b>	<b>78,335</b>	<b>76,196</b>
<b>Effective own funds for risks (=A+B 1)</b>	<b>1,314,044</b>	<b>1,262,095</b>
B2 -Additional equity (component of subordinated debt classified as Tier 2)	401,410	128,736
<b>Effective equity (=A+B 1+B 2)</b>	<b>1,715,454</b>	<b>1,390,831</b>
C- Unpaid own funds ('C)	4,877	- 12,505
<b>Equity capital and Subordinated debts (A+B 1+B 2+C)</b>	<b>1,720,331</b>	<b>1,378,326</b>

(a ) **Tier 1 capital** refers to component of equity requirements for risks which represents the higher quality capital, enabling the Bank for going concern

(b ) **Additional own funds:** these are own funds of lower quality than the Tier 1 capital but with the capacity to absorb losses, in the event of liquidation. or difficulties considered significant by BOAD. They consist of (i) subordinated debt (hybrid debt) and (ii) other equity (gains on securities measured at fair value by other comprehensive income).

(c ) **Unpaid equity** corresponds to equity items without consideration received in cash. They include i) the reserves for hedging the exchange risk linked to the interest on hedged debts, ii.) the unpaid share of issue premiums and iii.) the unpaid share of Member States allocations.

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

Details of this item are as follows:



Net banking income		June 30 2025	June 30 2024
<b>1-Income and interest charges</b>			
	Interests and fees on loans	68,260	81,746
	Fees on bond loan guarantees	0	0
	Interests and investment income	29,194	12,574
	<i>Sub-total interest income (A)</i>	<i>97,454</i>	<i>94,320</i>
	Interests and charges on debts represented by a security	-37,082	-31,113
	Interests and charges on loans and investments	-17,470	-11,941
	Other financial services and commissions	-7,470	-2,583
	<i>Sub-total interest charges (B)</i>	<i>-62,022</i>	<i>-45,637</i>
<b>Margin on interests and fees C= (A)-(B)</b>		<b>35,433</b>	<b>48,683</b>
<b>2.1-Exchange gains and losses</b>			
	Consumed exchange gain	121	107
	Potential exchange gain	166,432	13,770
	<i>Sub-total exchange gain (D)</i>	<i>166,553</i>	<i>13,877</i>
	Consumed exchange loss	-119	-117
	Potential exchange loss	-113	-48,193
	<i>Sub-total exchange loss (E)</i>	<i>-232</i>	<i>-48,310</i>
<b>Net exchange loss F=(D)-(E)</b>		<b>166,321</b>	<b>-34,433</b>
<b>2.2-Gains/losses on hedging instruments (G)</b>		<b>-158,757</b>	<b>43,726</b>
<b>2-Net gains/losses on foreign exchange (G)+(F)</b>		<b>7,564</b>	<b>9,292</b>
<b>3-Net gains/losses on equity investments designated at fair value through profit and loss</b>		<b>588</b>	<b>302</b>
<b>4-Dividends</b>		<b>1,250</b>	<b>4,391</b>
<b>5-Net banking income = (1)+(2)+(3)+(4)</b>		<b>44,834</b>	<b>62,667</b>

Foreign exchange gains and losses result from the Bank's mobilization of resources in currencies other than euros from financial partners and on the international financial market for project financing. Their amount corresponds to the effect of the changes in the exchange rates of these currencies over the period. These currency resources have been hedged through forward purchase and swap operations. The amount of gains and losses on hedging instruments corresponds to the variation of these hedging contracts during the period in the opposite direction of the foreign exchange risk in order to neutralize its impact.

The residual gap between foreign exchange gains and losses on the one hand, and gains and losses on hedging instruments on the other, is mainly explained by swap points (currency rollovers and reverse rollovers), which are gains or losses realized by the Bank upon signing the hedging contract and are subject to linear spreading over the duration of the contract.

#### **NOTE 14. COST OF RISK**

The cost of risk as at 30 June 2025 and as at 30 June 2024 is presented as follows:

Cost of risk	30 June 2025	30 June 2024
Depreciations on receivables from customers	-7,275	-17,135
Write-back of depreciations on receivables from customers	1,333	12,580
Depreciations on securities portfolio	-886	-308
Losses on receivables covered by depreciations	0	-13,827
<b>TOTAL</b>	<b>-6,829</b>	<b>-18,690</b>

The breakdown of the cost of risk per bucket is detailed as follows:

Distribution by bucket of the cost of risk	30 June 2025	30 June 2024
Bucket 1	-605	-642
Bucket 2	-6,129	-9,127
Bucket 3	-94	-8,920
<b>TOTAL</b>	<b>-6,829</b>	<b>-18,690</b>

The change in depreciation on bucket 2 between the two periods comes mainly from the consideration of the socio-political situation in Mali and Burkina in adjusting the ratings of counterparties based in these countries and, by extension, in estimating expected credit losses.

In the first half of 2025, no receivables were downgraded to default, thus explaining the absence of new impairments on bucket 3, unlike last year when the Bank recorded significant downgrades and losses on its customers.

Evolution of provisions	Balance as at	Period Movements			Accumulated balance as of
	31/12/2024 (a)	Increases / Allocations (b)	Decreases / Recoveries (c)	Balance 30/06/2025 (d) = (b) + (c)	30/06/2025 (e) = (a) + (d)
Provisions on gross outstanding loans	196,595	7,275	-1,333	5,943	202,538
Provisions on securities portfolio	7,909	886	0	886	8,795
Provisions on others assets	8,244	0	0	0	8,244
<b>Total provisions (*)</b>	<b>212,749</b>	<b>8,161</b>	<b>-1,333</b>	<b>6,829</b>	<b>219,578</b>

\* The provisions increased from 212,749 MFCFA on December 31, 2024 to 219,578 MFCFA, resulting in a risk cost of 6,829 M FCFA mainly related to the provisions for customer receivables.

## NOTE 15. COSTS RELATED TO DEVELOPMENT ACTIVITIES

This position encompasses the responsibilities related to the development activities carried out by the BOAD, particularly the enhancement of non-commercial projects and the preliminary studies for funding development activities.

Charges related to development activities	30 June 2025	30 June 2024
Interest subsidy	-639	-689
<b>TOTAL</b>	<b>-639</b>	<b>-689</b>

## **NOTE 16. 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 2024. However, the main data are summarized below. They will be further detailed and updated at the end of the 2025 financial year.

### **16.1. Dominant activity sectors**

The outstanding loans is distributed as follows by sector of activity as at 30 June 2025 and as at 31 December 2024 :

<b>Sectors of activity</b>	<b>30/06/2025</b>	<b>%</b>	<b>31/12/2024</b>	<b>%</b>
Finance and Insurance	297,623	11%	333,011	14%
Agriculture, Rural Development and Social Projects	637,750	25%	638,929	26%
Industries	127,727	5%	70,658	3%
Energy and Water	402,086	15%	383,351	16%
Transport infrastructure and equipment, sanitation and urban development	1,057,270	41%	976,778	40%
Information and communication technologies	23,395	1%	23,392	1%
Hospitality and Tourism and other services	49,305	2%	37,016	2%
<b>TOTAL</b>	<b>2,595,156</b>	<b>100%</b>	<b>2,463,134</b>	<b>100%</b>

### **16.2. The distribution of the commercial outstanding by sectors**

The distribution of the commercial outstanding by sectors presents It self as follows as at 30 June 2025 and as at 31 December 2024 :

Sectors of activity	30 June 2025	31 December 2024
Agriculture, Rural Development and Social Projects	5,000	1,783
Industries	121,700	64,588
Energy and Water	134,131	131,832
Transport infrastructure and equipment, sanitation and urban development	82,895	77,010
Information and communication technologies	10,581	10,581
Finance and Insurance	290,380	325,503
Hospitality and Tourism and other services	30,298	31,124
<b>TOTAL</b>	<b>674,985</b>	<b>642,421</b>

### 16.3 Exhibition by window and country

The distribution of the outstanding loans by window and by country is followed as at 30 June 2025 and as at 31 December 2024 :

COUNTRIES	30/06/2025			Total 2025
	FDC	FDE	Bank	
BENIN	139,309	9,853	112,472	261,634
BURKINA FASO	139,198	13,581	184,896	337,674
IVORY COAST	98,800	26,221	413,435	538,456
GUINEA BISSAU	111,335	16,492	11,125	138,952
MALI	154,373	9,140	164,297	327,810
NIGER	142,166	22,571	100,559	265,296
SENEGAL	143,493	20,704	248,254	412,451
TOGO	143,572	0	169,311	312,882
<b>TOTAL</b>	<b>1,072,246</b>	<b>118,562</b>	<b>1,404,348</b>	<b>2,595,156</b>

COUNTRIES	31/12/2024			Total 2024
	FDC	FDE	Bank	
BENIN	140,537	10,329	113,823	264,689
BURKINA FASO	143,186	14,302	147,918	305,406
IVORY COAST	98,663	26,426	350,600	475,689
GUINEA BISSAU	111,152	16,350	6,002	133,504
MALI	154,009	9,616	148,907	312,532
NIGER	135,494	23,356	85,629	244,479
SENEGAL	145,448	21,569	240,724	407,741
TOGO	148,655	46	170,394	319,095
<b>TOTAL</b>	<b>1,077,143</b>	<b>121,995</b>	<b>1,263,996</b>	<b>2,463,134</b>

### 16.4 Répartition des encours par type de risque et par pays

The following table presents the distribution of the portfolio of loans and placement securities (evaluated at the amortised cost) of the bank in terms of gross outstanding by country and by risk category:

2025						
COUNTRIES	S overeign		Non-S overeign		Ensemble	
	Outs tanding	(%)	Outs tanding	(%)	Outs tanding	(%)
BENIN	203,066	11%	58,568	9%	261,634	10%
BURKINA FAS O	279,703	15%	57,971	9%	337,674	13%
IVORY COAST T	304,815	16%	233,641	35%	538,456	21%
GUINEA BISS AU	133,905	7%	5,047	1%	138,952	5%
MALI	260,008	14%	67,802	10%	327,810	13%
NIGER	251,036	13%	14,260	2%	265,296	10%
SENEGAL	304,159	16%	108,292	16%	412,451	16%
TOGO	183,478	10%	129,404	19%	312,882	12%
<b>Customer receivables</b>	<b>1,920,171</b>	<b>100%</b>	<b>674,985</b>	<b>100%</b>	<b>2,595,156</b>	<b>100%</b>
BENIN	19,809	4%	0	0%	19,809	3%
BURKINA FAS O	52,605	11%	9,000	6%	61,605	10%
IVORY COAST T	150,854	32%	7,571	5%	158,426	25%
GUINEA BISS AU	0	0%	0	0%	0	0%
MALI	33,000	7%	0	0%	33,000	5%
NIGER	58,375	12%	0	0%	58,375	9%
SENEGAL	71,539	15%	11,000	7%	82,539	13%
TOGO	85,237	18%	129,671	82%	214,908	34%
<b>Securities portfolio (*)</b>	<b>471,418</b>	<b>100%</b>	<b>157,243</b>	<b>100%</b>	<b>628,661</b>	<b>100%</b>
<b>Total</b>	<b>2,391,589</b>	<b>100%</b>	<b>832,228</b>	<b>100%</b>	<b>3,223,817</b>	<b>100%</b>

2024						
COUNTRIES	S overeign		Non-S overeign		Ensemble	
	Outs tanding	(%)	Outs tanding	(%)	Outs tanding	(%)
BENIN	206,918	11%	57,771	9%	264,689	11%
BURKINA FAS O	265,493	15%	39,913	6%	305,406	12%
IVORY COAST T	251,425	14%	224,264	35%	475,689	19%
GUINEA BISS AU	133,457	7%	47	0%	133,504	5%
MALI	252,945	14%	59,587	9%	312,532	13%
NIGER	227,973	13%	16,505	3%	244,479	10%
SENEGAL	295,680	16%	112,062	17%	407,741	17%
TOGO	186,824	10%	132,271	21%	319,095	13%
<b>Customer receivables</b>	<b>1,820,714</b>	<b>100%</b>	<b>642,421</b>	<b>100%</b>	<b>2,463,134</b>	<b>100%</b>
BENIN	21,238	7%	0	0%	21,238	5%
BURKINA FAS O	58,293	20%	4,500	3%	62,793	14%
IVORY COAST T	32,885	12%	0	0%	32,885	7%
GUINEA BISS AU	0	0%	0	0%	0	0%
MALI	21,000	7%	0	0%	21,000	5%
NIGER	46,000	16%	0	0%	46,000	10%
SENEGAL	43,414	15%	9,000	6%	52,414	12%
TOGO	61,651	22%	149,019	92%	210,670	47%
<b>Securities portfolio (*)</b>	<b>284,479</b>	<b>100%</b>	<b>162,519</b>	<b>100%</b>	<b>446,998</b>	<b>100%</b>
<b>Total</b>	<b>2,105,193</b>	<b>100%</b>	<b>804,940</b>	<b>100%</b>	<b>2,910,133</b>	<b>100%</b>

(\*) Treasury bills are excluded due to their very short maturity.

## 16.5 Debt structure

The structure of the main debt on other loans from external partners, subordinated debts and the debts represented by title is presented as below:

### Debt structure as at 30 June 2025

Debt structure as at 30 June 2025							
Currencies	Currency amount	Exchange rate as at 31/12/2024	Present outstanding amount (millions of XOF)		% of total borrowings (D)	excluding Euro (A)	borrowings (B)
USD	2,273,48	559,69	1,272,445,11		47,09%	96,75%	47,09%
DTS	55,56	768,78	42,715,29		1,58%	3,25%	1,58%
<b>TOTAL EXCLUDING Euros (A)</b>	2,329,04	1,328,47	1,315,160,41	48,67%	48,67%	100%	48,67%
Euro	2,114,53	655,96	1,387,041,37	<b>51,33%</b>	<b>51,33%</b>	<b>0%</b>	<b>51,33%</b>
<b>TOTAL EXCLUDING F CFA (B)</b>			<b>2,702,201,78</b>	<b>100%</b>			
F CFA for domestic bond issues ('C)					<b>0%</b>		
<b>TOTAL BORROWINGS D= (B)+(C)</b>			<b>2,702,201,78</b>		<b>100%</b>		<b>100%</b>

### Debt structure as at 31 December 2024

Debt structure as at 31 December 2024							
Currencies	Currency amount	Exchange rate as at 31/12/2024	Present outstanding amount (millions of XOF)		% of total borrowings (D)	excluding Euro (A)	borrowings (B)
USD	1,772,411	631,40	1,119,100,45		45,36%	95,94%	45,36%
DTS	57,543	822,83	47,348,40		1,92%	4,06%	1,92%
<b>TOTAL EXCLUDING Euros (A)</b>	0	-	1,166,448,85	<b>47,28%</b>	47,28%	100%	0,00%
Euro	1,982,827	655,96	1,300,649,41	<b>52,72%</b>	52,72%	0,00%	52,72%
<b>TOTAL EXCLUDING F CFA (B)</b>			<b>2,467,098,26</b>	<b>100%</b>			
F CFA for domestic bond issues ('C)					<b>0%</b>		
<b>TOTAL BORROWINGS D= (B)+(C)</b>			<b>2,467,098,26</b>		<b>100%</b>		<b>100%</b>

## NOTE 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below presents the classification of the Bank's assets and liabilities as well as their fair value as at 30 June 2025.

### 17.1 Classification of financial instruments

In determining the fair value of instruments measured at amortised cost, the Bank used the market price for listed financial instruments and considered that the amortised cost reflects the fair value of unlisted instruments. Consequently, the amortised cost was used as the fair value of the latter.

For instruments already measured at fair value in the statement of financial position (equity instruments, hedging derivatives), the carrying amount is the same as the fair value of the instruments.

As at 30 June 2025, the classification of financial assets and liabilities is as follows:

Financial instruments	Financial assets and liabilities			Financial assets and liabilities at amortized cost	Total amount of book value	Total amount of fair value
	through profit and loss	through OCI recyclable	through OCI non recyclable			
- Cash and cash equivalents	0	0	0	600,423	600,423	600,423
- Loans and advances to banks	0	0	0	32,434	32,434	32,434
- Debt Securities portfolio	0	0	0	854,598	854,598	857,526
- Loans and advances to customers	0	0	0	2,502,015	2,502,015	2,502,015
- Loans and advances to staff	0	0	0	24,883	24,883	24,883
- Shareholders receivables	0	0	0	4,800	4,800	4,800
- Equity investments	11,212	0	162,747	0	173,959	173,959
- Derivative assets	8,071	0	0	0	8,071	8,071
<b>Total amount of financial assets</b>	<b>19,284</b>	<b>0</b>	<b>162,747</b>	<b>4,019,155</b>	<b>4,201,185</b>	<b>4,204,113</b>
Borrowings	0	0	0	2,710,514	2,710,514	2,580,869
Derivative liabilities	43,872	0	0	0	43,872	43,872
<b>Total amount of financial liabilities</b>	<b>43,872</b>	<b>-</b>	<b>-</b>	<b>2,710,514</b>	<b>2,754,385</b>	<b>2,624,741</b>

As at 31 december 2024 the classification of financial assets and liabilities is as follows:

Financial instruments	Financial assets and liabilities			Financial assets and liabilities at amortized cost	Total amount of book value	Total amount of fair value
	through profit and loss	through OCI recyclable	through OCI non recyclable			
- Cash and cash equivalents	0	0	0	515,905	515,905	515,905
- Loans and advances to banks	0	0	0	33,989	33,989	33,989
- Debt Securities portfolio	0	0	0	632,471	632,471	591,061
- Loans and advances to customers	0	0	0	2,372,600	2,372,600	2,372,600
- Loans and advances to staff	0	0	0	23,977	23,977	23,977
- Shareholders receivables	0	0	0	5,075	5,075	5,075
- Equity investments	10,625	0	147,036	0	157,661	157,661
- Derivative assets	108,895	0	0	0	108,895	108,895
<b>Total amount of financial assets</b>	<b>119,520</b>	<b>1</b>	<b>147,037</b>	<b>3,584,016</b>	<b>3,850,572</b>	<b>3,809,162</b>
Borrowings	0	0	0	2,482,092	2,482,092	2,339,801
Derivative liabilities	3,366	0	0	0	3,366	3,366
<b>Total amount of financial liabilities</b>	<b>3,366</b>	<b>-</b>	<b>-</b>	<b>2,482,092</b>	<b>2,485,459</b>	<b>2,343,167</b>

## 17.2 Levels of fair values

The following table presents the analysis of financial instruments measured at fair value at the reporting date, based on the level of the fair value hierarchy in which their measurement is classified. Amounts are based on the values recognized in the statement of financial position.

Fair values include all differences deferred between the transaction price and the fair value at initial recognition when the fair value is determined using a valuation technique based on unobservable data:

	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	
	2025	2024	2025	2024	2025	2024	2025	2024
Derivative assets	-	-	8,071	108,895	-	-	8,071	108,895
Equity investments designated at fair value through P&L	-	-	11,212	10,625	-	-	11,212	10,625
Equity investments designated at fair value through OCI non-recyclable	6,440.42	6,404.16	-	-	156,307	140,632	162,747	147,036
<b>Total amount of financial assets</b>	<b>6,440</b>	<b>6,404</b>	<b>19,284</b>	<b>119,520</b>	<b>156,307</b>	<b>140,632</b>	<b>182,031</b>	<b>266,557</b>
Derivative liabilities	-	-	43,871.89	3,366.37	-	-	43,872	3,366
<b>Total amount of financial liabilities</b>	<b>-</b>	<b>-</b>	<b>43,872</b>	<b>3,366</b>	<b>-</b>	<b>-</b>	<b>43,872</b>	<b>3,366</b>

The following table shows a reconciliation of the opening balances to the ending balances for instruments measured at fair value as at 30 June 2025 and 31 December 2024:

2025	Trading assets		Loans and advances to customers	Investment securities			Trading liabilities	Total
	Asset backed securities	OTC structured derivatives		Asset backed securities	Retained interest in securitisations	Equities	OTC structured derivatives	
Balance at 1 January	-	-	-	-	-	157,661	-	157,661
Total gains or losses :	-	-	-	-	-	2,725	-	2,725
in profit or loss	-	-	-	-	-	588	-	588
in OCI	-	-	-	-	-	2,138	-	2,138
Purchases	-	-	-	-	-	-	-	-
Issues	-	-	-	-	-	13,597	-	13,597
Settlements	-	-	-	-	-	24	-	24
Transfers into Level 3	-	-	-	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>173,959</b>	<b>0</b>	<b>173,959</b>

2024	Trading assets		Loans and advances to customers	Investment securities			Trading liabilities	Total
	Asset backed securities	OTC structured derivatives		Asset backed securities	Retained interest in securitisations	Equities	OTC structured derivatives	
Balance at 1 January	-	-	-	-	-	159,796	-	159,796
Total gains or losses :	-	-	-	-	-	7,424	-	7,424
in profit or loss	-	-	-	-	-	443	-	443
in OCI	-	-	-	-	-	7,868	-	7,868
Purchases	-	-	-	-	-	5,859	-	5,859
Issues	-	-	-	-	-	570	-	570
Settlements	-	-	-	-	-	-	-	-
Transfers into Level 3	-	-	-	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157,661</b>	<b>0</b>	<b>157,661</b>

Other instruments measured at fair value are classified in level 1 and level 2.

The instruments held by the Bank are valued using the same fair value methods as in previous years. There is no transfer of instruments between the different fair value levels.

### 17.3 Valuation techniques of fair values

The table below records the valuation techniques of fair values at level 2 and 3 for financial instruments recognized at fair value in the balance sheet and key non-observable data used.



Type of financial instrument	Valuation technique	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 cash flow from operating activities during at least the two previous years), or (iii) the mathematical value based on the last financial statements available.	Non applicable	Non applicable

## NOTE 18. OFF-BALANCE SHEET COMMITMENTS

### 18.1 Commitments received

These commitments are funding agreements given to the Bank by foreign lenders and the guarantees received from regional funds for customers. These commitments are as follows:

Commitments received	30 June 2025	31 December 2024
Loan commitments to be drawn (a)	258,286	384,657
Guarantees received from Regional Funds (b)	7,375	7,940
Guarantees received from international insurers (c)	364,306	333,751
<b>Total</b>	<b>629,967</b>	<b>726,348</b>

- a) Commitments to be drawn are the remainder of loans yet to be mobilized on loans obtained from donors.
- b) The Bank receives for its loans guarantees that are not financial (mortgage, pledge, collateral, etc.).
- c) The Bank covers the credit risk of part of its outstanding loans through insurance policies signed with international insurers. The guarantee on the outstanding amount covered by these policies as at 30 June 2025 amounts to XOF 333,751 M.

### 18.2 Commitments given

The commitments given are mainly related to loan and equity agreements signed with various beneficiaries of BOAD's financing. These commitments are presented as follows:

Commitments given	30 June 2025	31 December 2024
Loan commitments given (a)	3,130,934	2,749,441
Advances for the financing of studies	37,637	35,662
Equity investment commitments (b)	76,119	79,691
Sureties and other guarantees	20,698	17,500
Credit insurance premiums to be paid (c)	20,653	21,137
<b>Total</b>	<b>3,286,041</b>	<b>2,903,432</b>

- (a) Loan commitments given correspond to financing agreements whose execution depends on the compliance with suspensive conditions or whose actual disbursement depends on drawing requests from the borrower.
- (b) Commitments for equity investments relate to BOAD's unpaid subscriptions to the capital of the following companies. The detail is presented as follows:

COMMITMENTS FOR EQUITY INVESTMENTS (in XOF 'M)	30 June 2025	31 December 2024
Cauris Croissance II Fund	1,791	1,791
Amethis West Africa (AWA)	282	282
Investors and Partners for Development Fund 2	369	482
Investment fund dedicated to the development of financial services in WAE MU	1,104	3,055
I&P Afrique Entrepreneurs 2 (IPAE2) Fund	558	600
Cauris Croissance IV fund	5,000	5,000
ECP Africa Fund IV	379	379
AFIG Fund II	408	408
ADIWALE FUND I	489	765
Seed Funds	12,000	12,000
Infrastructure Funds	26,238	26,238
Infrastructure Acceleration Fund (IAF)	5,989	5,989
I&P Afrique Entrepreneurs 3 (IPAE2) Fund	5,000	5,000
African Green Infrastructure Alliance Project Development Fund (AGIA-PD)	9,839	9,839
BOAD Titrisation Togo	800	800
BOAD Market Solutions in Ivory Coast	2,300	2,300
Air Côte d'Ivoire (third capital increase)	3,572	4,763
<b>TOTAL</b>	<b>76,119</b>	<b>79,691</b>

- (c) The Bank has concluded credit insurance policies with insurers having a better international rating (A, A+, etc.). The objective of this operation is to reduce the Bank's exposure risk and to benefit from the effect of the better rating of these insurers, which should allow the Bank, in the long run, to improve its own rating. The cost of future payment commitments under these policies amounts to 20,653 million CFA francs as of June 30, 2025, compared to 21,137 million CFA francs as of December 31, 2024.

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

### **19.1 Conflict in Ukraine**

The conflict between Russia and Ukraine, which began in February 2022, is having an impact on the WAEMU zone, particularly through the increase in the price of fuel and certain essential goods, leading to widespread inflation in the zone. Public counterparties, the Bank's main customers, could be impacted by this situation, which would increase their deficit and therefore their credit quality. Private counterparties are also facing this difficult economic situation. Nevertheless, it should be noted that at the balance sheet date, no counterparty had been prevented from fulfilling its obligations to BOAD as a result of this situation.

### **19.2 Israeli-Palestinian conflict**

Since October 7, 2023, there has been a conflict in the Middle East. This conflict has had repercussions on the WAEMU region, particularly through increased prices for fuel and certain products that must travel the Asia-Africa route. Some counterparties could be impacted by this situation. However, as of the financial statements closing date, no counterparty has been prevented from fulfilling its obligations to BOAD in connection with this situation.

### **19.3 Security and socio-political context within the ECOWAS zone**

BOAD's area of operation remains impacted by the socio-political and security situation in certain countries.

BOAD, in accordance with its prudent provisioning policy, has taken this evolving political situation into account in preparing its financial statements as of June 30, 2025.

### **19.4 New Customs Tariffs Initiated by the United States:**

In the first half of 2025, United States America experienced the arrival of a new Administration. This Administration implemented new customs tariffs with several countries, including some from the UEMOA region. However, it is important to note that exports from the countries in the region to the United States remain low. Although these new customs tariffs could impact certain counterparties of the Bank, as of the accounting cut-off date of June 30, 2025, none of them have been prevented from fulfilling their commitments to the Bank in relation to the new requirements imposed by the United States. Furthermore, the Bank is not aware of any events likely to compromise the financial situation of its counterparties based on the new customs tariffs. The Bank is nevertheless closely monitoring developments and their potential consequences in geopolitical and macroeconomic terms.

**NOTE 20. SUBSEQUENT EVENTS**

As of the date of closing of the accounts on June 30, 2025 by the BOAD Board of Directors, the Bank's Management has not noted any subsequent event likely to influence the financial situation and results of the Bank.