

The Liberian Bank for Development and Investment (LBDI) Audit Report and Financial Statements For the year ended December 31, 2022

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File name: (LBDI auditreport December 31, 2022)

The Liberian Bank for Development and Investment (LBDI) Corporate Information As at December 31, 2022

Board of Directors:Samuel D. Tweah, Jr. Chairman

John B.S.Davis III President & CEO And Chairman, Executive Committee*

Deogratias Z. Delaney President & CEO And Chairman, Executive Committee**

Dewitt vonBallmoos Chairman, Risk Management Committee
James S.P.Cooper Chairman, Assets & Liabilities Committee

Macdonald S.Goanue, Jr EBID Replaced Director***

Dr.Olagunju M.O Ashimolowo Chairman, Audit and Compliance (New EBID Director)

Paarock VanPercy Chairman, Credit Committee

Elizabeth Anthony Member Joseph Ofori-Teiko Member

Registered Office: The Liberian Bank for Development and Investment (LBDI)

P.O. Box 10-0547 - 1000 Monrovia

Corner of Tubman Boulevard & 9th Street, Sinkor

Monrovia, Liberia

Corporate Secretary: Cllr. Regina T. Elliott

Corporate Secretary

Solicitors: Justice Advocate & Partners Inc.

18th Street, Sinkor

Auditors: PKF Liberia

Accountants & Business advisors

Randall Street, Monrovia

* Service Contract Ended

**Resigned

***EBID Replaced Director

The Liberian Bank for Development and Investment Statement of responsibilities of the Board of Directors

- 1. The Board of Directors has general powers to manage the business of the Bank.
- 2. The Board is responsible to ensure that the books of accounts of the Bank are kept in a manner considered suitable for reporting and other relevant purposes.

In particular, the Board is responsible to:

- ensure that the accounting records of the Bank are satisfactorily maintained and its financial statements presented in accordance with authoritative financial reporting framework, in this case, International Financial Reporting Standards (IFRS);
- b. select suitable accounting policies and apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures to be disclosed or explained in the financial statements;
- d. ensure that the financial statements are prepared on the going-concern basis unless it is inappropriate to presume that the Bank will continue in business.
- 3. In summary, the Board is responsible to ensure that proper accounting records are kept, which disclose with reasonable accuracy, at any time, the financial position of the Bank. The Board is responsible to put in place the relevant mechanism for safeguarding the assets of the Bank and take reasonable steps for the prevention of fraud and other forms of irregularities, and for the prompt detection of these if they should nonetheless occur.
- 4. The Board is also responsible to annually approve competent auditors for rectification by Shareholders to examine the books of the Bank. Such appointment shall, however, be ratified by an affirmative vote of the shareholders at their Annual General Meeting. The Board shall cause to be printed a copy of the auditor's report, together with the relevant financial statements accompanying Banking such report.
- 5. The Board is, by law, also authorized to appoint members of committees of the Board as it may deem necessary; and to delegate to the committees such powers as the Board considers relevant and necessary.

The above statement of responsibilities of the Board with respect to the financial statements of the Bank shall be read in conjunction with the statement of the Auditor's responsibilities as set out in the opinion on page five of this document. This is necessary and is being done in order to distinguish, for the benefit of the shareholders and other users of the financial statements, the respective responsibilities of the Board of Directors and the Auditors in relation to the financial statements of the Liberian Bank for Development and Investment (LBDI).

Samuel D. Tweak, Jr Chairman

Ownership Structure of the bank

Class	Shareholders	Number of share	Percentage of share
	Class A Shares		
	Government of Liberia (GOL)	154,540	20%
Α	National Social Security & Welfare Corporation (NSSWC)	125,000	16%
A	Private Shareholding	52,271	7%
	Treasury Stock	90,342	<u>12%</u>
	Total Class A Shares	422,153	<u>55%</u>
	Class B Shares		
	AIMAC (Africa-Investment Management Co. Ltd)	123,273	15.9%
	ECOWAS Bank for Development & Investment (EBID)	100,000	12.9%
	Private Individual Shareholding (JSPC, Abi Jaoudi)	47,160	6.1%
В	Group Agence Francaise de Development (GAFD)	31,059	4.0%
	Magnus Trust Corporation (MIC)	24,439	3.2%
	IEE Holding S.A	14,162	1.8%
	Firestone Plantation Company (FPCO)	8,381	1.1%
	Treasury Stock	3,764	<u>0.5%</u>
	Total Class B Shares	352,238	<u>45%</u>
		774,391	<u>100%</u>

The Government of Liberia infused a total amount of US\$ 31 million as additional capital during the last two years (2020 and 2021), but the relevant number of shares relatives to the amount paid have not been allocated by the Board of Directors. The amount has been classified as additional paid in capital in the statement of Financial Position.

Board Sub-Committees

- Board Credit committee
- Board Audit committee
- Board Risk & Compliance committee
- Board Asset and Liabilities committee
- Board Executive committee

Board Committees and their responsibilities

Board Credit Committee

The Board Credit Committee is responsible for exercising oversight of management's decisions on all credit related matters as well as the management of the Bank's credit exposures on an enterprisewide basis.

This includes but not limited to the approval of credit from US\$ 301,000 to US\$ 500,000 or its equivalent, delegating credit approval responsibility limit, promulgation of credit policies, management of bad and doubtful facilities, etc. This committee meets four times a year. During the year ended 2022, the Committee met four times.

Board Audit Committee

This committee has the duty to assist the Board of Directors in fulfilling its oversight responsibilities for:

- The integrity of the Banks' financial statements and reporting processes,
- The Banks' compliance with legal and regulatory requirements,
- Appointment of external auditors and
- Supervision of the work of the Bank's internal audit as well as compliance functions.

This Committee met four times in 2022 for its regular meetings.

Board Risk & Compliance Committee

The purpose of the Risk Management Committee is to monitor the risk profile and approve the risk management framework of the Bank within the context of the risk-reward strategy determined by the Board of Directors. This Committee like the Credit Committee meets four times a year and met three times in 2022.

Board ALCO Committee

The Asset and Liabilities Committee (ALCO) assist the Board in fulfilling its oversight responsibilities with respect to assets, liabilities, liquidity and capital management as well as interest rates, and foreign exchange risk management. The ALCO recommends changes to assets/liabilities pricing as well as product changes (including products and services introduction and removal) to ensure that the Bank can meet its commitments and operate within established Board policies. The ALCO also provides reports to the Board and Risk Management Committee. This Committee meets four times a year when necessary and met three times in 2022.

Board Executive committee

The Executive Committee's principal functions are to oversee market and strategic planning risk, and to supplement the Board's governance responsibilities, and recommend to the Board how Management should deliver on the strategies of the board including succession to the Management. This Committee met more frequently and reports its actions to the full Board.

muel D. Tweah Jr. Chairman

Directors' Report

1. Financial results

The financial results for the year ended 31 December 2022 are set out below:

	December 31 2022 L\$	December 31 2021 L\$
Result for the year	(2,016,496,068)	1,226,188,510

NATURE OF BUSINESS

The Liberian Bank for Development and Investment (LBDI) is a legislative chartered banking financial institution duly licensed by the Central Bank of Liberia to carry out banking activities, which include, among other things, accepting deposits from customers and lending to borrowers in Liberia.

APPROVAL OF THE FINANCIAL STATEMENTS

The	financial	stateme	nts of LBDI, as indicated above, were approved by the Board of Directors
on _	/_	/	and were signed on its behalf by:

Samuel D. Tweah, or

M. Akwenah Nyeamene, Jr Acting President/CEO

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders of the Liberian Bank for Development and Investment (LBDI)

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of the **Liberian Bank for Development and Investment (LBDI)**, which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Liberian Bank for Development and Investment (LBDI)** as at December 31, 2022, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) and the Financial Institutions Act of 1999 and the relevant Central Bank of Liberia Prudential guidelines applicable to the bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit Opinion.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

How the matter was addressed in the audit

Impairment of loans and advances

Management has adopted IFRS 9 "Financial instruments" and implemented expected credit loss (ECL) model for the impairment of loans and advances as required by IFRS 9. As a result, provision for impairment on loans, advances and receivable has significantly increased.

The new model introduced new classification of financial assets into amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL) and new credit risk parameters, including impact of macroeconomics scenarios. This risk parameter facilitates the staging of assets into three stages.

The model also uses collateral value and credit ratings of credit exposures which were also used in prior years for incurred loss model under IAS 39. For all loans, advances and receivables, expected credit loss is calculated based on a model, which inculcates expert and professional judgement on the probabilities of default, the amount of loss expected to arise from a default as well as the assessment of risk of a loss occurring. There is also the element of the time value of money which is obtained by discounting cash streams from collaterals provided by defaulting customers.

All of these involve considerable amount of professional judgement and influence based on insight into an entity's loan books. Based on this, total impairment charges on loans to customers for the year ended December 31, 2022 amounted to LD\$ 3,294,303,959 or US\$ 21,117,333 against LD\$ 3,249,949,921 and US\$ 21,666,333 for at December 2021.

Given the significance of judgement and the complexity related particularly to the calculation of ECL, we considered this as a key audit matter.

We assessed the Bank's accounting policy in relation to the ECL of loans to customers in compliance with IFRS 9 by assessing each significant model component: probability of default and loss given default, definition of default and significant increase in credit risk, use of microeconomic scenarios and other factors.

We assessed the design and operating effectiveness of the control over relevant loan data and ECL calculations. The control included those over the credit file periodic review and rating assessment, collateral value establishment and monitoring. We also tested control over ECL calculation process, ie. Whether:

Stages of credit deterioration are properly established in the system and relevant lifetime or 12 months PDs are assigned to stage 2 and stage 1 exposure respectively,

Lifetime and 12-month ECL is accurately calculated based on assigned PD and collateral values,

ECL for stage 3 assets is accurately calculated based on collateral value

We determined that we could rely on these control for the purpose of our audit. We selected a sample of loans representing different credit ratings, stages, economic factor and reviewed customer financial information, collateral data and other available information to assess:

If appropriate credit rating is applied to a customer



Whether the estimated future cash flows from collaterals are supportable.

We tested calculation of quarterly probability of default (PD) from loan portfolio and reconciled selected quarterly PD figures to working files where PDs were adjusted for macroeconomics scenarios and 12 months and life time PDs established.

We obtained the manual adjustments made in provision calculation engine and tested if changes in selected loans were justified.

Based on available evidence we found management assumptions and impairment calculation method to be reasonable.

Other information

The directors of the Bank are responsible for other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed; we conclude that there is no material inconsistency in other information. We therefore have nothing to report in this regard.

Going Concern

The financial statements of the Bank have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Bank's financial statements is appropriate.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and the Financial Institutions Act of 1999 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting; from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Nothing significant came to our attention to cause us to believe that the Bank has not, in all material respects, complied with the FIA and other CBL regulations and guidelines.

PKF Liberia
Accountants &
Business advisors

PKF-LIBERIA ACCOUNTANTS & BUSINESS ADVISERS

Monrovia

Date: 23 05 23

The Liberian Bank for Development & Investment (LBDI)

Statement of Financial Position As at December 31, 2022

	Notes	December 2022 L\$	December 2021 L\$
ASSETS			
Current assets			
Cash and cash equivalent	5	7,720,238,606	4,717,735,140
Treasury bond	6	1,000,000,000	2,000,000,000
Loans and advances to customers	7	4,747,592,816	7,030,261,865
Receivables and prepayments	8	2,726,114,342	3,535,098,773
Due to Banks		223,078,866	55,828,866
Lease assets		45,244,212	-
Other assets	8.2	1,241,803,051	402,525,792
Total current assets		<u>17,704,071,893</u>	<u>17,741,450,436</u>
Non-current assets			
Investment properties	9	1,415,183,826	1,360,753,679
Equity and other investments	10	556,935,182	270,280,698
Other Investments	11	3,603,428,237	4,446,747,389
Intangible assets	12	636,765,340	730,628,904
Property, plant and equipment	13	1,730,958,938	1,545,144,099
Total non-current assets		7,943,271,523	8,353,554,768
TOTAL ASSETS		25,647,343,416	26,095,005,204
LIABILITIES AND SHAREHOLDERS' EQUITY Current Liabilities:			
Deposits from customers	14	15,588,366,019	14,290,725,149
Short - term borrowings	15	425,100,000	558,750,000
Lease liabilities		52,483,236	-
Accounts payable	16	203,843,752	194,482,579
Other liabilities	17	1,906,743,686	1,942,686,456
Other levies payable	18	12,637,230	5,943,679
Total current liabilities		<u> 18,189,173,923</u>	<u>16,992,587,863</u>
Non Current Liabilities:			
Long - term borrowings	19	2,046,050,001	1,988,450,001
Due to branches		1,664,410	1,631,530
Due to foreign banks	20	2,060,467,009	<u>1,517,581,913</u>
Total non current liabilities		4,108,181,420	3,507,663,443
Total liabilities		22,297,355,343	20,500,251,306
Shareholders' equity:			
Share capital	21	510,228,269	510,228,269
Additional Paid -in-Capital		4,836,000,000	4,836,000,000
Share premium		140,958,544	140,958,544
Statutory reserves		419,589,986	419,589,986
Revaluation surplus - PPE		503,656,388	503,656,388
Treasury stock Translation adjustment	3.2.5	(101,112,418) 1,764,735,807	(101,112,418) 991,990,405
Retained earnings/(accumulated losses)	3.2.5	(4,724,068,503)	(1,706,557,276)
Total equity attributable to owners of the ban	k	3,349,988,073	5,594,753,898
TOTAL LIABILITIES AND SHAREHOLDERS'		25,647,343,416	26,095,005,204
The accompany notes on page 16 to 68	are inted		
Recedent	3	4	Ante

M. Akwenah Nyeamene

Samuel D. Tweah, Jr. Chairman - Board of Directors

Acting President/Chief Executive Officer ____/___/____

The Liberian Bank for Development & Investment (LBDI)

Statement of income For the year ended December 31, 2022

	Notes	December 2022 L\$	December 2021 L\$
Revenue:	110100		-4
Interest income Less: Interest expense	22 23	714,681,353 (385,303,564)	1,629,059,458 (337,288,603)
Net interest income Less: Loan impairment charges Net interest income		329,377,789 (1,066,499,905) (737,122,116)	1,291,770,854 (875,349,155) 416,421,700
Commissions and fees Other operating income	24 25	541,774,993 1,141,048,611	550,343,172 1,978,918,552
Net operating revenue		945,701,488	2,945,683,424
General and operating expenses:			
Personnel costs	26	752,328,229	747,449,223
General and administrative expenses	27	2,451,191,354	943,273,187
Other operating expenses	28	34,521,229	28,772,504
Total general and operating expenses		3,238,040,813	1,719,494,914
Operating result for the year		(2,292,339,324)	1,226,188,510
Corporate income tax			
Net operating result		(2,292,339,324)	1,226,188,510
Profit attritable to equity holders of the entity Profit for the period from continuing operations		(2,292,339,324)	1,226,188,510
Other comprehensive income Net revaluation surplus of PPE			
Total comprehensive income		(2,292,339,324)	1,226,188,510

The accompanying notes on page 16 to 68 are integral part of these financial statements

The Liberian Bank for Development & Investment (LBDI)

Statement of profit or loss and other comprehensive income For the year ended December 31, 2022

	December 2022 L\$	December 2022 L\$
Operating result for the year	(2,292,339,324)	1,226,188,510
Other comprehensive income: Gain from revaluation of equity investment in CEMENCO Remeasurement of defined benefit pension plan Gains on revaluation of property, plant and equipment	- 275,843,256 - -	- - -
Share of comprehensive income of associates and joint ventures	<u>-</u> (2,016,496,068)	<u>-</u> 1,226,188,510
Exchange differences on translating foreign operation Income tax relating recyclable components of other comprehensive income	- 	-
Other comprehensive income for the year, net of tax Total comprehensive income for the year		
Total comprehensive income attributable to: Equity holder of the parent Non-controlling interest	- - -	- - -
Earnings per share for the profit/loss from continuing operations attributable to the equityholders of the Bank during the year (expressed in Liberian dollars per share):		
Basic	-	-

The Liberian Bank for Development & Investment (LBDI) Statement of cash flows

For the year ended December 31, 2022

	December 2022 L\$	December 2021 L\$
Operating activities:		
Net operating results	(2,016,496,068)	1,226,188,510
Adjustments to reconcile net (loss) to net cash provided by operating activities:		
Depreciation - fixed assets Armortization - intangible Impairment charge - loans and advances Impairment charge - receivables Write-off of Loans and Advances Gain from revaluation of equity investment in CEMENC Prior Year Adjustments Adjusments (Intangible Assets) Changes in operating assets and liabilities Leased assets Loans and advances Receivables and prepayments Lease Assets Due from Central Bank of Liberia Other current assets Deposits from customers Lease liabilities Accounts payable Other liabilities	89,399,538 141,494,306 1,066,499,905 655,581,918 1,684,522,786 O 275,843,256 (1,001,015,159) (18,549,202) - 598,146,262 808,984,430 (45,244,212) (167,250,000) (839,277,258) 1,297,640,870 52,483,236 9,361,173 (35,942,770)	54,270,811 126,248,964 875,349,155 114,381,068 (1,386,538,020) - - - 64,909,508 2,792,275,465 996,752,524 - 0 229,710,264 (2,074,240,979) (91,760,800) (3,077,887,573) (115,903,724)
Other levies payable	6,693,551	3,893,476
Net cash used in operating activities	2,562,876,561	(262,351,353)
Investing activities: Partial liquidation of Treasury Bills by GoL Equity and other investments Investment properties Other investments Liquidation of Bonds by GoL Purchase of intangibles Purchase of long-term assets	1,000,000,000 (10,811,228) (54,430,147) 57,511,066 785,808,086 (14,228,604) (146,828,893)	- (26,289,529) 145,147,060 321,388,199 - 91,680,509 289,778,850
Net cash flows from investing activities	1,617,020,280	821,705,089
Financing activities:		
Purchase of additional shares acquired - GOL Settlement of Short term borrowings Additional Financing from banks	- (133,650,000) <u>600,517,976</u>	2,340,000,000 (1,553,600,000) (1,587,130,775)
Net cash flow from financing activities	466,867,976	(800,730,775)
Net decrease in cash and cash equivalents Translation differences Cash and cash equivalents at beginning of year Cash and cash equivalents at end of year	4,646,764,818 (1,644,261,352) 4,717,735,140 	(241,377,039) (710,812,795) 5,669,924,974 4,717,735,140
Jaon and Justi Equivalents at end of year	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-1,1 11,1 33,140

The Liberian Bank for Development & Investment (LBDI)

Statement of changes in shareholders' equity

For the year ended December 31, 2022

	Share Capital L\$	Additional Piad-in Capital L\$	Share Premium L\$	Revaluation PPE Reserve L\$	Statutory Reserves L\$	Treasury Stock L\$	Translation adjustment L\$	Retained Earnings L\$	Total L\$
Balance, January 1, 2022	5,346,228,269	-	140,958,544	503,656,388	419,589,986	(101,112,418)	991,990,405	(1,706,557,275)	5,594,753,898
Additional Capital	(2,340,000,000)	2,340,000,000	-	-	-	-	-	-	-
Net operating results for the year	-	-	-	-	-	-	-	(2,016,496,068)	(2,016,496,068)
Current year position/movements	-	-	-	-	-	-	-	-	-
Prior Year Adjustments	-		-	-	-	-	-	(1,001,015,159)	(1,001,015,159)
Foreign currency translation difference			-				772,745,401		772,745,401
Balance, December 31, 2022	3,006,228,269	2,340,000,000	140,958,544	503,656,388	419,589,986	<u>(101,112,418)</u>	1,764,735,806	(4,724,068,503)	3,349,988,073
Balance, January 1, 2021	3,006,228,269	-	140,958,544	503,656,388	419,589,986	(101,112,418)	1,847,466,991	(2,932,258,693)	2,884,529,067
Additional Capital	2,340,000,000	-	-	-	-	-	-	- '	-
Net operating results for the year	-	-	-	-	-	-	-	1,226,188,510	1,226,188,510
Current year position/movements	-	-	-	-	-	-	-	(487,092)	(487,092)
Foreign currency translation difference			-				(855,476,586)		(855,476,586)
Balance, December 31, 2021	5,346,228,269	<u> </u>	140,958,544	503,656,388	419,589,986	(101,112,418)	991,990,405	(1,706,557,275)	3,254,753,898

1.0 Corporate information

The Liberian Bank for Development and Investment (LBDI) was established in 1962 by the Government of Liberia ("GOL") in accordance with chapter 41 sections 965 through 1004 of an Act of the National Legislature and approved into law in that year. The Act was amended twice, the first amendment occurring on march 22, 1965, following which, the Bank commenced operations on November 24, 1965. The second was in 1988 in which the bank was given a commercial bank license to engage in commercial banking.

The Bank was established to facilitate the following economic policies of the GOL:

- a. Help the national economy through the free enterprise system;
- b. Encourage the economic development of the Country by facilitating international trade and investment of private capital for productive purpose;
- c. Fund the establishment and expansion of small and medium enterprises;
- d. Assist in the establishment, expansion and modernization of private enterprise;
- e. In general, provide and nurture a climate favorable to the investment of private capital for purposes of increasing the productive capabilities of the national economy.

1.1 Activities of LBDI

The Bank was initially established to provide development banking services as outlined above. On July 21, 1988, the chartered amendment of the Bank was expanded to include commercial banking services which authorized the expansion. The Bank commenced commercial banking activities on September 1, 1988.

LBDI was established to be the Bank for the ordinary person providing close to the client banking services throughout Liberia and be known for excellent customer service while creating wealth for its Stakeholders. LBDI provides corporate and personal banking products and services, as well as specialized services to its customers.

2.0 Significant Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the Liberian Financial Institutions Act of 1999. Additional information required by the Financial Institutions Act 1999 and the Prudential Regulations of the Central Bank of Liberia (CBL) have been included

where applicable.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments on estimates and assumptions that affect the application of accounting policies and the valuation of reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. The effect of reviewing accounting estimate is recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of revision and future periods, if the revision affects both current and future periods.

2.2 Foreign currency translation Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing on the dates of the transactions or valuation.

Monetary items denominated in foreign currencies are translated into equivalent Liberian dollars at closing rates prevailing at the reporting date. Non-monetary items whose values are denominated in a foreign currency are translated to equivalent Liberian dollars using the exchange rates prevailing on the date(s) of initial recognition. Non-monetary items denominated in a foreign currency that are measured at fair value are translated into equivalent Liberian dollars using the exchange rates prevailing on the date(s) that fair value is determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from retranslation of foreign currency denominated monetary assets and liabilities at year-end are recognized in the income statement for the current period.

All foreign exchange gains and losses recognized are presented net within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income. Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

2.3 Financial assets and liabilities

All financial assets and liabilities have been recognized in the statement of financial position and measured in accordance with their assigned categories.

2.3.1 Financial assets

The financial assets of the Bank consist of loans and other receivables, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value, which is the cash consideration to originate the loan including any transaction costs. They are measured subsequently at amortized cost using the effective interest method. Loans and receivables are reported in the statement of financial position as loans and advances to customers. Interest on loans is included in the income statement. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognized in the income statement as **'loan impairment charges.**'

2.3.2 Financial liabilities

Financial liabilities are valued in the statement of financial position at amortized cost. Such financial liabilities include customer deposits and debt collaterals for which the fair value option is not applied.

2.3.3 De-recognition of financial assets

Financial assets are derecognized when the contractual rights to receive cash flows from the financial asset have expired or the Bank has transferred substantially all the risks and rewards of ownership. Any interest in the transferred financial asset that is created or retrieved by the Bank is recognized as a separate asset or liability. Financial liabilities are derecognized when contractual obligations are discharged, cancelled or expired.

2.3.4 Classes of financial instruments

The Bank classifies financial instruments into classes that reflect the nature and characteristics of those financial instruments. The classifications made are set out in the table below:

Category (As defined by IAS 39 and IFRS 9)			Subclasses
·		Loans to individuals (retail)	Overdrafts
Financial assets	(i) Loans and advances to customers	Loans to corporate	Term loans
		entities	Mortgages
			Term loans
		Loans to	Overdrafts
		corporate entities	Others
		Deposit from Banks	
		Domestic	
Financial liabilities.	(ii) Deposit from customers	customers	
		Large corporate customers	
Guarantees, acceptances and other financial facilities			

(i) Loans and advances to customers

Loans and advances to customers are reported net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at effective interest rates to determine the fair value.

(ii) Deposits from Banks and customers

The estimated fair value of deposits with no stated maturity dates, which includes non-interest bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using interest rates for new debts with similar maturity profiles.

(iii) Off-balance sheet financial instruments

The estimated fair values of the off-balance sheet financial instruments are based on market prices for similar facilities. Where this information is not available, fair value is estimated using discounted cash flow analysis.

2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported when there is a legally enforceable right to offset the recognized amount and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.6 Interest income and expenses

Interest income and expense for all interest-bearing financial instruments are recognized within *interest income* and *interest expense* in the income statement using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instruments, including prepayment options, but does not consider future credit losses.

The calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.7 Fees and commissions income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Loan commitment fees that are likely to be drawn down are deferred, together with related direct costs, and recognized as an adjustment to the effective interest rate on the loan.

2.8 Impairment of financial assets

(a) Loans and other receivables carried at amortized cost

The Bank assesses whether there is objective evidence that a financial asset is impaired at each reporting date. A financial asset is considered impaired only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event(s) has an impact on estimated future cash flows of the financial asset that can be reliably estimated. The criteria that the Bank uses to determine whether there is objective evidence of an impairment loss include:

(i) significant financial difficulty of the issuer or obligor;

- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) granting the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the Bank would not otherwise consider;
- (iv) a likely probability that the borrower will enter bankruptcy or other financial reorganization;
- (v) observable data indicating that there is a measurable decrease in estimated future cash flows from a portfolio of financial assets, since initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on assets in the portfolio.

The estimate period between a loss occurring and its identification is determined by management for each identified portfolio. In general, the periods used vary between 3 and 12 months, in exceptional cases, longer periods are deemed warranted.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using observable market prices.

The calculation of the present value of estimated future cash flows of a collateralized financial asset reflects cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, loans and other receivables are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Bank's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in groups of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Bank and historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets reflect and are directionally consistent with changes in related observable data from period to period including property prices, payment status and other factors indicative of changes in the probability of losses and their magnitude. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of loss has been determined. Impairment charges relating to loans and advances are recognized in loan impairment charges.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an observable or determinable improvement in the debtor's economic condition), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

(b) Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as performing loans, when performance has been confirmed. In subsequent years, the asset is considered to be past due and disclosed as such only if renegotiated again.

2.9 Cash and cash equivalents

Cash and cash equivalents include currency notes and coins on hand, unrestricted balances held with the Central Bank of Liberia and highly liquid financial assets with original maturities of three (3) months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost.

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of an item and any other cost(s) necessary to make the asset usable at the point of location. Buildings are shown at valuation less subsequent depreciation.

Subsequent expenditures are included in the asset's carrying amount or are recognized as a separate asset(s) only when it is probable that future economic benefits associated with the item(s) will flow to the Bank and the cost of the item(s) can be measured reliably. The carrying amount of a replaced part is derecognized.

All other repair and maintenance costs are reflected in the income statement for the financial period in which they are incurred.

Depreciation is recognized in the income statement on a straight-line basis to write off the gross value less residual amounts over their estimated useful lives.

Depreciation on leasehold improvement is calculated on the remaining term of the lease or the economic life of an asset, whichever is shorter.

Depreciation rates for property and equipment assets are as follows:

	Percent
Motor vehicles	33.3
Equipment	20
Furniture and fittings	10
Computers	25
Software	20
Miscellaneous properties	33.3
Leasehold improvement	Lease Period

The residual value and the useful life of each asset or category of assets is reviewed, and adjusted if appropriate, at the end of each reporting period. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are recognized in the income statement.

2.11 Intangible assets

Intangible assets comprise computer software licenses. Intangible assets are recognized at cost.

Intangible assets with a definite useful life are amortized using the straight-line method over their estimated useful economic life, generally not exceeding 3 years. Intangible assets with indefinite useful lives are not amortized.

At the end of each reporting period, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are tested to determine whether their carrying amount is fully recoverable. An impairment loss is recognized if the carrying amount exceeds the recoverable amount.

2.12 Investment Properties

Investment properties include office buildings and other real properties that are held for long-term rental yields and or capital appreciation. Investment properties include properties constructed or developed for future use as investment properties.

Investment properties are recognized initially at cost and subsequently carried at fair value. An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure.

Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. The initial cost of a property interest held under a lease and classified as an investment property shall be as prescribed for a finance lease, i.e. the asset shall be recognized at the lower of the fair value of the property and the present value of the minimum lease payments. An equivalent amount shall be recognized as a liability.

For subsequent measurement an entity must adopt either the fair value model or the cost model as its accounting policy for all investment properties. All entities must determine fair value for measurement (if the entity uses the fair value model) or disclosure (if it uses the cost model). Fair value reflects market conditions at the end of the reporting period.

An investment property shall be de-recognized (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognized in profit or loss. Compensation from third parties for investment property that was impaired, lost or given up shall be recognized in profit or loss when the compensation becomes

receivable.

2.12 Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. They are divided into finance leases and operating leases.

2.13 Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

2.14 Provisions

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events that can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. Where there are a number of similar obligations which are likely to result in an outflow to settle related classes of obligations as a whole, a provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations is deemed small.

Provisions are measured at the present value of expenditures expected to be required to settle obligations using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the obligation. An increase in the provision due to passage of time is recognized as an interest expense.

2.15 Post balance sheet events

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effects are material and measurable.

2.16 Employment benefits Defined contribution plans

Short-term benefits

Short-term employee benefits obligations such as wages and salaries and social security contribution, paid annual leave and paid sick leave are measured on an

undiscounted basis and are expensed as the related service is received. A provision is recognized for the amount expected to be paid under short-term cash bonus if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.17 Key standards

IAS 32, 39 and IFRS 7 Financial Instruments

Under IFRS, financial assets and liabilities are required to be classified as **held for trading**, **fair value through profit and loss**; **loans and receivables** and **held to maturity** financial assets and liabilities.

i) Impairment of Loans and Advances (Impairment per IFRS Vs CBL Prudential provision charges

In keeping with the requirements of relevant regulations issued by the Central Bank of Liberia a specific risk provision for loan impairment is established to provide for management, estimate of credit losses as soon as the recovery of an exposure is identified as doubtful. This provision is made for accounts that are not performing in accordance with the terms of the related facility agreement. A general provision of at least 1% is made for all performing exposures to recognize losses in respect of risks inherent in any credit portfolio.

Under IFRS, an impairment loss can only be accounted for if there is objective evidence that a loss has occurred after the initial recognition but before the date of the statement of financial position. IFRS also allows for the creation of credit impairment for losses incurred but not reported, in order to provide for latent losses in a portfolio of loans that have not yet been individually identified as impaired. In general, impairment for credit losses under IFRS is lower than the level required by the central bank of Liberia (CBL). In fact, when the total of provision calculated in accordance with regulation No. CBL/RSD/005/2014 exceeds the amount of the allowance for impairment losses on financial assets, the bank must disclose the difference and its impact on the bank's profit and capital for the period.

Loans and Advances, origination fees and effective interest

Under IFRS loans and receivables are measured at amortized cost subsequent to initial recognition. On that basis, loans and receivables are measured at initial recognition value minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment. The bank in its practice does not recognize the origination fees proportionally to the life of loans and advances.

Therefore, the re-measurement under IFRS leads to the adjustment of fees income. The Bank has derecognized unamortized fees and reclassified same under other liabilities in order to bring its reporting of affected line items in line with IFRS.

ii) Restricted Assets

When restriction is imposed on the owner's use of an asset, that restriction necessarily changes the nature and normal understanding of the asset, and its availability for operations. As cases in point, deposits held with correspondent banks for letters of credit commitments and reserve requirements held with the Central Bank of Liberia were classified as cash and cash equivalents by the bank. However, under IFRS, reclassification is required for these items, from cash and cash equivalent to other current assets to reflect the restricted nature of the items. Due to policy changes at the Central Bank of Liberia, the Central Bank no longer maintain separate accounts for the Reserve Requirements calculated in United States dollars or its equivalent in Liberian dollars at 10% and 25% of customers deposits after every two weeks, but the Reserve Requirements and the Current Account are merged into one account, the bank's current account with the Central Bank – which is flexible to operate.

3. Financial Risk Management

The Bank's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The Bank regularly reviews its risk management policies and systems to reflect changes in markets and products under best market practices.

The Bank's aim is to achieve an appropriate balance between risk and return and to minimize any potential adverse effects on the Bank's financial performance.

The Bank defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

Risk management is carried out by the Bank's Risk Department under policies approved by the Board of Directors. The Department identifies and evaluates financial risks in close co-operation with the other operating units of the Bank. The Board provides guidance for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, legal/compliance risk, liquidity risk, operational risk, strategic risk, and reputational risk. In addition, internal audit is responsible for the independent review of risk management and the control environment.

The risks arising from financial instruments to which the Bank is exposed are financial risks, which include the various risks discussed below.

3.1 Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, market counterparties fail to fulfill their contractual obligations to the Bank.

Credit risk arises mainly from commercial and consumer loans and advances, but can also arise from credit enhancement provided, such as off-balance sheet items including guarantees, letters of credit, endorsements and acceptances. As credit risk is the single largest risk for the Bank's business, management closely and carefully monitors and manages its exposure to credit risk. Credit risk management and control are centralized in the Management Credit Committee.

3.1.2 Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and sectors in accordance with Central Bank of Liberia guidelines on single obligor or single sector limits.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to any single borrower or categories of borrowers as well as to industry segments.

Such risks are monitored on a revolving basis and are subjected to annual or more frequent reviews, when considered necessary. Limits on the level of credit risk by product and industry sector are reviewed at least once annually by the Board of Directors.

The exposure to any one borrower including other financial institutions is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored periodically. Lending limits are reviewed in the light of changing market and economic conditions and quarterly credit reviews and assessments of probability of default.

Some other specific control and mitigation measures are outlined below:

Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

The principal collateral types for loans and advances are:

- Mortgages over residential properties
- Charges over business assets such as premises, inventory and accounts receivables

Longer-term finance and lending to corporate entities are generally secured. In addition, in order to minimize credit loss, the Bank seeks additional collateral from counterparties as soon as impairment indicators are identified for relevant individual loans and advances.

Impairment and provisioning policies

Impairment allowances are recognized for financial reporting purposes only for losses that have been incurred as at the reporting date based on objective evidence of impairment.

3.1.3 Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the bank has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring or as prescribed by the regulations.

3.1.4 Allowances for impairment

The bank establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance, established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

3.1.5 Write-off policy

The bank writes off a loan / security balance (and any related allowances for impairment losses), when Management Credit Committee, with approval from the Board, determines that the loans / securities are uncollectible.

This determination is reached after considering information such as the occurrence of significant changes in the borrower / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

For smaller balances standardized loans, charge off decisions are generally based on a product specific past due status.

3.1.6 Loan and advances to customers

(a) Loans and advances neither past due nor impaired

The credit quality of the portfolio of loans and advances to customers that were neither past due nor impaired can be assessed by reference to the internal rating system adopted by the Bank. Grading of current and other Loan Especially Mentioned (OLEM) are not considered past due nor impaired, see note 7c.

	2022	2021
	Gross Amount L\$	Gross Amount L\$
Performing	4,084,944,240	4,827,564,424
Non-performing	4,976,337,358	5,452,647,360
Gross loans	9,061,281,598	10,280,211,784
Non-performing loan ratio	55%	53%

The bank's ratio of non – performing loan to total loans on the gross basis as at December 31, 2022 was 55% (2021 – 53%). The required maximum NPL ratio by the Central Bank of Liberia is 10%.

3.2 Interest rate risk

- **3.2.1** Interest rate risk is the exposure of current and future earnings and capital to adverse changes in the level of interest rates. Exposure to interest rate risk can result from a variety of factors, including:
 - (i) Differences between the timing of market interest rate changes and the timing of cash flows (re-pricing risk);
 - (ii) changes in the market interest rates producing different effects on yields on similar instruments with different maturities (yield curve risk); and
 - (iii) changes in the level of market interest rates producing different effects on rates received or paid on instruments with similar reprising characteristics (basis risk).

The Bank uses gap analysis, as shown below, to measure its exposure to interest rate risk. Through this analysis, it compares the values of interest rate sensitive assets and liabilities that mature or are re-priced at various time periods in the future. The Bank may make judgmental assumptions about the behavior of assets and liabilities that do not have specific contractual maturity or re-pricing dates.

3.2.2 Interest Gap Analysis

	Book Value	On Demand	Not More than 3 Over 3 Months less O		Over 1 year less Over 5 Years		Total
Description	DOOK Value	On Demana	months	than 1 year	than 5 year		Total
Cash and Bank balances	7,720,238,606	7,720,238,606	-	-	-	-	7,720,238,606
Loan and Advances	9,061,281,598	4,720,161,404	48,074,940	26,099,260	1,154,187,720	3,112,758,274	9,061,281,598
other Current Assets (excluding prepayment)	2,416,258,291	1,522,845,685	57,149,680	836,262,926	-	-	2,416,258,291
Assets Held for Maturiting Liquidity risk	19,197,778,495	13,963,245,695.54	105,224,619.60	862,362,185.68	1,154,187,720.00	3,112,758,274.00	19,197,778,494.82
							_
Deposits from Customer	15,588,366,019	15,537,003,760	51,362,259	-	-	-	15,588,366,019
Short-term Debts	425,100,000	425,100,000	-	-	-	-	425,100,000
Other Liabilities	1,661,718,853	1,661,718,853	-	-	-	-	1,661,718,853
Total Liabilities (contractual Maturity dates)	17,675,184,872	17,623,822,613	51,362,259.00	-	-	-	17,675,184,872
Cumulative Liquidity	1,522,593,623	(3,660,576,918)	53,862,361	862,362,186	1,154,187,720	3,112,758,274	1,522,593,623

Description	Book Value	On Demand	Not More than 3 months	Over 3 Months less than 1 year	Over 1 year less than 5 year	Over 5 Years	Total
Cash and Bank balances	4,717,735,140	4,717,735,140	-	-	-	-	4,717,735,140
Loan and Advances	10,280,211,784	5,263,134,530	38,625,470.00	578,103,360	710,220,630	3,690,127,794	10,280,211,784
other Current Assets (excluding prepayment)	3,114,892,743	3,114,892,743	-	-	-	-	3,114,892,743
Assets Held for Maturiting Liquidity risk	18,112,839,667	13,095,762,413.00	38,625,470.00	578,103,360.00	710,220,630.00	3,690,127,794.00	18,112,839,667.00
Deposits from Customer Short-term Debts	14,290,725,149 558,750,000	14,115,764,808 558,750,000	174,960,341	-	-	-	14,290,725,149 558,750,000
Other Liabilities	2,701,862,714	2,701,862,714	-	-	-	-	2,701,862,714
Total Liabilities (contractual Maturity dates)	17,551,337,863	17,376,377,521.77	174,960,341.23	-	-	-	17,551,337,863.00
Cumulative Liquidity	561,501,804	(4,280,615,108.77)	(136,334,871.23)	578,103,360.00	710,220,630.00	3,690,127,794.00	561,501,804.00

Exchange rates applied during the year Reporting Rates

Averag	ge Rate	Year	r End		
2022	2021	2022	2021		
156.42	170.1	156	150		
156.42	170.1	156	150		
156.42	170.1	156	150		

3.2.5 Translation adjustment

	Monetary-Nonmonetary Method						
Items	Foreign Currency	Rate at date of Transaction	Translation Amount LRD	Balance Sheet Amount LRD	Translation Difference LRD	% Impact on the Capital	
Investment Property	9,071,691.19	156	1,415,183,825.64	1,360,753,679.00	54,430,146.64	4%	
Intangible assets	4,081,829.10	156	636,765,339.98	730,628,904.00	(93,863,564.02)	-13%	
Property and Equipment	11,095,890.63	156	1,730,958,938.41	1,545,144,099.00	185,814,839.41	12%	
Due to Central Bank & EBID	26,334,496.28	156	4,108,181,419.03	3,507,663,443.00	600,517,976.03	17%	
Share Capital & Additional Paid-in Capital	7,724,240.00	156	1,204,981,440.00	1,158,636,000.00	46,345,440.00	4%	
Share Premium	18,042,754.00	156	2,814,669,624.00	2,706,412,100.00	108,257,524.00	4%	
Statutory Reserves	3,629,641.44	156	566,224,064.95	694,981,026.00	(128,756,961.05)	-19%	
			12,476,964,652.01	11,704,219,251.00	772,745,401.01	7%	
			Openining Balance 2021		991,990,404.83		
			Increase / Decre	ase during the year	772,745,401.01		
			C	Closing Balance 2022	1,764,735,805.84		

The reporting currency in Liberia for banks financial institutions is the Liberian Dollars while the functional currency is the United States Dollars given the frequency of usage on the market. Also, LBDI has two other currencies, EURO and Great Britain Pound (GBP) in its operations. This primarily allows the Bank to send and receive funds in the other currencies. The effects of changes in the exchange rates over the year 2022 resulted to L\$ 1.7B. This translation result is meanly on items (Fixed Assets, Long-Term Debt, Capital, and other Reserves) at the historical rates on LBDI books.

Capital Management

The Banks's objectives when managing capital include:

- · complying with capital requirements set by the Central Bank of Liberia
- safeguarding the Bank's ability to continue as a going concern to enable it continue providing returns for shareholders and benefits for other stakeholders
- maintaining a strong capital base to support the development of its business

Capital adequacy and the use of regulatory capital are monitored daily by management, and the required return is filed with Central Bank of Liberia on a quarterly basis. Central Bank of Liberia requires each bank to:

- (a) hold a minimum regulatory capital of USD\$10 million; and
- (b) maintain a ratio of total regulatory capital to risk-weighted assets plus risk weighted off balance sheet assets above a required minimum of 10%.

The Bank's regulatory capital is divided into two tiers:

Tier 1 capital: includes shareholders' equity and disclosed reserves after deducting specified assets such as intangibles and certain classes of investments.

Tier 2 capital: includes qualifying subordinated loan capital, collective impairment allowances and unrealized gains arising on the fair valuation of equity instruments held as available for sale.

As at December 31, 2022, the Bank's total capital was US\$26,701,312 which is US\$ 16,701,312 in excess of the regulatory minimum of US\$10,000,000.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature and reflecting an estimate of credit, market and other risks associated with each asset and counterparty. A similar treatment is adopted for off-balance sheet exposures, with some adjustments to reflect the more contingent nature of potential losses.

The table below summarizes the composition of regulatory capital ratio of the Bank for the year ended December 2022.

4.0 Operational Risk Management

Liberian Bank for Development and Investment (LBDI) Limited defines Risk Management "Operations Risk" as the direct/indirect risk of loss resulting from inadequate and /or failed internal processes, people and systems or from external events.

This definition requires the review and monitoring of all strategies and initiatives deployed in its people management, process engineering and re-engineering, technology investment and deployment, management of all regulatory responsibilities and response to external threats.

To ensure the Bank implements a holistic risk management framework, Operational Risk management also monitors Strategic and Reputational Risks from a broad perspective. The following practices, tools and methodologies have been implemented at the Bank for this purpose:

- i) Loss Incident Reporting--an in-house manually developed Loss Incident Reporting System is deployed through the Bank's internal control system of logging operational risk incidents at all levels and in every department and unit of the Bank. All staff members as well as customers are encouraged to report operational risk incidents that occur within their work places whether it crystallize into actual losses or not. As a result, Liberian Bank for Development and Investment collates Operational Risk loss data for reporting to the Board of Directors at regular Board meetings. Information gather is used to identify risk concentrations and for appropriate remedial actions.
- ii) Fraud Risk Management Initiatives—Causal analysis of key fraud and forgeries trends identified in the Bank or prevalent in local and global business or banking environments are carried out and reported on a monthly basis. Likely and unlikely loss estimations are also determined in the process as input in the Operation Risk loss calculation. The focus in Fraud Risk Management is to ensure that processes for preventing, deterring fraud and forgery incidents and sanctioning offenders are effective.
- Business Continuity Management in line with international best practices—To ensure the resilience of our business to any disruptive eventuality, the Bank has in place a robust Business Continuity plan which assures timely resumption of its business with minimal financial losses or reputational damage and continuity of service to its customers, vendors and regulators. Proper backup of data and information as well as technology testing (computer and server) are carried out to ensure that recovery plans and processes are effective and that all staff are aware of their roles and responsibilities when there is an alert.

This plan is reviewed regularly and when necessary, it is updated to ensure reliability and relevance of information contained.

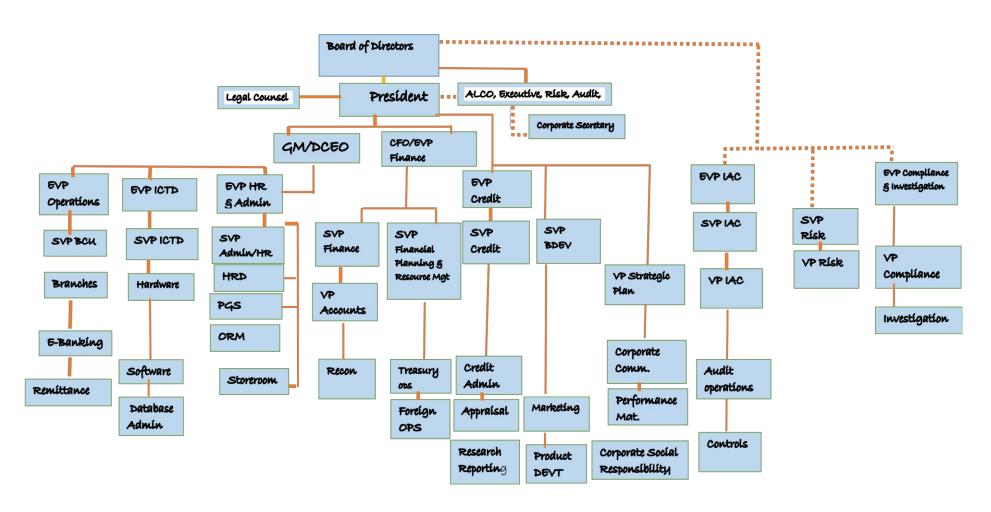
- iv) Information Risk Management Awareness and Monitoring—Strategies for ensuring the confidentiality, Availability and Integrity of all the Bank's information assets (hardware, software, documents, backup media, etc) are continuously reviewed and key risks identified to and reported to key stakeholders. Where applicable, implementation of controls by relevant stakeholders is also tracked and reported on.
- v) Compliance and Legal Risk Management---Compliance Risk management involves close monitoring of KYC and other regulatory compliance by the bank, escalation of Non-conformances, compliant management, and observance of the Bank's Zero-tolerance culture for regulatory breaches. It also entails an oversight role for monitoring adherence to regulatory guidelines and global best practices on an on-going basis.

Legal Risk Management involves the monitoring of litigations against the Bank to ascertain likely financial or non-financial loss exposures. It also involves conduct of causal analysis on identified points of failure that occasioned these litigations. Medium to High risk factors identified are duly reported and escalated for appropriate treatment where necessary.

vi) Occupational Health and Safety Procedures and Initiatives---Global best practices for ensuring the health and safety of all staff, customers, and visitors to the Bank's premises are advised, reported on to relevant stakeholders and monitored for implementation. AAs a result, the following are conducted and monitored: Fire Risk Assessments, Burglaries and Injuries that occur within the Bank's premises are reviewed and evaluated for appropriateness.

4.1 Operational Risk Management Philosophy and Principles

4.1.1 Governance Structure



The Board through its Risk Management Committee oversees the operational risk as well as credit Risks function in the Bank. It ensures that Operations and credit risk policies are robust and provides a framework on the Bank's generality of its risk profile and limits. It also determines the adequacy and completeness of the Bank's detection and measurement systems, assesses the adequacy of risk mitigates, reviews and approves contingency plans for specific risks and lays down the principles on how operational risk incidents are to be identified, assessed, controlled monitored and measured.

The risk management committee monitors the activities of the operations and credit risk through the Bank's Executive management committee and the Credit and Risk Management Departments of the bank.

All process owners are responsible for the day-to-day management of Operation and other risks prevalent in their respective departments, sections, units and branches of the Bank. Internal audit function conducts independent reviews on the implementation of Operation Risk Policies and procedures bank-wide.

4.2 Strategic Risk Management

Strategic risk management is the process for identifying, assessing and managing risks and uncertainties, affected by internal and external events or scenarios that could inhibit the Bank's ability to achieve its strategy and strategic objectives with the ultimate goal of creating and protecting shareholders' and other stakeholders' value.

At Liberian Bank for Development and Investment, it could also be regarded as the possibility that the Bank's strategy may be inappropriate to support its long-term corporate goals due to the inadequacy of its strategic planning and /or decision-making processes of the inadequate implementation of such strategy. This could include the risk that the strategy is unclear, clear but not viable or clear and viable but badly implemented, or strategy failure due to unexpected circumstances. Because of the importance the Bank's places on this, it has a process in place that monitors and tracks the banks over strategy and measure achievement on an ongoing basis.

4.3 Reputational Risk Management

The bank regularly reviews its policies and procedures for safeguarding against reputational risk. This is an evolutionary process, which takes accounts of relevant developments, industry guidance, best practices and societal expectations. Liberian Bank for Development and Investment has always aspired to the highest standards of conduct and, as a matter of routine, take account of reputational risks to its business. Standards on all major aspects of business are set for the Bank and for individual branches, business units and functions. Reputational risks, including environmental, social and governance matters are considered and assessed by the Board, the Risk Management committee and senior management during the formulation of policies and the establishment of standards.

These policies, which form an integral part of the internal control system, are communicated to through manuals, and policy statements and are promulgated through internal communications and training.

Appendix I: Financial statement disclosures - proposed

New and amended standards adopted by the bank

All new and revised standards and interpretations that have become effective for the first time in the financial year beginning 1 January 2018 have been adopted by the Bank. Of those, the following has had an effect on the Bank's financial statements:

International Financial Reporting Standard 9 (IFRS 9): Financial Instruments

The Bank has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Bank did not early adopt IFRS 9 in previous periods.

As permitted by the transitional provisions of IFRS 9, the Bank elected not to restate comparative figures. Therefore, the adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in opening retained earnings.

Consequently, for notes and disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes and disclosures repeat those disclosures made in the prior year.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Bank. Further details of the specific IFRS 9 accounting policies applied in the current period are described in more detail in note ___ (i) (below - Classification and measurement of financial instruments) and note 3 (on risk management objectives and policies).

(i) Classification and measurement of financial instruments

Amortised cost

Amortised cost

Held for maturity Availiable for sale

The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 at December 31, 2022 are compared as follows:

			1		
	IA:	S 39	IFRS 9		
	Measurement	Carry	Measurement	Carry	
Financial assets highlight	Category Amount		Category	Amount	
Cash and cash equivalent	Amortised cost	7,720,238,606	Amortised cost	7,720,238,606	
Loan and advances	Amortised cost	9,061,281,598	Amortised cost	9,061,281,598	
Other financial assets:					
Held for trading	FVTPL	-	FVTPL	-	
Held for sale	FVTOCI	-	FVTOCI	-	

Amortised cost

Amortised cost

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective for the year presented:

- Amendments to IAS 12 'Income Taxes' effective for annual periods beginning on or after 1 January 2019 clarifying on the recognition of income tax consequences of dividends.
- Amendments to IAS 19 'Employee Benefits' effective for annual periods beginning on or after 1 January 2019 clarifying the effects of a retirement benefit plan amendment, curtailment or settlement.
- Amendments to IAS 23 'Borrowing Costs' effective for annual periods beginning on or after 1 January 2019 clarifying that specific borrowings remaining unpaid at the time the related asset is ready for its intended use or sale will comprise general borrowings.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' effective for annual periods beginning on or after 1 January 2019 clarifying that IFRS 9 is only applicable to investments to which the equity method is not applied.
- Amendments to IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangements' effective for annual periods beginning on or after 1 January 2019 in relation to re-measurement of previously held interests on a joint operation on obtaining control.
- Amendments to IFRS 9 'Financial Instruments' effective for annual periods beginning on or after 1 January 2019 clarifying that the existence of prepayment

features with negative compensation will not in itself cause the instrument to fail the amortised cost classification.

- IFRS 16 'Leases' (issued in January 2016) effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease' and their interpretations (SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.
- IFRS 17 'Insurance Contracts' (issued May 2017) effective for annual periods beginning on or after 1 January 2021 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (issued June 2017) effective for annual periods beginning on or after 1 January 2019 clarifies the accounting for uncertainties in income taxes.

The directors expect that the future adoption of IFRS 16 may have a material impact on the amounts reported. However, it is not practicable to provide a reliable estimate of the effects of the above until a detailed review has been completed.

The directors do not expect that adoption of the other standards and interpretations will have a material impact on the financial statements in future periods. The Bank plans to apply the changes above from their effective dates.

b) Critical accounting estimates and judgement

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement of expected credit losses (ECL):

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs are based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The ECL model contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

- Stage 1 If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.
- Stage 2 When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase

in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.

When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk:

The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit risk or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments that are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The Bank uses these guidelines in determining the staging of its assets unless there is persuasive evidence available to rebut these presumptions.

c) Impairment of non-financial assets and intangible assets

At the end of each reporting period, the Bank reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i. Financial instruments

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the instrument. Management determines all classification of financial instruments at initial recognition.

- Financial assets

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

The Bank's financial assets fall into the following categories:

Amortised cost: financial assets that are held for collection of contractual cash flows where those cash flows represent Solely Payments of Principal and Interest (SPPI), and that they are not designated at Fair Value Through Profit or Loss (FVTPL), are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'interest and similar income' using the effective interest rate method.

Fair Value Through Other Comprehensive Income (FVTOCI): financial assets that are held for collection of contractual cash flows where these cash flows comprise SPPI and also for liquidating the assets depending on liquidity needs and that are not designated at FVTPL, are measured at FVTOCI.

Movements in the carrying amount are taken through OCI, except for recognition of impairment gain or losses, interest revenue and foreign exchange gain and losses. Gains and losses previously recognised in OCI are reclassified from equity to profit or loss on disposal of such instruments. Gains and losses related to equity instruments are not reclassified.

Fair Value Through Profit or Loss (FVTPL): financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measure at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement.

For the purpose of SPPI the test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement will not comprise SPPI.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank determines the business models at a level that reflects how societies financial assets are managed together to achieve a particular business objective.

The Bank's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Bank has more than one business model for managing its financial instruments which reflect how the Bank manages its financial assets in order to generate cash flows. The Bank's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Bank considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Bank does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Bank takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Bank determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Bank reassess its business models each reporting period to determine whether the business models have changed since the

preceding period. For the current and prior reporting period the Bank has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Financial instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Impairment

The Bank recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Cash and cash equivalents
- Loans and advances
- Other financial assets

No impairment loss is recognised on investments measured at FVTPL.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month expected credit loss (ECL), i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument. (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk are provided in note 4.4.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is drawn down.

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the holder, the debtor or any other party.

The Bank measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate (EIR), regardless of whether it is measured on an individual basis or a collective basis.

More information on measurement of ECLs is provided on page 60, including details on how instruments are grouped when they are assessed on a collective basis.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

Evidence of credit-impairment includes observable data about the following events:

- contractual payments that are more than 90 days overdue;
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's
- financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider:
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Bank assesses whether all new and revised standards and interpretations that have become effective for the first time credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Bank renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default.

A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms.

The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Bank has an established forbearance policy which applies for corporate and retail lending.

When a financial asset is modified, the Bank assesses whether this modification results in de-recognition. In accordance with the Bank's policy a modification results in de-recognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Bank considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

If the difference in present value is greater than 10% the Bank deems the arrangement is substantially different leading to de-recognition.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of de-recognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on de-recognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated - credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in de-recognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

 the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with - the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in de-recognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Bank's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to de-recognition the Bank calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Bank measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Bank derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On de-recognition of a financial asset other than in its entirety (e.g. when the Bank retains an option to repurchase part of a transferred asset), the Bank allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss.

A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Write-off

Loans and debt securities are written off when the Bank has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank's enforcement activities will result in impairment gains.

Financial liabilities

Financial liabilities at fair value through profit or loss: financial liabilities that
are acquired or incurred principally for the purpose of repurchasing in the near term
or upon initial recognition is part of a portfolio that has a recent pattern of short
term profit taking.

Such liabilities are carried at fair value and the fair value gains or losses are included in profit or loss. This category has two sub-categories:

- financial assets held-for-trading and;
- those designated at fair value through profit or loss at inception.
- **Financial liabilities measured at amortised cost:** These include borrowings, trade and other payables. These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in profit or loss under finance costs under the effective interest rate method.

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in profit or loss under finance costs.

Fees associated with the acquisition of borrowing facilities are recognised as transaction costs of the borrowing to the extent that it is probable that some or all of the facilities will be acquired. In this case the fees are deferred until the drawn down occurs. If it is not probable that some or all of the facilities will be acquired the fees are accounted for as prepayments under trade and other receivables and amortised over the period of the facility.

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially completed for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

Financial liabilities are derecognised when, and only when, the Bank's obligations are discharged, cancelled or expired.

1.	Loans and advances to customers	2022	2021
	Performing	4,084,944,240	4,827,564,424
	Non-performing	4,976,337,358	5,452,647,360
	Gross loans	9.061,281,598	10.280.211.784

2. Risk management objectives and policies

a) Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligation resulting in financial loss to the Bank. The Bank's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and other financial institutions (including related commitments to lend such as loans or credit card facilities) and investment in debt securities. The Bank considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

Credit risk management

The Bank's credit committee is responsible for managing the Bank's credit risk by;

- Ensuring that the Bank has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Bank's stated policies and procedures, IFRSs and relevant supervisory guidance.
- Identifying, assessing and measuring credit risk across the Bank, from an individual instrument to a portfolio level.
- Creating credit policies to protect the Bank against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to continually monitor exposure against internal risk limit.

- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.
- Developing and maintaining the Bank's risk grading to categories exposure according to the degree of risk of default. Risk grades are subject to regular reviews.
- Developing and maintaining the Bank's risk processes for measuring Expected Credit Loss including monitoring of credit risk, incorporating forward looking information and the method used to measure ECL.
- Ensuring the Bank has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.
- Establishing a sound credit risk accounting assessment and measurement process that provides it with a strong basis for common systems, tools and data to assess credit risk to account for ECL. Providing advice, guidance and special skills business units to promote best practice in the management of credit risk.

The internal audit function performs regular audit to make sure that the established controls and procedures are adequately designed and implemented.

Significant increase in credit risk

The Bank monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been an increase in significant risk the Bank will measure the loss allowance based on the lifetime rather that 12 - months ECL.

Internal credit risk rating

The Bank takes on exposure to credit risk which is the risk of financial loss to the Bank if a member or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing ending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral against loans and advances in the form of registered securities over assets and guarantees from members.

Credit risk in the Bank, is also managed through a framework of policies and procedures. Origination and approval roles are segregated.

To aid credit managers in portfolio management, regular internal risk management reports contain information on key environmental and economic trends across major portfolios, portfolio delinquency and loan impairment performance as well as information on migration across credit grades and other trends. Expected loss is the long-run average credit loss across a range of typical economic conditions. It is used in the delegation of

credit approval authority and must be calculated for every transaction to determine the appropriate level of approval. To assist risk officers in monitoring the portfolio, various internal risk management reports are available on a regular basis, providing individual counterparty, counterparty Bank and portfolio exposure information, the status of accounts showing signs of weakness or financial deterioration and updates on credit markets.

The Bank' grading systems is based on the basic principles issued by the regulatory authority SASRA on the basis that the periods are largely consistent with the IFRS presumptions on stages of credit products. In addition to nominal aggregate exposure expected loss is used in the assessment of individual exposures and for portfolio analysis. The credit grades within Bank are based on a probability of default. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to the nature and type of loans. The Bank grades its loans into five categories on the basis of the following criteria:

- 1. **Performing loans**, being loans which are well documented and performing according to contractual terms. Such loans are considered under stage 1 no significant increase in credit risk for purposes of the ECL calculation;
- 2. **Watch loans**, being loans whose principal or interest have remained un-paid for one day to thirty days or where one instalment is outstanding for less than 30 days. Such loans are also classified as stage 1 for purposes of the ECL calculation;
- 3. **Substandard Ioan**, being loans not adequately protected by the current repayment capacity and the principal or interest have remained un-paid between thirty-one to one eighty days or where two to six instalments have remained outstanding. Under this category, loans past due between 31 90 days (or 2-3 pending instalments) are classified within in stage 2 significant increase in credit risk for purposes of the ECL calculation. Loans aged beyond 90 days are classified as stage 3 credit impaired;
- 4. **Doubtful loans**, being loans not adequately protected by the current repayment capacity and the principal or interest have remained un-paid between one hundred and eighty-one to three hundred and sixty days or where seven to twelve instalments have remained outstanding. Such loans are classified as stage 3 for purposes of the ECL calculation; and
- 5. **Loss loans**, being loans which are considered uncollectible or of such little value that their continued recognition as receivable assets is not warranted, not adequately protected and have remained un-paid for more than three hundred and sixty days or where more than twelve instalments have remained outstanding. Such loans are also classified as stage 3 for purposes if the ECL calculation.

The Bank analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data such as GDP growth, unemployment, benchmark interest rates and house prices. The Bank generates a 'base case' scenario of the future direction of relevant economic variables as well as a

representative range of other possible forecast scenarios. The Bank then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

Loan commitments are assessed along with the category of loan the Bank is committed to provide, i.e. commitments to provide mortgages are assessed using similar criteria to mortgage loans, while commitments to provide a corporate loan are assessed using similar criteria to corporate loans.

The Bank presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Bank has reasonable and supportable information that demonstrates otherwise.

The Bank has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due.

The Bank performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

Incorporation of forward-looking information

The Bank uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Bank's employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Bank applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Bank for strategic planning and budgeting. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships

between macro-economic variables and credit risk and credit losses. The Bank has not made changes in the estimation techniques or significant assumptions made during the reporting period.

The principal macroeconomic indicators included in the economic scenarios used at 31 December 2022 for Liberia are as follows:

- GDP Growth
- Unemployment rates
- Interest rates
- Inflation

- Property price indices

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 3 years. The Bank has determined that over this historical period, there has been minimal correlation between the macroeconomic factors and the experienced credit losses. Therefore, these factors do not have a material impact on the ECL.

Measurement of ECL

The key inputs used for measuring ECL are:

	Weighted average w	Weighted average weight for all sectors		
	2022	2021		
probability of default (PD);	68%	66.3%		
• loss given default (LGD); and	46%	68.2%		

As explained above these figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information where it may have a material impact on the ECL.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realisation of collateral, cross-collateralisation and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery, recovery rates and the calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

The Bank's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current

contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default. The Bank uses EAD models that reflect the characteristics of the portfolios.

The Bank measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. However, for financial instruments such as revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. For such financial instruments the Bank measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period. However, the Bank does not enforce in the normal day-to-day management the contractual right to cancel these financial instruments. This is because these financial instruments are managed on a collective basis and are cancelled only when the Bank becomes aware of an increase in credit risk at the facility level.

This longer period is estimated taking into account the credit risk management actions that the Bank expects to take to mitigate ECL, e.g. reduction in limits or cancellation of the loan commitment.

The ECL calculation for accounting purposes is different to the provisions calculation for regulatory purposes. The Bank has ensured that the appropriate methodology is used when calculating ECL for both accounting purposes. The main differences between the methodologies used to measure ECL in accordance with IFRS 9 versus the ones applied for regulatory purposes are as disclosed in Appendix 1, page 42 to the notes to the financial statements. Any excess in regulatory provisions over IFRS 9 ECLs are accounted for as an appropriation from retained earnings into a loan loss reserve.

Groupings based on shared risks characteristics

When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such as:

- instrument type;
- credit risk grade;
- collateral type;
- remaining term to maturity;
- industry/economic sector; and
- geographic location of the borrower.

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

Collateral held as security

The Bank holds collateral against all loans and advances to customers in the form of residential, commercial and industrial property, fixed assets such motor vehicle, chattels and other customers' guarantees. The Bank has developed specific policies and guidelines for the acceptance of different classes of collateral.

Estimates of the collateral's fair values are based on the value of collateral independently and professionally assessed at the time of borrowing, and re-valued with a frequency commensurate with nature and type of the collateral and credit advanced.

Collateral structures and covenants are subjected to regular review to ensure they continue to fulfil the intended purpose. Collateral is generally not held in respect of deposits and balances due from banking institutions, items in the course of collection and Government securities.

Repossessed collateral

The Bank obtained assets by taking possession of collateral held as security. The nature and carrying amounts of such assets at the reporting date are as follows:

To insert details of Repossessed collateral

Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. Repossessed property is classified within 'other assets'.

Related Party Transactions -2022

		Amo	Amount			
No	Type of Related party Exposures	LRD	USD	Eqv. USD		
			163,100.00	163,100.00		
1	Expoures to Directors and/or	1,542,450.00		9,887.50		
_	Associate(s) of the Bank	5,993,300.00		38,418.59		
		7,535,750.00	163,100.00	211,406.09		
			5,090,520.00	5,090,520.00		
2	Esposures to Former Presidents and/or Associates of the Bank		223,310.00	223,310.00		
_		15,446,660.00	162,840.00	261,857.05		
			205,110.00	205,110.00		
		15,446,660.00	5,681,780.00	5,780,797.05		
			26,470.00	26,470.00		
		39,150.00	830.00	1,080.96		
			3,800.00	3,800.00		
			5,862.44	5,862.44		
			9,130.00	9,130.00		
	Exposures to Senior Managers of The		8,990.00	8,990.00		
3	Bank		2,780.00	2,780.00		
			5,580.00	5,580.00		
			11,150.00	11,150.00		
			8,730.00	8,730.00		
			30,390.00	30,390.00		
		20 150 00	3,070.00	3,070.00		
	Crand Total	39,150.00	116,782.44	117,033.40		
	Grand Total	23,021,560.00	5,961,662.44	6,109,236.54		

December 31, 2021 Related Party Transactions

No	Type of Poleted nexty Evnesures	Amount		Eqv. USD	
No	Type of Related party Exposures	LRD	USD	Eqv. USD	
			163,100.00	163,100.00	
1	Expoures to Directors and/or	1,542,450.00		9,887.50	
1	Associate(s) of the Bank	5,194,000.00		33,294.87	
		6,736,450.00	163,100.00	206,282.37	
	Esposures to Former Presidents		223,310.00	223,310.00	
	and/or Associates of the Bank		222,700.00	222,700.00	
		-	446,010.00	446,010.00	
	Exposures to Senior Managers of The Bank	70,470.00	46,010.00	46,461.73	
			6,320.00	6,320.00	
3			15,230.00	15,230.00	
3			33,870.00	33,870.00	
			6,640.00	6,640.00	
		70,470.00	108,070.00	108,521.73	
	Grand Total	6,806,920.00	717,180.00	760,814.10	

Liberian Dollars

2022 IFRS 9 Impairment charges vs charges per CBL Prudential Guidelines

Year	Provision CBL Guideline	Provision IFRS	Net Provision Impact	Impact on Capital	Impact on P&L
2022	4,737,390,854	3,547,358,286	1,190,032,568	3,349,988,073	(2,016,496,068)
	<u>-</u>	-	-	(1,190,032,568)	(1,190,032,568)
Net Impact	4,737,390,854	3,547,358,286	1,190,032,568	2,159,955,505	(3,206,528,637)

2021 IFRS 9 Impairment charges vs charges per CBL Prudential Guidelines

Year	Provision CBL Guideline	Provision IFRS	Net Provision Impact	Impact Capital	Impact on P&L
2021	4,244,569,511	3,310,089,851	934,479,660	5,594,753,898	1,226,188,510
2021	-	_	ı	(934,479,660)	(934,479,660)
Net Impact	4,244,569,511	3,310,089,851	934,479,660	4,660,274,238	291,708,850

Provisions for credit losses under prudential regulation are determined using the time based provisioning precribed by the Revised Central Bank of Liberia (CBL) Prudential Guidelines on assets classification, issued before the adoption of IFRS. This is at variance with the expected credit loss model and the incurred loss model under IFRS 9 and IAS 39. As a result of the differences in the methodology of provisioning, there will be variances in the impairment allowances required under the two methodologies.

The Central Bank of Liberia stipulates that provision charges on loans recognized in the profit or loss account be determined based on the requirements of IFRS. The IFRS provision should then be compared with provision determined using the Prudential Guidelines precribed by the CBL.

No adjustment has been made for the differnce between the CBL predential guidelines and IFRS 9 because the Financial Reporting framework is IFRS and the charges are lower than the CBL, hence, no adjustment required.

Impact on Profit or loss and Capital accounts

Had we used the Prudential Guidelines issued by the CBL on assets classification in determining the impairment of loans and advances, the import on Profit or Loss would have been L\$ -3,381,701,138 (2021: L\$291,708,850) additional loss, while on capital, the impact would have been a further errosion of capital by L\$ 2,953,116,395 (2021: L\$4,660,274,238).

		December 2022 L\$	December 2021 L\$
5	Cash and cash equivalents Cash and balances with banks Unrestricted balances with banks	1,629,216,054 6,091,022,552 7,720,238,606	1,123,907,929 3,593,827,211 4,717,735,140
6	Treasury bond	1,000,000,000	2,000,000,000
	On July 13, 2018, the Central Bank of Liberia acquired a Treasury Bond at an interest rate of 16%. The government liquidated L\$ 1 billion of this		period of two years
7	Loans and advances to customers (Gross)	9,061,281,598	10,280,211,784
a.	Analysis by sector		
i. i. ii. iv v vi. vii viii.	Agriculture Agriculture Construction Communication Government of Liberia Services SME Trade Others Gross loans Less: Provision for credit losses (e) Analysis by performance Stage 1- 12 months ECL Stage 2- Life time ECL Not credit impaired Stage 3- Life time ECL credit impaired Gross loan	1,056,982,830 1,364,282,370 - 6,715,360 1,228,968,580 220,945,900 1,905,329,930 3,278,056,628 9,061,281,598 (4,313,688,782) 4,747,592,816 6,479,142,257 15,828,751 2,566,310,590 9,061,281,598	1,130,823,296 2,056,042,357 822,416,943 - 2,364,448,710 351,583,243 742,231,291 2,812,665,944 10,280,211,784 (3,249,949,919) 7,030,261,865 4,564,574,774 1,084,889,287 4,630,747,722 10,280,211,784
C.	Classification Performing Non-performing Gross loans Less: Provision for credit losses (d)	4,084,944,240 4,976,337,358 9,061,281,598 (4,313,688,782) 4,747,592,816	4,827,564,424 5,452,647,360 10,280,211,784 (3,249,949,921) 7,030,261,865
d.	Analysis of provision for credit losses - loan and advances		
	Balance as at January 1. 2022 Adjustment to Opening Balance Adjusted provision as at January 1, 2022 Loan impairment charge for the year Write-Off/ Write back of provisions previously made Total impairment at December 31, 2022	3,249,949,921 1,694,299,345 4,944,249,266 1,066,499,905 (1,697,060,388) 4,313,688,782	4,221,239,728
	i viai impairment at Devember vI, 2022	7,010,000,102	0,270,070,02 I

		December 2022 L\$	December 2021 L\$
8	Receivables and prepayments		
	Accounts receivable	2,526,213,300	2,478,170,586
	Accrued interest on short term investment	6,534,000	6,534,000
	Accrued interest on treasury bond	83,230,983	179,833,721
	Accrued interest on inter-bank borrowings	23,636,231	34,277,500
	Less: Provision on receivables	(655,581,918)	(114,381,068)
		<u>1,984,032,596</u>	2,584,434,739
	Prepayments	328,093,149	420,206,030
	Deferred expenses - advances	272,834,938	385,336,381
	Stock/stationery items	<u>141,153,659</u>	145,121,622
		742,081,746	950,664,033
		2,726,114,342	3,535,098,773

8.2 Other assets (FX Holding Accounts)

	FOREX POSITION AS AT DECEMBER 31, 2022						
1	FOREX	USD	EUR	GBP	LRD	Equi USD	Equi LRD
	Exchange Rate to USD	1	1.1	1.3	155		
2	Open Position						
2.1	APPROVED LIMIT	625,000	100,000	25,000	ı	750,000	117,000,000
2.2	ACTUAL AS AT December 31, 2022)	1,500,245	(561,147)	(15,343)	•	863,037	134,633,843
2.3	OPEN /CLOSE POSITION	(875,245)	(461,147)	9,657	•	(113,037)	(17,633,843)
	CBL RISK EXPOSURE LIMIT: 40% OF NETWORTH					7,960,276	1,241,803,051
	RISK EXPOSURE (US10.68M VS US\$7.86M)					8,073,313	1,259,436,894
3	Foreign Ccy Placement as % of Total Foreign Ccy Deposits	-	-	-	•	-	-
3.1	REGULATORY LIMIT (40% OF Networth of US\$21,474,282.5	52)				8,589,713	1,339,995,229
3.2	OPEN /CLOSE POSITION					8,702,750	1,357,629,072
4	Currency Proportion to Liquid Asset:						-
	Total Liquid Assets Excl CBL Reserved Account:	33,865,955	615,125	53,193	-	34,635,286	899,407
4.2	% proportion of currency	98%	2%	0%	-	100%	100%

The table illustrates the holding risk of the bank. The stock is at a purchase position (US\$863K) against an approved composite limit of US\$750K, there is no need for risk exposure to cover the stock position. The regulatory limit is 40% of Networth and LBDI exposure of US\$10.68M vs US\$113K puts LBDI at US\$10.79M. There is no Foreign currency placement or Deposit. Also, US\$708K within the FX Holding Account represents deduction from staff salaries which are payble in LD. Please note that the table did not take it into consideration based on the nature.

8.2.1 Other assets (FX Holding Accounts)

<u>1,241,803,051</u> <u>402,525,792</u>

The bank buys and sells Foreign and local currencies in considerable amounts every year. The purchases are stored in various FX Holding accounts for each currency from which sales are made to customers. As at December 31, 2022, the combined amounts held all these accounts amounted to L\$1,241,803,051 (2021: L\$402,525,792).

		December 2022 L\$	December 2021 L\$
9	Investment properties		
	Carrying value as at beginning of the year Additions	1,360,753,679	1,505,900,738
	Fair value changes	-	-
	Exchange rate differences	54,430,147	(145,147,060)
	Carrying value as at December 31, 2022	<u>1,415,183,826</u>	1,360,753,679

Investment properties represent properties leased to Celcom Liberia from which the bank generates rental income. These assets are carried at fair value. The bank has adopted a policy to revalue the assets in every five years. The assets were revalued in 2020.

10 Equity and other investments

CEMENCO - equity investment <u>556,935,182</u> <u>270,280,698</u>

The Bank holds 7.8% of the ordinary share capital of Liberia Cement Corporation (CEMENCO), a company involved in the manaufacturing and sale of cement in Liberia. In 2022, the investment was revalued from 1.8M to 3.5M United States Dollars.

11 Other investments

i	LBDI/Loita investment banking fund	245,260,470	235,827,375
ii	Government of Liberia bonds	2,857,483,952	3,434,475,903
	Central Bank of Liberia bill	45,580,548	43,827,450
	Inter-banks investment	455,103,267	732,616,667
		3,603,428,237	4,446,747,389

- i. The Bank entered a Joint Venture arrangement with LOITA International for the creation of special investment vehicle called LBDI Loita. This is a separate legal entity charged with the responsibility of undertaking and prioritizing investment banking activities.
- ii. The Government of Liberia bonds represent loans to contractors guarenteed by the GOL in the construction sector that are constructing roads onbehalf of the Government. The loans were converted into a bond issued by the GOL payable over 7 years at a rate of 4% per annum. During the year, the GoL paid 5 million United States Dollars against the amount owed.

12 Intangible assets

December 31, 2022

December 31, 2022				
	Flexcube LD\$	Automatic Teller Machines LD\$	Other Software LD\$	Total LD\$
COST				
As at January 1, 2022	727,046,024	252,758,872	207,710,658	1,187,515,554
Additions	-	-	14,228,604	14,228,604
Adjustment	-	(15,226,438)	(3,322,764)	(18,549,202)
Effect of exchange rate	28,703,841	_		28,703,841
As at December 31, 2022	<u>755,749,865</u>	237,532,434	<u>218,616,498</u>	<u>1,211,898,797</u>
AMORTIZATION				
As at January 1, 2022	338,910,157	60,874,139	57,102,355	456,886,651
Charge for the year	49,574,418	20,297,021	71,622,866	141,494,305
Adjustment	- 11 700 F11	-	(37,426,907)	(37,426,907)
Effect of exchange rate	11,798,511	2,380,897		14,179,408
As at December 31, 2022	400,283,086	83,552,057	91,298,314	575,133,457
NET BOOK VALUE				
As at December 31, 2022	<u>355,466,779</u>	<u>153,980,377</u>	<u>127,318,184</u>	636,765,340
As at December 31, 2021	388,135,867	191,884,733	150,608,303	730,628,903
Intangible assets				
December 31, 2021				
		Automatic Teller	Other	
	Flexcube LD\$	Machine LD\$	Software LD\$	Total LD\$
COST				
As at January 1, 2021	727,046,024	252,758,872	207,710,658	1,187,515,554
Additions				
As at December 31, 2021	727,046,024	252,758,872	207,710,658	1,187,515,554
<u>DEPRECIATION</u>				
As at January 1, 2021	338,910,157	60,874,139	57,102,355	456,886,650
Charge for the year				
As at December 31, 2021	338,910,157	60,874,139	57,102,355	456,886,650
NET BOOK VALUE				
As at December 31, 2021	388,135,867	<u>191,884,733</u>	150,608,303	730,628,904

The Liberian Bank for Development and Investment (LBDI) Notes to the Financial Statements For the year ended December 31, 2022

The Liberian Bank for Development & Investment (LBDI)

Notes to the financial statements As at December 31, 2022

13 Property, plant and equipment 31-Dec-22

				Furniture		 11	Work	
	Land & Buildings	Leasehold Improvement	Equipment	& Fixture	Vehicles	Miscellaneous properties	in Progress	TOTAL
	<u>L\$</u>	<u>L\$</u>	<u>L\$</u>	<u>L\$</u>	<u>L\$</u>	<u>L\$</u>	<u>L\$</u>	<u>L\$</u>
COST								
As at January 1, 2022	995,281,241	369,269,013	975,166,639	116,018,245	223,177,392	8,796,195	111,364,665	2,799,073,390
Additions			65,163,688	3,360,691	29,796,000	59,327	48,449,187	146,828,893
Transfer		-	-	-	-	-	(97,735,407)	(97,735,407)
Effect of exchange rate	<u>154,871,893</u>	14,697,280	39,006,677	4,640,735	2,733,896	351,773	9,818,638	226,120,892
Balance as at December 31, 2022	<u>1,150,153,134</u>	383,966,293	1,079,337,004	124,019,671	255,707,288	9,207,295	71,897,083	3,074,287,768
DEPRECIATION								
As at January 1, 2022	59,664,807	168,523,273	734,222,275	94,930,277	188,712,761	7,875,897	-	1,253,929,291
Charge for the year	6,964,222	10,893,468	58,987,453	2,381,928	10,116,853	55,614		89,399,538
Balance as at December 31, 2022	66,629,029	179,416,741	793,209,728	97,312,205	198,829,614	7,931,511		1,343,328,829
NET BOOK VALUE:								
As at Decemember 31, 2022	1,083,524,105	204,549,552	286,127,276	26,707,466	56,877,674	1,275,784	71,897,083	1,730,958,938
As at December 31, 2021	935,616,434	200,745,740	240,944,364	21,087,968	34,464,631	920,298	111,364,665	1,545,144,099

Property, plant and equipment 31-Dec-21

	Land & Buildings	Leasehold Improvement	Equipment	Furniture & Fixture	Vehicles	Miscellaneous properties	Work in Progress	TOTAL
	<u>L\$</u>	<u>L\$</u>	<u>L\$</u>	<u>L\$</u>	<u>L\$</u>	 <u>L\$</u>	<u>Ľ\$</u>	<u>L\$</u>
COST								
As at January 1, 2021	1,224,309,739	407,712,209	962,724,817	125,422,496	243,928,580	9,726,986	111,364,665	3,085,189,492
Additions	159,751,500	-	109,627,650	5,639,700	14,760,000	-	-	289,778,850
Effect of exchange rate	(388,779,998)	(38,443,196)	(97,185,828)	(15,043,951)	(35,511,188)	(930,791)		(575,894,952)
Balance as at December 31, 2021	995,281,241	369,269,013	975,166,639	116,018,245	223,177,392	8,796,195	111,364,665	2,799,073,390
DEPRECIATION								
As at January 1, 2020	78,266,257	176,335,774	760,111,264	99,174,302	216,269,934	8,708,916	-	1,338,866,447
Charge for the year	8,597,850	-	36,613,711	5,218,500	3,787,050	53,700	-	54,270,811
Effect of exchange rate	(27,199,300)	(7,812,501)	(62,502,700)	(9,462,525)	(31,344,223)	(886,719)		<u>(139,207,9</u> 67)
Balance as at December 31, 2020	59,664,807	168,523,273	734,222,275	94,930,277	188,712,761	7,875,897		1,253,929,291
NET BOOK VALUE:								
As at Decemember 31, 2021	935,616,434	200,745,740	240,944,364	21,087,968	34,464,631	920,298	111,364,665	1,545,144,099
As at December 31, 2020	1,146,043,482	231,376,435.00	202,613,553	26,248,194	27,658,646	1,018,070	111,364,665	1,746,323,045

		December 2022 L\$	December 2021 L\$
14	Deposits from customers	Ľψ	LΨ
	Current	7,390,001,187	6,216,738,481
	Savings	8,147,002,534	7,899,026,326
	Fixed	<u>51,362,298</u>	174,960,341
		15,588,366,019	14,290,725,149
15	Short term borrowing	425,100,000	558,750,000

The Bank entered into a currency swap arrangements with two other banks, United Bank of Africa (UBA) and Access Bank in which it borrowed US\$ dollars. The amount borrowed in both cases were collateralized with Liberian dollars: 1 billion dollars of the 2 billion T-bills due from the Central Bank of Liberia was used to secure the amount borrowed from UBA while L\$ 550 million placed in a Time deposit account with Access Bank to secure the amount borrowed from Access bank at an average interest rate of 6.6%. The amount borrowed were for a period not exceeding fourteen months.

16 Accounts p	ayable
---------------	--------

181,438,827	168,652,389
14,234,676	13,504,911
3,967,832	7,886,244
-	403,081
1,723,926	1,657,622
988,127	943,763
1,490,364	1,434,571
203,843,752	194,482,579
202,219,810	151,572,094
563,597	430,920
281,338,354	271,790,562
443,289,447	430,244,284
6,898,867	6,654,157
10,140,000	-
149,526,848	72,424,558
76,072,854	73,146,975
353,424,989	145,234,577
1,664,410	-
286,118	-
381,318,392	791,188,329
1,906,743,686	1,942,686,456
	14,234,676 3,967,832 - 1,723,926 988,127 1,490,364 203,843,752 202,219,810 563,597 281,338,354 443,289,447 6,898,867 10,140,000 149,526,848 76,072,854 353,424,989 1,664,410 286,118 381,318,392

		December 2022 L\$	December 2021 L\$
18	Other levies payable		
	At January 1, 2022	5,943,679	2,050,203
	Additions	6,693,551	3,893,476
	Payments made during the year		
	At December 31, 2022	12,637,230	5,943,679
19	Long - term borrowings		
	Long term debt-CBL/World Bank (Note 19.1)	1,543,500,000	1,492,500,000
	Long term debt - CBL rubber stimulus fund (Note 19.2)	501,550,000	494,950,000
	Small business development funds	1,000,001	1,000,001
		2,046,050,001	1,988,450,001
20	Due to foreign banks		
	Due to Arab bank for Economic Development in		
	Africa (Note 20.1)	282,067,009	407,581,913
	Due to Afreximbank (Note 20.2)	1,778,400,000	1,110,000,000
		2,060,467,009	<u>1,517,581,913</u>

- The amount of L\$ 282,067 million (2021: L\$ 407,582 million) represents the balnce on long term loan obtained from the Arab Bank in 2018. The loan is interest bearing at 5.5% per annum
- 20.2 The amount of L\$ 1,778,400 billion (2021 L\$ 1,110,000 billion) represents balance on long term loan obtained from African Export and Import bank in an agreement dated 10 March, 2022. The loan is interest bearing at 2% per annum

21 Paid-in Capital

21.1 Share capital

21.2

Class A Common stock \$10 par value (Authorized 50,000,000 shares) Issued and outstanding at the beginning of year 2,837,991,038 2,837,991,038 422,653 shares 2,340,000,000 2,340,000,000 5,177,991,038 5,177,991,038 Class B Common stock \$10 par value (Authorized 50,000,000 shares) Issued and outstanding at the beginning of year 168,237,231 168,237,231 349,771 shares Issued during the year Total issued and outstanding at the beginning of 168,237,231 168,237,231 year 349,771 shares Total share capital 5,346,228,269 5,346,228,269 Share Capital 510,228,269 510,228,269 Additional Paid -in-Capital 4,836,000,000 4,836,000,000 Total share capital 5,346,228,269 5,346,228,269

		December 2022 L\$	December 2021 L\$
22	Interest Income	ĽΨ	ĽΨ
	Loans and advances T Bill and C- Bills Treasury bond	434,174,117 57,109,975 223,397,260 714,681,353	1,194,112,256 114,947,201 320,000,000 1,629,059,458
23	Interest expense		
	Savings accounts individuals	95,924,835	101,497,797
	Savings accounts joint in trust	14,306	12,309
	Savings In trust	2,299,090	2,600,723
	Savings not for profit	18,998,793	19,609,224
	Savings joint	10,889,896	11,538,302
	Savings staff	2,900,375	3,055,392
	Savings non resident	3,231,989	3,308,281
	Savings clubs & associations	4,154,453	4,552,904
	Savings accounts susu clubs	692,660	730,074
	Savings direct deposit	7,253,072	6,533,518
	Interest on time deposit Long term borrowing	29,630,833	10,134,739
	Short term borrowing	89,085,313 120,227,949	79,681,903 <u>94,033,435</u>
	Short term borrowing	<u>-</u>	
		<u>385,303,564</u>	337,288,603
24	Commission and fees		
	Commission on loan and advances	73,431,522	59,825,172
	Commission on Money Gram operation	19,004,762	31,290,763
	Commission on Western Union operation	14,603,040	22,769,986
	Commission on RIA	349,901	-
	Commission on transfer	194,073,499	186,722,477
	Commission on FX	50,653,339	38,403,769
	Service charge on customer accounts Commission on guarantees and bonds	75,355,822 368,461	78,263,683 2,851,803
	Other commission and fees	113,934,647	130,215,520
	Other Commission and rees		
		<u>541,774,993</u>	550,343,172
25	Other operating income		
	Dividend from Cemenco	201,047,042	335,131,020
	Income on GOL bond	121,767,438	163,961,881
	Recoveries	-	1,386,538,020
	Others	<u>749,066,125</u>	31,184,887
		1,071,880,604	1,916,815,807
25.1	Rental Income - Investment Property	69,168,007	62,102,744
	Direct expenses on investment property		-
	Net income	60.469.007	62 402 744
	Hot moonie	69,168,007	62,102,744

		December 2022 L\$	December 2021 L\$
26	Personnel costs		
	Wages and salaries	3,649,494	3,845,061
	Housing and transportation allowance	344,053,357	374,412,065
	Staff contribution to social security	24,343,416	25,808,617
	Other staff costs	380,281,962	343,383,480
		752,328,229	747,449,223
27	General and administrative expenses		
	Directors' emolument	23,553,768	35,403,796
	Foreign travel	27,585,667	10,169,387
	Local travel & transportation	40,537,217	29,066,897
	Professional fees	151,746,037	121,878,306
	Licenses and subscriptions	195,822,714	286,659,601
	Advertising and business promotion	25,114,135	9,672,439
	Office rent	23,313,857	42,714,052
	Provision on receivable	586,233,149	21,977,119
	Office expenses	97,651,084	67,046,564
	Bank service and note import charges	61,774,214	48,285,178
	Armotization of intangibles	141,494,306	126,248,964
	Depreciation of property, plant and equipment	89,399,538	54,270,811
	Repairs and maintenance	46,676,710	65,249,432
	Insurance	19,256,646	24,630,641
	Write-off of Foreign Exchange Holdings	546,000,000	-
	Finance Cost (RoU assets)	7,239,024	-
	Other expenses	367,793,288	
		<u>2,451,191,354</u>	943,273,187
28	Other operating expenses		
	Scholarship and donation	847,828	1,449,250
	Treasury operation	21,809,085	22,028,464
	Sundry expenses	11,864,316	5,963,303
	Cash shortage/overage	_	(668,513)
		<u>34,521,229</u>	28,772,504
29	Capital Commitments		

30 Events after balance sheet date

There are no capital commitments as at December 31, 2022

The directors approved the write off of some bad loans amounting to LD\$518million after the Balance Sheet date. The loans written-off have already been provided for in prior year. Therefore, there's no impact on profit/loss for the year.

Supplementary Data For the year ended December 31, 2022 The Liberian Bank for Development and Investment (LBDI)

Introduction

The financial statements for the year ended December 31, 2022 denominated in Liberian dollars are presented on pages 12 to 69 in accordance with the Financial Institutions Act the Republic of Liberia. Presented on a supplementary basis in this section (Page 70 to 86) are corresponding financial statements denominated in equivalent United States dollars. This presentation is intended for the benefit of readers who may not be familiar with Liberian dollar value.

The Liberian Bank for Development & Investment (LBDI) Statement of Financial Position

Statement of Financial Position As at December 31, 2022

	Notes	December 2022 US\$	December 2021 US\$
ASSETS			
Current assets			
Cash and cash equivalent	5	49,488,709	31,451,568
Treasury bond	6	6,410,256	13,333,333
Loans and advances to customers	7	30,433,287	46,868,412
Receivables and prepayments	8	17,475,092	23,567,325
Due from Central Bank of Liberia Lease Assets		1,429,993 290,027	372,192
Other assets	8.2	7,960,276	2,683,50 <u>5</u>
Total current assets	0.2	113,487,640	118,276,336
Total culterit assets		113,407,040	110,270,330
Non-current assets			
Investment properties	9	9,071,691	9,071,691
Equity and other investments	10	3,570,097	1,801,871
Other Investments Intangible assets	11 12	23,098,899 4.081.829	29,644,983 4.870.859
Property, plant and equipment	13	11,095,891	10,300,961
Total non-current assets		50,918,407	55,690,365
TOTAL ASSETS		164,406,048	173,966,701
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Deposits from customers	14	99,925,423	95,271,501
Short - term borrowings	15	2,725,000	3,725,000
Lease liabilities		336,431	-
Accounts payable	16	1,306,691	1,296,551
Other liabilities	17	12,222,716	12,951,243
Other levies payable	18	81,008	39,625
Total current liabilities		116,597,269	<u>113,283,919</u>
Non Current Liabilities:			
Long - term borrowings	19	13,115,705	13,256,333
Due to branches		10,669	10,877
Due to foreign banks	20	13,208,122	10,117,213
Total non current liabilities		26,334,496	23,384,423
Total liabilities		<u>142,931,765</u>	136,668,342
Shareholders' equity:			
Share capital	21	7,724,240	7,724,240
Additional Paid -in-Capital	21	31,000,000	31,000,000
Share premium		2,442,754	2,442,754
Statutory reserves		4,753,763	4,753,763
Revaluation surplus - PPE		6,446,480	6,446,480
Treasury stock		(609,111)	(609,111)
Retained earnings/(accumulated losses)		(30,283,843)	(14,459,767)
Total equity attributable to owners of the bank		21,474,283	37,298,359
TOTAL LIABILITIES AND SHAREHOLDERS' EQ	UITY	164,406,048	173,966,701

Statement of income

	Notes	December 2022 US\$	December 2021 US\$
Revenue:			
Interest income Less: interest expense	22 23	4,581,291 (2,469,895)	9,582,703 _(1,979,200)
Net interest income	20	2,111,396	7,603,503
Less: Loan impairment charges		(6,836,538)	(5,149,113)
Net interest income		(4,725,142)	2,454,390
Commissions and fees	24	3,472,917	3,229,398
Other operating income	25	7,314,414	11,612,236
Net operating revenue		6,062,189	17,296,024
General and operating expenses:			
Personnel costs	26	4,822,617	4,386,010
General and administrative expenses	27	15,712,765	5,535,099
Other operating expenses	28	221,290	168,836
Total general and operating expenses		20,756,672	10,089,946
Operating result for the year		<u>(14,694,483)</u>	7,206,078
Corporate income tax			
Net operating result		(14,694,483)	7,206,078
Profit attritable to equity holders of the entity Profit for the period from continuing operations		<u>(14,694,483)</u>	7,206,078
Other comprehensive income Net revaluation surplus of PPE			
Total comprehensive income		(14,694,483)	7,206,078

Statement of profit or loss and other comprehensive income For the year ended December 31, 2022

	December 2022 US\$	December 2021 US\$
Operating result for the year	(14,694,483)	7,206,078
Other comprehensive income: Gain from revaluation of equity investment in CEMENCO Remeasurement of defined benefit pension plan Gains on revaluation of property, plant and equipment Share of comprehensive income of associates and joint ventures	- 1,768,226 - - - - (12,926,257)	- - - - - 7,206,078
Exchange differences on translating foreign operation lncome tax relating recyclable components of other comprehensive income	- 	-
Other comprehensive income for the year, net of tax Total comprehensive income for the year	-	-
Total comprehensive income attributable to: Equity holder of the parent Non-controlling interest	- 	-

Statement of cash flows

For the year ended December 31, 2022		
	December 2022 US\$	December 2021 US\$
Operating activities:		
Net operating results	(12,926,257)	7,206,078
Adjustments to reconcile net (loss) to net	(,= -, - ,	, , .
cash provided by operating activities:		
Depreciation - fixed assets	558,491	361,805
Armortization - intangible	907,015	841,660
Impairment charge - loans and advances	6,836,538	5,149,113
Impairment charge - receivables	4,202,448	-
Write-off of Loans and Advances	10,798,223	(8,156,106)
Gain from revaluation of equity investment in CEMENCO	1,768,226	-
Prior Year Adjustments	(6,416,764)	
Adjustments (Intangible Assets)	(177,532)	-
Changes in operating assets and liabilities	-	
Leased assets	-	391,022
Loans and advances	5,636,902	12,303,500
Receivables and prepayments	6,092,234	3,732,985
Lease Assets	(290,027)	-
Due from Central Bank of Liberia	(1,057,800)	(35,871)
Other current assets	(5,276,771)	1,125,146
Deposits from customers	4,653,922	(3,312,632)
Lease liabilities	336,431	(552,776)
Account payable	10,140	(18,416,522)
Other laving payable	(728,527)	550,097
Other levies payable	41,383	27,274
Net cash used in operating activities	14,968,276	<u>1,214,771</u>
Investing activities:		
Partial liquidation of Treasury Bills by GoL	6,410,256	-
Equity and other investments	-	(332,045)
Other investments	1,508,853	2,142,588
Liquidation of Bonds by GoL	5,037,231	(044.000)
Purchase of intangibles	(91,209)	(611,203) (1,931,859)
Purchase of long-term assets	(941,211)	(1,931,639)
Adjustments (retained earning and fixed assets)	(48,506)	
Net cash flows from investing activities	<u>11,875,415</u>	<u>(732,519)</u>
Financing activities:		
Purchase of additional shares acquired - GOL	- (4.000.000)	15,600,000
Settlement of Short term borrowings	(1,000,000)	(9,000,000)
Additional Financing from banks	<u>2,950,073</u>	(7,307,108)
Net cash flow from financing activities	1,950,073	(707,108)
Net decrease in cash and cash equivalents	28,793,764	(224,857)
Translation difference impact on retained earning	(10,756,623)	(2,479,751)
Cash and cash equivalents at beginning of year	<u>31,451,568</u>	<u>34,156,175</u>
Cash and cash equivalents at end of year	49,488,709	<u>31,451,568</u>

The Liberian Bank for Development & Investment (LBDI) Statement of changes in shareholders' equity

	Share Capital US\$	Additional Piad-in US\$	Share Premium US\$	Revaluation PPE Reserve US\$	Statutory Reserves US\$	Treasury Stock US\$	Retained Earnings US\$	Total US\$ US\$
Balance, January 1, 2022	38,724,240	_	2,442,754	6,446,480	4,753,763	(609,111)	(14,459,767)	37,298,359
Other adjustments-FX	, , -	_	-	-	-	-	3,518,944	3,518,944
Additional Capital	(15,600,000)	15,600,000	_	-	-	-	-	-
Net operating results for the year	-	-	-	-	-	-	(12,926,257)	(12,926,257)
Prior Year Adjustments	-	-	_	-	-	-	(6,416,764)	(6,416,764)
Current year position/movements							<u> </u>	
Balance, December 31, 2022	23,124,240	15,600,000	2,442,754	6,446,480	4,753,763	(609,111)	(30,283,843)	21,474,283
Balance, January 1, 2021	7,724,240	-	2,442,754	6,446,480	4,753,763	(609,111)	(17,297,003)	3,461,123
Other adjustments-FX	-	-	-	-	-	-	(4,365,595)	(4,365,595)
Additional Capital	31,000,000.00	-	-	-	-	-	-	31,000,000
Net operating results for the year	-	-	-	-	-	-	7,206,078	7,206,078
Current year position/movements							(3,247)	(3,247)
Balance, December 31, 2021	38,724,240		2,442,754	6,446,480	4,753,763	(609,111)	(14,459,767)	37,298,359

Notes to the financial statements

For the year ended December 31, 2022

		December 2022 US\$	December 2021 US\$
5	Cash and cash equivalents		
	Cash and balances with banks	10,443,693	7,492,720
	Unrestricted balances with banks	<u>39,045,016</u>	23,958,848
		49,488,709	31,451,568
6	Treasury bond	6,410,256	13,333,333

On July 13, 2018, the Central Bank of Liberia acquired a Treasury Bond from the Bank for a period of two years at an interest rate of 16%. The government liquidated L\$ 1 billion of this bond during the year.

7	Loans and advances to customers	58,085,138	68,534,745
a.	Analysis by sector		
i. ii. iii.	Agriculture Construction Communication	6,775,531 8,745,400	7,538,822 13,706,949 5,482,780
vi iv. vi. vii.	Government of Liberia Services SME Trade	43,047 7,878,004 1,416,320 12,213,653 21,013,184	15,762,991 4,640,280 12,744,040
vi.	Others Gross loan	58,085,138 (27,651,851) 30,433,287	8,658,883 68,534,745 (21,666,333) 46,868,412
b.	Analysis by performance Neither past due nor impaired Past due but not impaired Individually impaired Gross Ioan	41,532,963 101,466 16,450,709 58,085,138	30,430,498 7,232,595 30,871,651 68,534,745
c.	Classification Performing Non-performing Gross loans	26,185,540 31,899,598 58,085,138	32,183,763 36,250,982 68,434,745
	Less: Provision for impairment (e)	(27,651,851) 30,433,287	(21,666,333) 46,768,412
d.	'Analysis of provision of credit losses - loan and advances		
	Balance as at January 1, 2022 Adjustment to Opening Balance Adjusted provision as at January 1, 2022 Loan impairment charge for the year Write-Off/ Write back of provisions previously made	21,666,333 10,027,573 31,693,906 6,836,538 (10,878,592)	25,429,155
	Total impairment at December 31, 2022	27,651,851	21,666,333

Notes to the financial statements For the year ended December 31, 2022

December	December
2022	2021
US\$	US\$
16,193,675	16,521,137
41,885	43,560
533,532	1,198,891
151,514	228,517
(4,202,448)	(762,540)
12,718,158	17,229,565
2,103,161	2,801,374
1,748,942	2,568,909
904,831	967,477
4,756,934	6,337,760
17,475,092	23,567,325
	2022 US\$ 16,193,675 41,885 533,532 151,514 (4,202,448) 12,718,158 2,103,161 1,748,942 904,831 4,756,934

8.2 Other assets (FX Holding Accounts)

	FOREX POSITION	ON AS AT DE	CEMBER 31,	, 2022			
1	FOREX	USD	EUR	GBP	LRD	Equi USD	Equi LRD
	Exchange Rate to USD	1	1.1	1.3	155		
2	Open Position						
2.1	APPROVED LIMIT	625,000	100,000	25,000	-	750,000	117,000,000
2.2	ACTUAL AS AT December 31, 2022)	1,500,245	(561,147)	(15,343)	-	863,037	134,633,843
2.3	OPEN /CLOSE POSITION	(875,245)	(461,147)	9,657	-	(113,037)	(17,633,843
	CBL RISK EXPOSURE LIMIT: 40% OF NETWORTH					7,960,276	1,241,803,051
	RISK EXPOSURE (US10.68M VS US\$7.86M)					8,073,313	1,259,436,894
3	Foreign C cy Placement as % of Total Foreign C cy Deposits	-	-	-	-	-	
3.1	REGULATORY LIMIT (40% OF Networth of US\$21,474,282.5	52)				8,589,713	1,339,995,229
3.2	OPEN /CLOSE POSITION					8,702,750	1,357,629,072
4	Currency Proportion to Liquid Asset:						-
	Total Liquid Assets Excl CBL Reserved Account:	33,865,955	615,125	53,193	-	34,635,286	899,407
4.2	% proportion of currency	98%	2%	0%	-	100%	100%

The table illustrates the holding risk of the bank. The stock is at a purchase position (US\$863K) against an approved composite limit of US\$750K, there is no need for risk exposure to cover the stock position. The regulatory limit is 40% of Networth and LBDI exposure of US\$10.68M vs US\$113K puts LBDI at US\$10.79M. There is no Foreign currency placement or Deposit. Also, US\$708K within the FX Holding Account represents deduction from staff salaries which are payble in LD. Please note that the table did not take it into consideration based on the nature.

8.2.1 Other assets (FX Holding Accounts)

7,960,276 2,683,505

The bank buys and sells Foreign and local currencies in considerable amounts every year. The purchases are stored in various FX Holding accounts for each currency from which sales are made to customers. As at December 31, 2022, the combined amounts held all these accounts amounted to US\$7,960,276.

Notes to the financial statements
For the year ended December 31, 2022

		December 2022 US\$	December 2021 US\$
9	Investment property		
	Carrying value as at beginning of the year	9,071,687	9,071,687
	Fair value changes	-	-
	Exchange rate differences	-	-
	Additions		
	Carrying value as at December 31, 2022	9,071,687	9,071,687

Investment property represents property leased to Celcom Liberia for which the bank generate rental income, these assets are carried at fair value.

10 Equity and other investments

CEMENCO - equity investment

3,570,097 1,801,871

The Bank holds 7.8% of the ordinary share capital of Liberia Cement Corporation (CEMENCO), a company involved in the manaufacturing and sale of cement in Liberia. In 2022, the investment was revalued from 1.8M to 3.5M.

11 Other investments

		23,098,899	29,644,983
	Lonestar MTN - equity investment		
	Inter-banks investment	2,917,329	4,884,111
	Central Bank of Liberia bill	292,183	292,183
ii	Government of Liberia bonds	18,317,205	22,896,506
i	LBDI/Loita investment banking fund	1,572,183	1,572,183

- i The Bank entered a Joint Venture arrangement with LOITA International for the creation of special investment vehicle called LBDI Loita. This is a separate legal entity charged with the responsibility identifying investment opportunities for the bank.
- The Government of Liberia bonds represent loans to contractors guarenteed by the GOL in the construction sector that are constructing roads onbehalf of the Government. The loans were converted into a bond issued by the GOL payable over 7 years at a rate of 4% per annum.

Notes to the financial statements For the year ended December 31, 2022

12 Intangible assets

		Automatic Teller	Other	
	Flexcube	Machine	Software	Total
	US\$	US\$	US\$	US\$
COST				
As at January 1, 2022	5,022,082	1,522,644	1,310,179	7,854,905
Additions		-	91,209	91,209
Adjustment	(177,532)			(177,532)
As at December 31, 2022	4,844,549	1,522,644	1,401,388	7,768,582
AMORTIZATION				
As at January 1, 2022	2,092,371	411,579	480,097	2,984,048
Charge for the year	317,785	130,109	459,121	907,015
Adjustment	80,130	(21,361)	(239,916)	(181,146)
Effect of exchange difference	75,631	15,262	(114,057)	(23,163)
As at December 31, 2021	2,565,917	535,590	585,246	3,686,753
NET BOOK VALUE				
As at December 31, 2022	2,278,632	987,054	816,143	4,081,829
As at December 31, 2021	2,929,711	1,111,065	830,083	4,870,859

Liberia Bank for Development & Investment (LBDI)

Note to the financial statements For the year ended December 31, 2021

	Flexcube US\$	Automatic Teller Machine US\$	Other Software US\$	Total US\$
COST				
As at January 1, 2021	5,133,466	1,522,644	698,976	7,355,Q86
Additions Reclassification	- (111,384)	<u>-</u>	611,203	611,204 (111,384)
As at December 31, 2021	5,022,082	1,522,644	1,310,179	7,854,906
<u>AMORTIZATION</u>				
As at January 1, 2021 Charge for the year Effect of exchange difference	1,929,529 316,674 (153,832)	292,376 119,203 	74,315 405,782 	2,296,220 841,660 (153,832)
As at December 31, 2021	2,092,371	411,579	480,097	2,984,048
NET BOOK VALUE				
As at December 31, 2021	2,929,711	1,111,065	830,083	4,870,859
As at December 31, 2020	3,203,938	1,230,268	624,662	5,058,869

Notes to the financial statements As at December 31, 2022

13 Property, plant and equipment 31-Dec-22

31-Dec-22							Work	
				Furniture				
	Land &	Leasehold		&		Miscellaneous	in	
	Buildings <u>US\$</u>	Improvement <u>US\$</u>	Equipment <u>US\$</u>	Fixture <u>US\$</u>	Vehicles <u>US\$</u>	properties <u>US\$</u>	Progress <u>US\$</u>	TOTAL <u>US\$</u>
COST	<u></u>		<u>-</u>	<u>-</u>				
As at January 1, 2022	6,534,459	2,461,793	6,501,111	773,455	1,487,849	58,641	670,871	18,488,180
Adustments	(154,451)	-	-	-	-	-	105,945	(48,506)
Additions			417,716	21,543	191,000	380	310,572	941,211
Transfer during year		-	-	-	-	-	(626,509)	(626,509)
Effect of exchange rate	992,769	<u>(471</u>)			(39,700)			952,598
Balance as at December 31, 2022 DEPRECIATION	7,372,777	2,461,323	6,918,827	794,998	1,639,150	59,022	460,879	19,706,972
As at January 1, 2022	397,765	1,123,488	4,894,815	632,869	1,258,085	52,506	-	8,359,528
Charge for the year	64,039	69,644	345,360	14,481	64,679	289	-	558,491
Effect of exchange rate	(34,695.02)	(43,025.08)	(155,497.70)	(23,552.89)	(48,215)	(1,952.01)	-	(306,937.84)
Adjustment								
Balance as at December 31, 2022	427,109	1,150,107	5,084,678	623,796	1,274,549	50,843		8,611,082
NET BOOK VALUE:								
As at December 31, 2022	6,945,667	1,311,215	1,834,149	171,202	364,601	8,179	460,879	11,095,891
As at December 31, 2021	6,136,694	1,338,305	1,606,296	140,586	229,764	6,135	670,871	10,300,961

Notes to the financial statements As at December 31, 2021

Property, plant and equipment 31-Dec-21

	Land & Buildings <u>US\$</u>	Leasehold Improvement <u>US\$</u>	Equipment <u>US\$</u>	Furniture & Fixture <u>US\$</u>	Vehicles <u>US\$</u>	Miscellaneous properties US\$	Work in Progress <u>US\$</u>	TOTAL <u>US\$</u>
COST								
As at January 1, 2021 Additions Effect of exchange rate	8,859,802 1,065,010 _(3,390,353)	2,456,098 - 5,695	5,799,547 730,851 (29,287)	755,557 37,598 (19,700)	1,469,449 98,400 (80,000)	58,596 - <u>45</u>	670,871 - 	20,242,231 1,931,859 (3,513,599)
Balance as at December 31, 2021 DEPRECIATION	6,534,459	2,461,793	6,501,111	773,455	1,487,849	58,641	670,871	18,660,489
As at January 1, 2021 Charge for the year Effect of exchange rate Balance as at December 31, 2021	699,620 57,319 (359,174) 397,765	1,062,264 - 61,224 1,123,488	4,523,158 244,091 127,566 4,894,815	597,436 34,790 643 632,869	1,302,831 25,247 (69,993) 1,258,085	52,463 358 (315) 52,506	- - - -	8,237,772 361,805 (240,049) 8,359,528
NET BOOK VALUE:								
As at December 31, 2021	6,136,694	1,338,305	1,606,296	140,586	229,764	6,135	670,871	10,300,961
As at December 31, 2020	8,160,182	1,393,834	1,276,389	158,121	166,618	6,133	670,871	12,004,459

Notes to the financial statements

For the year ended December 31, 2022

		December 2022 US\$	December 2021 US\$
14	Deposits from customers		
	Current	47,371,802	41,444,923
	Savings	52,224,375	52,660,176
	Fixed	329,245	1,166,402
		99,925,423	95,271,501
15	Short term borrowing	2,725,000	3,725,000

The Bank entered into currency swap arrangements with two other banks, United Bank of Africa (UBA) and Access Bank in which it borrowed US\$ dollars. The amount borrowed in both cases were collateralized with Liberian dollars: 1 billion dollars of the 2 billion T-bills due from the Central Bank of Liberia was used to secure the amount borrowed from UBA while L\$ 550 million placed in a Time deposit account with Access Bank to secure the amount borrowed from Access bank at an average interest rate of 6.6%. The amount borrowed were for a period not exceeding fourteen months.

16	Accounts payable		
	Accounts payable general	1,163,069	1,124,349
	Government of Liberia Payroll Account	91,248	90,033
	NSSWC beneficiaries	25,435	52,575
	Credit balances reclassified - Tellers	_	2,687
	Liberia Petroleum Refining Company (LPRC)	11,051	11,051
	Liberia Institute of Public Administration	6,334	6,292
	Liberia Reconstruction and Development Corporation	9,554	9,564
		1,306,691	1,296,551
17	Other liabilities		
	Interest payable - deposit	1,296,281	1,010,481
	Sub agent reimbursement payable	3,613	2,873
	Due to staff	1,803,451	1,811,937
	Escrow account payable	2,841,599	2,868,295
	Legal fees	44,224	44,361
	Accrued audit fees	65,000	-
	Master card payable	958,505	482,830
	Dividend payable	487,647	487,647
	Manager cheques payable	2,265,545	968,231
	Due from branches	10,669	-
	Cash shortage/overage	1,834	-
	Other payable	2,444,349	5,274,589
		12,222,716	12,951,243

Notes to the financial statements For the year ended December 31, 2022

		December 2022 US\$	December 2021 US\$
18	Other levies payable		
	At January 1, 2021	38,101	39,625
	Additions	42,907	-
	Payments made during the year		
	At December 31, 2021	81,008	39,625
19	Long - term borrowings		
	Long term debt-CBL/World Bank	9,894,231	9,950,000
	Long term debt - CBL rubber stimulus fund	3,215,064	3,299,667
	Small business development funds	6,410	6,667
		<u>13,115,705</u>	13,256,333
20	Due to foreign banks		
	Due to Arab bank for Economic Development in Africa (Note 20.1)	1,808,122	2,717,213
	Due to Afreximbank (Note 20.2)	11,400,000	7,400,000
		13,208,122	10,117,213

The amount of \$US 1,808 (2021: \$US 2,717 million) represents the balnce on long term loan obtained from Arab Bank in 2018. The loan is interest bearing at 5.5% per annum.

The amount of \$US 11,400 million (2021 \$7,400 million) represents balance on long term loan obtained from African Export and Import bank in an agreement dated 10 March, 2022. The loan is interest bearing at 2% per annum

Paid-in Capital

21	Paid-in Capital		
21.1	Share capital		
	Class A Common stock \$10 par value		
	(Authorized 50,000,000 shares)		
	Issued and outstanding at the beginning of year 422,653		
	shares	37,505,660	20,556,507
	Additional capital infused	(15,600,000)	16,949,153
		21,905,660	37,505,660
	Class B Common stock \$10 par value		
	(Authorized 50,000,000 shares)		
	Issued and outstanding at the beginning of year 349,771	1,218,581	1,218,581
	shares	1,210,001	1,210,001
	Total issued and outstanding at the beginning of	1,218,581	1,218,581
	year 349,771 shares		
	Total share capital	23,124,241	38,724,241
21.2			
	Share Capital	7,724,240	7,724,240
	Additional Paid -in-Capital	31,000,000	31,000,000
		38,724,240	38,724,240
	Total share capital		
	Paid-in capital in excess of par	2,442,754	2,442,754
	Paid-in Capital	25,566,995	44,664,701
	. ara iii eapitai		,004,101

Notes to the financial statements For the year ended December 31, 2022

		December 2022 US\$	December 2021 US\$
22	Interest Income		
	Loans and advances	2,783,167	7,024,190
	T Bill and C- Bills	366,090	676,160
	Treasury bond	1,432,034	1,882,353
		4,581,291	9,582,703
23	Interest expense		
	Savings accounts individual	614,903	597,046
	Savings accounts joint in trust	92	72
	Savings In trust	14,738	15,298
	Savings not for profit	121,787	115,348
	Savings joint	69,807	67,872
	Savings staff	18,592	17,973
	Savings non resident	20,718	19,460
	Savings clubs & associations	26,631	26,782
	Savings accounts susu clubs	4,440	4,295
	Savings direct deposit	46,494 189,941	38,432 59,616
	Interest on time deposit	571,060	468,717
	Long term borrowing Short term borrowing	770,692	553,138
	Short term borrowing	2,469,895	1,979,200
24	Commission and fees		
	Commission on loan and advances	470,715	351,913
	Commission on Money Gram operation	121,825	184,063
	Commission on Western Union operation	93,609	133,941
	Commission on RIA	2,243	
	Commission on transfer	1,244,061	1,098,368
	Commission on FX	324,701	225,905
	Service charge on customer accounts	483,050	460,375
	Commission on guarantees and bonds	2,362	16,775
	Other commission and fees	730,350	765,974
		3,472,917	3,229,398

Notes to the financial statements

25	Other operating income	December 2022 US\$	December 2021 US\$
23	•		
	Dividend from Cemenco	1,288,763	1,971,359
	Income on GOL bond	780,560	964,482
	Recoveries	-	8,156,106
	Others	4,801,706	183,441
		6,871,030	11,275,387
25.1	Rental income - Investment Property	443,385	365,310
	Effect of exchange rate	-	(23,724)
	Direct expenses on investment property	_	-
	Net income	112 205	2/1 506
	Not moone	443,385	341,586
		7,314,414	11,614,660
	Rental income is from the rental of E.E Saleeby building occupied by I owned by the Liberian Bank for Development and Investment (LBDI).	onestar MTN	
26	Personnel costs		
	Wages and salaries	23,394	22,618
	Housing and transportation allowance	2,205,470	2,202,424
	Staff contribution to social security	156,048	151,815
	Other staff costs	2,437,705	2,019,903
		4,822,617	4,386,010
27	General and administrative expenses		
	Directors' emolument	150,986	208,258
	Foreign travel	176,831	59,820
	Local travel & transportation	259,854	170,982
	Professional fees	972,731	716,931
	Licenses and subscriptions	1,255,274	1,672,666
	Advertising and business promotion	160,988	56,897
	Office rent	149,448	251,259
	Provision on receivables	3,757,905	129,277
	Office expenses	625,968	394,392
	Bank service and note import charges	395,989	284,030
	Armotization of intangibles	907,015	742,641
	Depreciation of property, plant and equipment	573,074	319,240
	Repairs and maintenance	299,210	383,820
	Insurance	123,440	144,886
	Write-off of Foreign Exchange Holdings	3,500,000	
	Finance Cost (RoU assets)	46,404	-
	Other expenses	2,357,649	
		<u> 15,712,765</u>	5,535,099

Notes to the financial statements For the year ended December 31, 2022

		December 2022 US\$	December 2021 US\$
28	Other operating expenses		
	Scholar and donation	5,435	8,525
	Treasury operation	139,802	35,078
	Sundry Expenses	76,053	129,579
	Other operating expenses	_	(4,346)
		221,290	168,836

29 Capital Commitments

There are no capital commitments as at December 31, 2022

30 Events after balance sheet date

The directors approved the write off of some bad loans amounting to US\$3.3million (2021: Nil) after the Balance Sheet date. The loans written-off have already been provided for in prior year. Therefore, there's no impact on profit/loss for the year.