INTERNATIONAL BANK (LIBERIA) LIMITED

Financial Statements and Auditor's Report
For the year ended December 31, 2022

TRUST RELIABILITY EXCELLENCE CUSTOMER SERVICE INTEGRITY TEAMWORK

International Bank (Liberia) Limited

IBLL VISION:

To be the Bank of choice in the Banking Industry of Liberia.

IBLL Mission:

To be the Premier bank in Liberia, utilizing superior human capital, technology and innovative ideas to best serve our clients.

IBLL Values:

Trust

Reliability

Excellence

Customer Service

Integrity

Team Work

International Bank (Liberia) Limited Tubman Boulevard, Between 11th and 12th Streets, Monrovia, Liberia 231 555 766336 www.ibliberia.com

e-mail: customercare@ibliberia.com

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CORPORATE INFORMATION

Board of Directors:	Pa Macoumba Njie	Chairman
	Stephen D. Cashin	Director
	Franklin A. Hayford	Director
	Njilan Senghore	Director
	Charlyne M. Brumskine	Director (Resigned, 6/5/23)
	Abigail Thelma Urey- Miller	Director
	Henry F. Saamoi	CEO/ Executive Director

Corporate Secretary

Gerald Woels

Registered Office:

International Bank (Liberia) Limited
Tubman Boulevard, Between 11th & 12th Streets
PO Box 10-292
1000 Monrovia 10, Liberia

Bankers:

Central Bank of Liberia
Bank of Beirut, UK
Crown Agent Bank, UK
First National Bank, Lebanon
Ghana International Bank, UK
African Export-Import Bank
US Bank, NY

Solicitors:

Heritage Partners & Associates Inc.
Heritage House, 1 Heritage Drive
Old Road Junction
1000 Monrovia, 10 Liberia

Auditors:

Crowe Liberia, LLC
Bible House 1st & 3rd Floors
11th Street, Sinkor, Tubman Boulevard
Monrovia, Liberia

CORPORATE GOVERNANCE REPORT

Commitment to Corporate Governance

Strict adherence to good Corporate Governance and international best practices remains high on the agenda of International Bank (Liberia) Limited. As such, the Bank is governed by a framework that facilitates checks and balances, and ensures that appropriate controls are put in place to facilitate best practices by the Board of Directors and senior management, in order to maximize stakeholder value.

There are currently seven (7) main committees through which the Board of Directors discharges its functions: Board Audit Committee, Board Credit Committee, Board Finance & Strategy Committee, Board Human Resources & Remuneration Committee, Board Governance & Corporate Social Responsibility Committee, Board Infrastructure & Technology Committee, Board Assets & Liability Management Committee and the Board Risk Management Committee.

In addition to the Board Committees, there are seven (7) Management Committees to ensure effective and good corporate governance at the Management level: Local & Management Credit Committee, Asset & Liability Management Committee, Product Development Committee, Risk Management Committee, IT Steering Committee, Procurement Committee and Strategic Plan Implementation Management Committee.

Board of Directors

The seven (6) member Board of Directors of International Bank (Liberia) Limited is composed of a non-executive Chairman, with 1 Executive Director and 5 non-executive directors, each bringing diverse but rich experience, with enviable records of achievement in their various fields of endeavor. The Directors possess the requisite skills and experience, integrity and business acumen to bring independent judgment to bear on Board deliberations for the good of the Bank.

The roles of the Chairman and Managing Director/CEO are separate. The Chairman of the Board shall not serve simultaneously as Chairman of any of the Board Committees.

No two members of the same extended family shall occupy the position of Chairman and that of Managing Director or Executive Director of the Bank at the same time.

The Board is responsible for determining strategic objectives and policies of the Bank to deliver such long-term value, providing overall strategic direction within a framework of rewards, incentives and controls. It ensures that management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives.

The Board is also responsible for ensuring that Management maintains a system of internal controls, which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulations.

Corporate Governance (continued)

Board Audit Committee

This Committee is made up of three (3) Non-Executive Directors. It is responsible for ensuring that the Bank complies with all the relevant policies and procedures both from the regulators and as laid-down by the Board of Directors. The Board Audit Committee is composed of four (4) members listed below:

The Audit Committee is responsible for the review of the integrity of the Bank's financial reporting and oversees the independence and objectivity of the external auditors. The internal and external auditors have unrestricted access to the Committee to ensure their continued independence. The Committee also seeks for explanations and additional information, where relevant, from the internal and external auditors.

Meetings are held on a quarterly basis. Other members of management may be invited to the Committee's meetings as and when required. A report is provided to the full Board at each sitting.

Board Credit Committee

The Board's Credit Committee is responsible for the review of all credits granted by the Bank and approves specific loans and credit related proposals beyond the Management Credit Committee's authorization limit, as may be defined from time to time by the Board.

The Committee is also responsible for ensuring that the Bank's internal control procedures in the area of risk assets remain high to safeguard the quality of the Bank's risk assets. To facilitate the expeditious review of credits falling within the Credit Committee approval limit, credits are circulated amongst members for consideration and approval.

Board Risk Management Committee

The Board's Risk Management Committee is charged with ensuring the quality, integrity and reliability of the Bank's risk management system. The committee assists the full board of Directors in the discharge of its duties relating to the corporate accountability and associated risks in terms of management, assurance and reporting.

Regularly, it reviews the balance sheet of the bank to ascertain areas of high risk and ensure that the risk level is consistent with the risk tolerance limit set by the bank. It also ensures that the assets of the bank are properly protected. As such, it ensures that there is adequate risk management framework in place, covering all key risk activities of the bank.

The Committee presents reports to the Board at its quarterly meetings.

Management Committees

Management Committees are various committees comprising of senior management of the Bank. The Committees are risk-driven, as they are basically set up to identify, analyze and make recommendations on risks arising from the day-to-day activities of the Bank.

They also ensure that risk limits as contained in Board and Regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as the risk issues occur to immediately take actions and decisions within the confines of their powers. The key Management Committees at the Bank are:

Management Credit Committee

- Assets and Liabilities Management Committee
- Product Development Committee
- Risk Management Committee
- Strategic Plan Implementation Management Committee
- IT Steering Committee
- Corporate Governance (continued)
- Procurement Committee

Shareholder structure of the Bank

The Bank's Shareholders as at December 31, 2022 are as follows:

Details	Holding '000'(LRD)	%
Liberian Financial Holdings Ltd.	608,764	86.29
Trust Bank Limited	87,903	12.46
Other Shareholders	8,819	1.25

REPORT OF THE BOARD OF DIRECTORS

The directors have the pleasure in submitting their report to the shareholders together with the financial statements for the year ended December 31, 2022.

Directors' responsibility statement

The Bank's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at December 31, 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements. The notes to the financial statements include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRSs), the requirements of the New Financial Institutions Act (FIA) of 1999, the Prudential Regulations of the Central Bank of Liberia (CBL) and in the manner required by the Liberia Business Corporation Act of the Association of Laws of Liberia Revised (2020).

The directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Principal activity

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Such services include granting of loans and advances, transfer services and account services.

Going Concern

The Bank reported a profit after tax for the year ended December 31, 2022. The directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe business will not be a going concern in the year ahead. Accordingly, the financial statements are prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitment will occur in the ordinary course of business.

Share capital

Details of the Bank's Share Capital are given in Note 18 to the financial statements.

Directors

The names of the present directors are detailed on page 4.

Review of operations

The results for the year ended December 31, 2022 and the state of the Bank's affairs are set out in the financial statements.

Report of the Board of Director Continued

Auditors

The auditors, Messrs. Crowe Liberia, LLC have expressed their willingness to remain in office.

Approval of the financial statements

The financial statements for the year ended December 31, 2022 were approved by the board of directors on June 15, 2023 and signed on its behalf by:

……………………………….

Pa Macoumba Njie

Chairman

Board of Directors

Crowe Liberia, LLC
Bible House, 1st & 3rd Floors
Tubman Boulevard
11 Street, Sinkor
1000 Monrovia, 10 Liberia
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Website: www.crowe.com.lr

INDEPENDENT AUDITOR'S REPORT

To: **The Shareholders of International Bank (Liberia) Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of International Bank (Liberia) Limited which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory notes as set out on pages 22 to 84.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Bank as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the requirements of the New Financial Institutions Act of 1999 and as required by the Liberia Business Corporation Act of the Association of Laws of Liberia Revised (2020).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code, together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Liberia and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Independent Auditor's Report Continued

Report on Other Legal and Regulatory Requirements

The Registered Business Company Law Revised (2020) of Liberia requires that in carrying out our audit we consider and report on the following matters. We confirm that:

I. We obtained all the information and explanations to the best of our knowledge and belief were required for the purposes of our audit; and

II. The Bank's statement of financial position is realistically portrayed and exhibit a true and fair view of the state of the Bank's affairs based on the information and the explanations provided to us and as shown in the books.

Additionally, in accordance with Section 15-2 of the Central Bank of Liberia's Regulation No CBL/RSD/008/2017, we are required to report separately on the Bank's compliance with the New Financial Institution Act of 1999. We report that:

There has been no known actual or possible non-compliance with laws and regulations that could have a material effect on the financial statements for the period under review.

Key audit matter(s)	How the matter was addressed in our audit
Impairment of loans and advances The impairment of loans and advances to customers is considered as significant during the audit due to the level of subjectivity inherent in estimating loan loss provision. For the Bank, the key change arising from the adoption of IFRS 9 was the Bank's provision for losses on financial assets that is now calculated using the expected credit loss (ECL) model rather than the incurred loss model. The determination of provision for credit losses using the ECL approach requires complex financial quantitative models as well as qualitative data; the latter which employs a significant amount of management judgment. Impairment allowance on loan facilities that have shown a significant increase in credit risk is based on the Bank's estimate of losses expected to result from default events	We assessed the design and implementation as well as the operating effectiveness of controls over the Bank's procedures used in the classification of loan assets. Key controls evaluated include management review of input data and use of forward-looking macroeconomic data. We performed extensive procedures on assessing the reliability of qualitative factors used by management in the determination of loan asset stage classification. We documented management's judgment criteria and assessed the validity of management's judgment criteria to underlying supporting information. We performed substantive test of details in assessing key data and assumptions for data input into the ECL model used by the Bank. Our procedures included the following;

over the life of the facility. Impairment allowance on other facilities that have not shown a significant increase in credit risks is recognized based on an estimate of losses expected as a result of default event within 12 months after the reporting date. These estimates are also an output of models which includes the evaluation of past due information. The Bank incorporates forward–looking information into both the assessment of whether credit risk has increased significantly and in the measurement of ECL. Management has used significant judgment in the classification of loans into stages, as well as in estimating the key assumptions applied on the recoverability of loan balances. See Notes 7 and 21 to the financial statements for further information.	We tested the reasonableness of the Bank's ECL methodology by considering whether it reflects unbiased and probability weighted amounts that is determined by evaluation a range of possible outcomes, the time value of money, reasonable and supportable information as at the reporting date about past events, current conditions and forecasts of future economic condition. Information considered includes; credit conversion factors, historical default rates, foreign exchange rates and Gross Domestic Product growth rates. We evaluated the appropriateness of management's basis used in the determination of exposure at defaults including the contractual cash flows, outstanding loan balance, loan repayment type, loan tenor and effective interest rates. For probability of defaults, we tested the reasonableness of assumptions and methodology used in determining the probability of default. We tested the reasonableness of the estimation of loss given defaults, which includes an assessment of haircut adjustments. We re-performed the calculation of impairment allowance for loas and advances using the Bank's impairment model and reviewed IFRS 9 disclosures for reasonableness.
Revenue recognition The amount of revenue recognized in the year on interest income and fee and commission income is dependent on the appropriate assessment/classification of loan assets and an appropriate fee amortization schedule respectively. As the classification of overdraft facilities is complex, significant judgment is applied in determining the appropriate asset class of these facilities. The determination of loan asset class informs the appropriateness of accounting treatment of related income.	We performed tests on the operating effectiveness of controls relating to loan asset classification by testing the classification of a sample of high value loan assets from the banking application to underlying supporting documents obtained from the credit department. (Credit report, credit recommendation on classification and loan portfolio).

In our view, revenue recognition is significant to our audit as the Bank might inappropriately recognize interest income on loan and overdraft facilities or use aggressive methods for fees and commission incomes amortization; This would usually lead to revenue and profit being recognized too early. Management determination of interest income relies extensively on the Bank's computer information system. A malfunctioning of the banking application, inappropriate input of data and/or lack of timely update of data could lead to extensive and long running misstatement of revenue. See Note 19 and 20 to the financial statements for further information.	We performed substantive test of detail on fees and commission incomes by assessing the amortization schedule with information held from prior periods, testing loan assets period to underlying supporting information (customer credit files) and performing re-computation of fees and commission incomes amortization schedule. We performed substantive analytical procedures on various income streams, assessing month on month movements with observed movements in prior periods, corroboration from other supporting information and obtaining supporting documents when outcome exceeds our established expectation. We performed substantive analytical procedures by benchmarking the Bank's revenue to loan ratio to the industry average on an annual basis, noting exceptions and obtaining relevant corroborations from management.
IFRS 16-Leases The bank applied IFRS 16 on 1 January 2019,Using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 was recognized as an adjustment to the opening balance of the general reserve at 1 January 2019, with no restatement of comparative information The impact of IFRS 16 as at 31 December 2020 is disclosed in note 2.3.1 to the financial statements. A number of judgments have been applied and estimates made in determining the impact of the standard.	Through our discussions with management and review of IFRS 16, we understood the bank's process in identifying lease contracts, or contracts which contained leases. We read a sample of contracts to assess whether leases have been appropriately identified. We obtained the bank's quantification of ROU assets and lease liabilities. For a sample of leases, we agreed the inputs used in the quantification to the lease agreements, challenged the calculations of the discount rate applied, and performed computation checks. We assessed Bank's accounting for ROU

In order to compute the transition impact of IFRS 16, a significant data extraction exercise was undertaken by management to summarize all property and equipment lease data such that the respective inputs and uploaded into management's model. Significant judgment is required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include assessment of lease term, the depreciation of the ROU asset, the determination of incremental borrowing cost (discount rate). The adjustments arising from applying IFRS 16 are material, and this disclosure of impact is a key focus area in our audit.	assets and lease liabilities. Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 transition impact disclosures; Assessed the appropriateness of the discount rates applied in determining lease liabilities. Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other supporting information, and checked the integrity and mechanical accuracy of the IFRS 16 calculations for each lease sampled through recalculation of the expected IFRS 16 adjustment; Assessed whether the disclosures within the financial statements are appropriate in line with the IFRS 16 requirements. Our conclusions reached was not materially different from management's conclusion.

Other Matters

On May 27,2023 Cllr. Charlyne M. Brumskine, member of the bank's board of directors was named as the Vice Running-Mate to Mr. Alexander B. Cummings of the Collaborating Political Parties (CPP) and as a result, she was recused from the board on June 5, 2023.

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 IFRSs, the requirements of the New Financial Institutions Act (FIA) of 1999 and the Prudential Regulations of the Central Bank of Liberia (CBL) and for such internal control as management determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

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 objective is 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 International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 ISA, we exercise professional judgement 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. This risk of not detecting a material misstatement resulting from fraud is high 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and the related disclosures made by the directors.

- Conclude on the appropriateness of the directors’ 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 company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease 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 the events in a manner that achieves fair presentation.

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

- Determine key audit matters and described it in the report unless precluded by law or in rare circumstances where we believe that matters should not be communicated because the adverse consequences of doing so would outweigh the public interest benefit of communication.

We communicate with the directors 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 the audit.

Independent Auditor's Report (continued)

We also provide those charged with governance with statement that we have complied with relevant ethical requirement regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is **L. Olandor Boyce, I**

L. Olandor Boyce, I – CPA, CFE, CGMA, CITP
Managing Partner/CEO
License No.: 048

CroweLiberia

Crowe Liberia, LLC
Monrovia, Liberia
June 15, 2023

STATEMENT OF FINANCIAL POSITION
As at December 31, 2022

In Thousands of Liberian Dollars	Notes	December 31, 2022 L$'000'	December 31, 2021 L$'000'
Assets			
Cash and cash equivalents	5	7,221,827	5,876,309
Investments	6	2,187,020	2,089,897
Loans and advances to customer	7	14,956,282	10,522,878
Property, plant and equipment	8	740,477	699,811
Intangible assets	9	124,263	142,716
Right of Use asset	10	719,512	651,337
Other assets	12	1,514,310	2,229,607
Total Assets		**27,463,691**	**22,212,555**
Liabilities			
Deposits from customers	13	18,838,612	17,278,564
Account payables	14	1,264,500	643,421
Deferred Tax Liabilities	11.3	55,291	28,520
Lease liabilities - operating lease	15	144,747	58,706
Current income tax liabilities	11.2	24,200	21,795
Borrowings	16	3,658,355	872,160
Other liabilities	17	383,696	408,229
Total liabilities		**24,369,401**	**19,311,395**
Equity			
Stated capital	18	705,486	705,486
Share premium		57,713	57,713
Statutory reserve		495,356	375,544
Income surplus		750,639	637,191
Foreign currency translation reserve		1,085,096	1,125,226
Total equity		**3,094,290**	**2,901,160**
Total equity and liabilities		**27,463,691**	**22,212,555**

These financial statements were approved by the Directors on June 15, 2023, and were signed on its behalf by:

Pa Macoumba Njie
Chairman
Board of Directors

Henry F. Saamoi
Chief Executive Officer (CEO)

The notes on pages 22 to 84 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Thousands of Liberian Dollars	Notes	December 31, 2022 L$'000'	December 31, 2021 L$'000'
Interest Income	19	1,534,104	1,474,531
Interest expense	20	(170,343)	(159,337)
Net Interest Income		**1,363,761**	**1,315,194**
Net impairment credit on financial assets	21	(233,784)	(316,879)
Net interest income after loan impairment charges		**1,129,977**	**998,315**
Fees and commission income	22	438,611	468,432
Other Operating Income	23	447,767	556,574
Net Operating Income		**2,016,355**	**2,023,321**
Personnel expense	24	(487,058)	(515,405)
Occupancy and other property cost	25	(456,177)	(429,903)
Depreciation and Amortization	26	(151,174)	(186,320)
Finance cost	27	(154,456)	(71,510)
Other operating expense	28	(480,257)	(523,003)
Profit before income tax		**287,233**	**297,180**
Income tax expense	11	(65,262)	(92,193)
Profit after income tax		**221,971**	**204,987**
Other comprehensive income			
Foreign translation difference		24,190	(598,617)
Total comprehensive (loss)/ income for the year		**246,161**	**(393,630)**
Earnings per share		0.031	0.068

The notes on pages 22 to 84 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

In Thousands of Liberian Dollars	Share capital L$ '000'	Share Premium L$ '000'	Statutory Reserves L$ '000'	Income surplus L$ '000'	Translation difference L$ '000'	Total L$ '000'
Balance as at January 1, 2021	**705,486**	**57,713**	**324,297**	**420,033**	**1,659,523**	**3,167,052**
Profit for the year	-	-	51,247	153,740	-	204,987
Dividend declared	-	-	-	-	-	-
Prior period adjustments	-	-	-	63,418	-	63,418
Translation difference	-	-	64,320	-	(598,617)	(534,297)
Balance as 31 December 2021	**705,486**	**57,713**	**439,684**	**637,191**	**1,060,906**	**2,901,160**
Balance as at January 1, 2022	**705,486**	**57,713**	**439,864**	**637,191**	**1,060,906**	**2,901,160**
Profit for the year	-	-	55,492	166,476	-	221,968
Dividend declared	-	-	-	(76,318)	-	(76,318)
Prior period adjustments (Note 29)	-	-	-	23,290	-	23,290
Translation difference	-	-	-	-	24,190	24,190
Balance as 31 December 2022	**705,486**	**57,713**	**495,356**	**750,639**	**1,085,096**	**3,094,290**

The notes on pages 22 to 84 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Amounts are expressed in thousands of Liberian Dollars	Notes	**December 31, 2022 L$'000'**	December 31, 2021 L$'000'
Cash flow from operating activities:			
Profit before taxations		**287,233**	297,180
Adjustment for:			
Depreciation and Amortization	26	**151,174**	186,320
Gain on the sale of PPE		**-**	4,952
Interest expense	27	**154,456**	71,510
Impairment on Loan and Advances	21	**233,784**	316,879
Net Interest income	19&20	**(1,363,761)**	(1,315,194)
Cash flow from operations before working capital change		**(537,114)**	(438,353)
Changes in Loan and Advances		**(4,667,188)**	178,733
Changes in Mandatory Reserve Deposits	5.2	**290,902**	(520,672)
Changes in Trading Assets	6	**(97,123)**	(225,730)
Change in deferred tax assets	11.3	**-**	13,041
Changes in Other Assets	12	**715,296**	274,380
Changes in Deposits to Customers	13	**1,560,048**	737,750
Changes in Accounts payable	14	**621,079**	(141,107)
Changes in Other Liabilities	17	**(24,533)**	(88,606)
Cash generated by/ (utilized in) operating activities		**(2,138,633)**	(210,564)
Interest received	19	**1,534,104**	1,474,531
Interest paid	20	**(170,343)**	(159,337)
Income tax expense	11.2	**(14,751)**	(49,565)
Net Cash flows from operating activities		**(789,623)**	1,055,066
Cash flows from Investing Activities			
Purchase of property plant & equipment	8	**(142,019)**	(161,270)
Adjustment in PPE & RoU		**(20,816)**	673,887
Sale proceed from sale of PPE		**-**	4,819
Acquisition of Right of Use Assets	10	**(98,243)**	(278,435)
Net cash generated from/ (used in) Investing Acctivities		**(261,079)**	**239,001**
Cash flows from Financing Activities			
Repayment of long term debt	16	**2,786,195**	(1,043,740)
IFRS 16 Lease liability		**86,041**	(172,839)
Cash payments for the interest portion of lease liabilities	27	**(6,241)**	(2,858)
Interest paid on the long - term borrowing	27	**(148,215)**	(68,652)
Other adjustment to equity		**21,470**	63,416
Payments of dividends		**(76,318)**	-
Net cash generated from financing activities		**2,662,932**	(1,224,673)
Net increase in cash and cash equivalent		**1,612,230**	69,394
Cash and cash equivalent as at January 1	5.2	**3,701,556**	4,693,068
Translation difference		**24,190**	(1,060,906)
Cash and cash equivalent at Dec		**5,337,976**	**3,701,556**

Notes to the financial statements

1. General Information

International Bank (Liberia) Limited, formerly known as International Trust Company (ITC) is a private commercial bank incorporated and domiciled in Liberia with its registered office at Tubman Boulevard, Between 11th & 12th Streets, PO Box 10-292, 1000 Monrovia 10, Liberia.

International Trust Company (ITC) was established in 1948 by an act of legislature to manage the Liberian maritime program. ITC opened its commercial banking department in 1960 to handle customers account, money transfers and provide credit facilities, and in 2000 became a standalone commercial bank, adopting the name - International Bank (Liberia) Limited. Its banking license was granted by the Central Bank of Liberia in 2000.

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Such services include granting of loans and advances, foreign exchange operations and deposit services.

2. Significant account policies

2.1 Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) the requirements of the New Financial Institutions Act (FIA) of 1999, the Prudential Regulations of the Central Bank of Liberia (CBL) and in the manner required by the Liberia Business Corporation Act of the Association of Laws of Liberia Revised (2020).

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain items that are measured at fair values at the end of each reporting period, as explained in the accounting polices below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Bank reported a profit after tax of **L$221.9 million** for the year ended December 31, 2022 (L$204.9 million, 2021) and, as at this date the accumulated income surplus is **L$750.6 million** and Statutory Reserve stands at **L$495.4 million.**

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
Changes in accounting policies and interpretations adopted by the Bank continued

Use of estimates and Judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. Changes in the assumptions may have a significant impact in the financial statements in the period that the assumptions changed. Management believes that the underlying assumptions are appropriate and that financial statement presents the financial position fairly.

Functional and Presentation currency
The financial statements are presented in Liberian Dollars, which is the Bank's functional currency and presentation currency. The figures shown in the financial statements are stated in thousands. The disclosures on risks arising from financial instruments are presented in the financial risk management report contained in Note 3. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.3 Changes in accounting policies and disclosures
(i) New and amended standards adopted by the Bank
Except as noted below, the Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these consolidated and separate financial statements.

Property and Equipment: Proceeds before intended use – Amendments to IAS 16
The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. This amendment does not have an impact on the Bank's financial statement.

Reference to the Conceptual Framework – Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognized at the acquisition date. There has been no change in the Bank structure within the period as such this amendment does not have an impact on the Bank's financial statement.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
Changes in accounting policies and interpretations adopted by the Bank continued

Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognizing a separate provision for an onerous contract, the entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract. This amendment does not have an impact on the Bank's financial statement.

Annual Improvements to IFRS Standards 2018–2020

The International Accounting Standards Board issued 'Annual Improvements to IFRS Standards **2018–2020** Cycle'. These are amendments affecting IFRS 9 Financial Instruments', IFRS 16 Lease, 'Income taxes', and IFRS 1 First-time Adoption of International Financial Reporting Standards

Amended Standard	**The amendments**
IFRS 9 Financial Instruments	Clarifies which fees the Bank should be included in the 10% test for derecognition of financial liabilities.
IFRS 16 Lease	Amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
IFRS 1 First-time Adoption of International Financial Reporting Standards	Allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. The bank has not incorporated this amendment in the preparation of the financial statement.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
New and amended standards not yet adopted by the Bank

The following standards and interpretations had been issued but were not mandatory for annual reporting period ended on December, 31 2022. The Bank has not early adopted the under listed standards in preparing the financial statements as it plans to adopt them at their respective effective dates if applicable.

Classification of Liabilities as current or non-current - Amendments to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023. The effective date is 1 January 2023. The impact of this amendment on the Bank financial statements is currently under assessment.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what 'material accounting policy information' is and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The effective date is 1 January 2023. The impact of this amendment on the Bank's financial statements is under assessment.

Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The effective date is 1 January 2023.The impact of this amendment on the Bank's financial statements is under assessment.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
New and amended standards not yet adopted by the Bank *(continued)*

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- **i.** right-of-use assets and lease liabilities, and
- **ii.** Decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.
- **iii.** The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.

The effective date is 1 January 2023. The impact of this amendment on the Bank's financial statements is under assessment.

Critical accounting estimates and judgments in applying accounting policies

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and directors' judgments for certain items are especially critical for the Bank's results and financial situation due to their materiality.

Determination of impairment of property and equipment, and intangible assets, excluding goodwill

Management is required to make judgments concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Bank applies the impairment assessment to its separate cash generating units. This requires management to make significant judgments and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realizable values. Management's judgment is also required when assessing whether a previously recognized impairment loss should be reversed.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
Segment Reporting

The Bank's current operation is concentrated in Liberia and as such does not lend itself to segmental reporting and hence management has not provided information on segmental reporting.

2.4. Foreign currency translation

a. Functional and presentation currency

The financial statements are presented in Liberian Dollars, which is one of Liberia's functional currencies and the mandatory presentational currency. The other functional currency is the United States dollar. The financial information presented in Liberian Dollars has been rounded to the nearest thousand except as otherwise indicated. The closing rate used for the Statement of Financial Position was L$154.49 to US$1.00 as at December 31, 2022 and the Statement of Profit or Loss and Other Comprehensive Income was L$152.93 to US$1.00. (2021: L$145.36 to US$1.00 and L$166.15 to US$1.00 respectively).

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognized in the income statement.
Monetary items denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial position date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognized in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency using the exchange rate at the transaction date, and those measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Exchange differences on non-monetary assets are accounted for based on the classification of the underlying items.
Translation differences on non-monetary financial assets and liabilities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on equities measured at fair value through other comprehensive income are included in the revaluation reserve in other comprehensive income.
As the Bank's Functional currency is different from the presentation currency, the result and financial position are translated into the presentation currency as follows:

1. Asset and liabilities are translated at the closing rate at the balance sheet date
2. Income and expenses are translated at average exchange rates; and
3. All resulting exchange difference are recognize in other comprehensive income

Notes to the financial statements *(continued)*

2.5 Revenue Recognition
Interest income

Policy applicable before 1 January 2018

Interest income and expense for all interest-bearing financial instruments are recognized within 'interest income' and 'interest expense' in profit or loss 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 estimates cash flows considering all contractual terms of the financial instrument, including prepayment options, but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit- impaired) or to the amortized cost of the liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset.

The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Presentation

Interest income calculated using the effective interest method presented in the statement of comprehensive income consist of interest on financial assets measured at amortized cost; Interest expenses presented in the statement of comprehensive income consist of financial liabilities measured at amortized cost.

Notes to the financial statements *(continued)*

Policy applicable from 1 January 2018

Fees are included in the calculation of the effective interest rate to the extent that they can be considered to be an integral part of the effective interest rate.

Interest income on all trading assets are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets in net interest income and commission on loan and advances.

2.6a Revenue recognition

Commitment fees in relation to facilities, where drawdown is not probable, are recognized over the term of the commitment.

2.6 b Fees and commission income

Unless included in the effective interest calculation, fees and commissions are recognized on an accrual basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, are recognized on completion of the underlying transaction.
Commitment fees, together with related direct costs, for loan facilities where drawdown is probable are deferred and recognized as an adjustment to the effective interest on the loan once drawn.

2.7 Net trading income/ Net gains/losses on foreign exchange

Net trading income comprises of gains less loss related to trading assets and liabilities, and includes all realized and unrealized fair value changes, interest, dividends and foreign exchange differences. Net gains or foreign exchange trading comprises trading gain and losses related to foreign exchange purchases from and sales to customers.

2.8 Leases

Bank as a lessee

Leases, under which the Bank possess a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the Bank's statement of financial position and recognized as a leased asset. The major lease transaction wherein the Bank is lessee relates to the lease of Bank's branches to assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Bank assesses whether, throughout the period of use, it has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset, and
(b) The right to direct the use of the identified asset.

Notes to the financial statements *(continued)*

2.8 Leases *(continued)*

Bank as a lessee ***(continued)***

The Bank has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The Bank recognizes expenses associated with these leases as an expense on straight line basis over the lease term.

The Bank presents right-of-use assets as a separate class under Assets. The Bank presents lease liability in other liabilities in the statement of financial position. The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate. The weighted average lessee's incremental borrowing rate that has been applied to the lease liabilities on January 1, 2019 is 5%.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Bank has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options.

The assessment of whether the Bank is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

2.8b 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 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 has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

2.8c Finance lease

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Notes to the financial statements *(continued)*

2.9 Income taxation

Current income tax

Current income tax charge is calculated on the basis of the applicable tax laws enacted or substantively enacted in the respective jurisdiction of the Bank and is recognised as an expense for the period except to the extent that current tax relates to items that are recognised in other comprehensive income or directly to equity.

2.9b Deferred income tax

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The tax effects of carry-forward unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

Deferred income tax is not provided on temporary differences arising from investments in subsidiaries and associates (not applicable to IBLL), where the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.10 Financial assets

Classification

The Bank applies IFRS 9 and classifies its financial assets in the following measurement categories:

- Amortised cost.
- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or

Classification and subsequent measurement of financial assets depend on:

- *the Bank's business model for managing the asset; and*
- *the cash flow characteristics of the asset.*

Notes to the financial statements *(continued)*
Financial assets (*continued)*

Based on these factors, the Bank classifies its financial instruments into one of the following three measurement categories:

2.10a Amortised Costs
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

2.10b Fair value through other comprehensive income (FVOCI):
Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in 'other operating income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

2.10c Fair value through profit or loss:
Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the profit or loss statement within 'net trading income' in the period in which it arises. Interest income from these financial assets is included in 'interest income' using the effective interest rate method.

Business model assessment:
Business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g.: financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL. The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Notes to the financial statements *(continued)*
Financial assets (*continued)*

Other factors considered in the determination of the business model include:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets.

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

- how managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows is realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Bank may decide to sell financial instruments held under the hold to collect category with the objective of collecting contractual cash flows without necessarily changing its business model.

SPP/ assessment:
Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the · SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
IFRS 9 Financial Instruments *(continued)*

2.10d Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date –the date on which the Bank commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Bank has transferred substantially all risks and rewards of ownership.

2.10e Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.10f Impairment of financial assets

The Bank assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include: significant financial difficulty of the issuer or obligor; a breach of contract, such as a default or delinquency in interest or principal payments; the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; and observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including: adverse changes in the payment status of borrowers in the portfolio; and National or local economic conditions that correlate with defaults on the assets in the portfolio.

Notes to the financial statements *(continued)*

Financial assets (*continued)*

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 recognised are not included in a collective assessment of impairment.

In line with IFRS 9, the Bank assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Financial assets at amortized cost;
- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

Equity instruments and financial assets measured at FVTPL are not subjected to impairment under the standard.

Expected Credit Loss impairment model

In line with IFRS 9, the Bank adopted the Expected Credit Loss (ECL) approach. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on the credit deterioration from inception.

The Bank undertakes lending activities after careful analysis of the borrowers' character, capacity to repay, cash flow, credit history, industry and other factors. The Bank acknowledges that there are diverse intrinsic risks inherent in its different business segments and, as a result, applies different parameters to adequately dimension the risks in each business segment.

The Bank's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception.

The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Bank adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
IFRS 9 Financial Instruments *(continued)*

• Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

• Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

• Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.
The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

Measurement of expected credit losses
The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modeled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. Details of these statistical parameters/inputs are as follows:

• PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs.

Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9.

• EAD – The exposure at default 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, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

• LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
IFRS 9 Financial Instruments *(continued)*

To estimate expected credit loss for off balance sheet exposures, credit conversion factor (CCF) is usually computed. CCF is a modelled assumption which represents the proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring. It is a factor that converts an off-balance sheet exposure to its credit exposure equivalent. In modelling CCF, the Bank considers its account monitoring and payment processing policies including its ability to prevent further drawings during periods of increased credit risk. CCF is applied on the off-balance sheet exposures to determine the EAD and the ECL impairment model for financial assets is applied on the EAD to determine the ECL on the off-balance sheet exposures.

Forward-looking information
The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward looking information requires significant judgment.

Macroeconomic factors

The Bank relies on a broad range of forward- looking information as economic inputs, such as: GDP growth, unemployment rates, Central Bank base rates, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgment.

Assessment of significant increase in credit risk (SICR)

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.

The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgment, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook.

The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
IFRS 9 Financial Instruments *(continued)*

The Bank adopts a multi-factor approach in assessing changes in credit risk. This approach considers:

- Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages. The quantitative models consider deterioration in the credit rating of obligor/counterparty based on the Bank's internal rating system or external factors.

Definition of default and credit impaired financial assets
At each reporting date, the Bank assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. 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.
Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or another financial reorganization;
- The disappearance of an active market for a security because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses; and
- Others include death, insolvency, breach of covenants, etc.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are more than 90 days past due are considered impaired except for certain specialized loans (Project Finance, Object Finance and Real
Estate Loans as specified by the Central Bank of Liberia) in which the Bank has rebutted the 90 DPD presumptions in line with the CBL Prudential Guidelines.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

• The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfill the required criteria.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
IFRS 9 Financial Instruments *(continued)*

Loan allowances for ECL are presented in the statement of financial position as follows:

• Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
• Loan commitments and financial guarantee contracts: generally, as a provision;
• Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component:

The Bank presents a combined loss allowance for both components;

• The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
• Debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

Write-off

The Bank writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no reasonable expectation of recovery. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full). All credit facility write-offs shall require endorsement at the appropriate level, as defined by the Bank. Credit write-off approval shall be documented in writing and properly initialed by the approving authority.
A write-off constitutes a Derecognition event. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognized as income on a cash basis only.
The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:
– debt investment securities that are determined to have low credit risk at the reporting date; and
– other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Bank considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’. The Bank does not apply the low credit risk exemption to any other financial instruments.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
IFRS 9 Financial Instruments *(continued)*

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as ‘Stage 1 financial instruments’.
Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as ‘Stage 2 financial instruments’.

Measurement of ECL
ECL are a probability-weighted estimate of credit losses. They are measured as follows:
– financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);

– financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

– undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and

– financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank’s historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

– the remaining lifetime probability of default (PD) as at the reporting date; with
– the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).
The Bank uses three criteria for determining whether there has been a significant increase in credit risk:
– quantitative test based on movement in PD;
– qualitative indicators; and
– a backstop of 30 days past due.

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
IFRS 9 Financial Instruments *(continued)*

Credit risk exposures
The Bank's financial assets are categorized under IFRS 9 as follows:

(a) Stage 1: Stage 1 financial assets are loans and advances that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (where the optional simplification is applied) at the reporting date.

The credit quality of the Stage 1 loans and advances are assessed by reference to the internal rating system adopted by the Bank. These are assigned ratings A1 & B1.
In addition to the above, Stage 1 loans and advances are loans that have experienced movement of credit rating of less than 3 notches migration of the obligors over the period of 3 years.

(b) Stage 2: Stage 2 financial assets are loans and advances that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event. The credit quality of the Stage 2 loans and advances are assessed by reference to the internal rating system adopted by the Bank. These are assigned rating C1.
In addition to the above, Stage 2 loans and advances are loans that have experienced movement of credit rating of more than 3 notches migration of the obligors over the period of 3 years.

(c) Stage 3: Stage 3 financial assets are loans and advances that have objective evidence of a credit loss event. Stage 3 allocations are driven by either the identification of credit impairment or an exposure being classified as defaulted. The credit quality of the Stage 3 loans and advances are assessed by reference to the internal rating system adopted by the Bank. These are assigned ratings C2, C3 and C4.

The table below shows the Bank's maximum exposure to credit risks categorized in the various stages.

At December 31, 2022	**Stage 1 L$'000'**	**Stage 2 L$'000'**	**Stage 3 L$'000'**	**Total L$'000'**
Loan and advances to customers	13,179,078	953,358	823,846	14,956,282
Gross carrying amount	13,416,838	1,432,277	1,151,486	16,000,601
Loss Allowance	(237,760)	(478,919)	(327,640)	(1,044,319)
	13,179,078	**953,358**	**823,846**	**14,956,282**
At December 31, 2021				
Loans and advances to customers	8,510,475	1,616,309	396,094	10,522,878
Gross carry amount	8,712,812	1,989,158	1,090,180	11,792,150
Loss Allowance	(202,337)	(372,849)	(694,086)	(1,269,272)
Carrying Amount	**8,510,475**	**1,616,309**	**396,094**	**10,522,878**

Notes to the financial statements *(continued)*
Significant accounting policies (continued)
IFRS 9 Financial Instruments *(continued)*

Loan and Advances are summarized as follows:

At December 31, 2022	Loan to individual	Loans to non-individual	Total LR$
Loan and advances to customers	1,545,981	11,870,857	13,416,838
Stage 1 - 12 months ECL	**1,545,981**	**11,870,857**	**13,416,838**
Loan and advances to customers	38,932	1,393,345	1,432,277
Stage 2 - Lifetime ECL not credit	**38,932**	**1,393,345**	**1,432,277**
Loan and advances to customers	191,876	959,610	1,151,486
Stage 3 - Non- performing loans	**191,876**	**959,610**	**1,151,486**
Total gross loans and advances	**1,776,789**	**14,223,813**	**16,000,601**

The impairment allowance on loans is further analyzed as follows:

At December 31, 2022	Loan to individual	Loans to non-individual	Total L$
Loan and advances to customers	26,418	211,342	237,760
Stage 1 - 12 months ECL	**26,418**	**211,342**	**237,760**
Loan and advances to customers	2,781	476,138	478,919
Stage 2 - Lifetime ECL not credit	**2,781**	**476,138**	**478,919**
Loan and advances to customers	49,591	278,049	327,640
Stage 3 - Non- performing loans	**49,591**	**278,049**	**327,640**
Total gross loans and advances	**78,790**	**965,529**	**1,044,319**

Notes to the financial statements (continued)
Significant accounting policies (continued)
IFRS 9 Financial Instruments (continued)

Loan and Advances are summarized as follows:

At December 31, 2021	Loan to individual L$'000'	Loans to non-individual L$'000'	Total L$'000'
Loan and advances to customers	1,009,034	7,703,778	8,712,812
Stage 1 - 12 months ECL	**1,009,034**	**7,703,778**	**8,712,812**
Loan and advances to customers	54,945	1,934,213	1,989,158
Stage 2 - Lifetime ECL not credit	**54,945**	**1,934,213**	**1,989,158**
Loan and advances to customers	135,165	955,015	1,090,180
Stage 3 - Non- performing loans	**135,165**	**955,015**	**1,090,180**
Total gross loans and advances	**1,199,144**	**10,593,006**	**11,792,150**

The impairment allowance on loans is further analyzed as follows:

At December 31, 2021	Loan to individual L$'000'	Loans to non-individual L$'000'	Total L$'000'
Loan and advances to customers	19,169	183,168	202,337
Stage 1 - 12 months ECL	**19,169**	**183,168**	**202,337**
Loan and advances to customers	6,610	366,239	372,849
Stage 2 - Lifetime ECL not credit	**6,610**	**366,239**	**372,849**
Loan and advances to customers	63,179	630,907	694,086
Stage 3 - Non- performing loans	**63,179**	**630,907**	**694,086**
Total allowances	**88,958**	**1,180,314**	**1,269,272**

Notes to the financial statements (continued)
Significant accounting policies (continued)
IFRS 9 Financial Instruments (continued)

At December 31, 2022	Gross Loans LR$	Collateral LR$
Against Stage 1 Loans and Advances	13,416,838	22,715,283
Against Stage 2 Loans and Advances	1,432,277	970,043
Against Stage 3 Loans and Advances	1,151,486	13,236,703
	16,000,601	**36,922,029**

At December 31, 2021	Gross Loans L$'000'	Collateral L$'000'
Against Stage 1 Loans and Advances	8,712,812	**27,113,582**
Against Stage 2 Loans and Advances	1,989,158	**6,068,531**
Against Stage 3 Loans and Advances	1,090,180	**3,024,576**
	11,792,150	**36,206,689**

The type of collateral and other security enhancements held against the various loan classifications are analyzed in the table below:

At December 31, 2022	Term loan L$'000'	Overdraft	Total L$'000'
Against Stage 1 Loan and Advances			
Property	17,969,960	-	17,969,960
Others	4,745,323	-	4,745,323
	22,715,283	**-**	**22,715,283**
Against Stage 2 Loans and Advances			
Property	770,490	-	770,490
Others	199,553	-	199,553
	970,043	**-**	**970,043**
Against Stage 3 Loans and Advances			
Property	10,451,352	-	10,451,352
Others	2,785,351	-	2,785,351
	13,236,703	**-**	**13,236,703**

Notes to the financial statements (continued)
Significant accounting policies (continued)
IFRS 9 Financial Instruments (continued)

The type of collateral and other security enhancements held against the various loan classifications are analyzed in the table below:

At December 31, 2021	Term loan	Overdraft	Total LR$
Against Stage 1 Loan and Advances			
Property	17,969,960	-	17,969,960
Others	9,143,622	-	9,143,622
	27,113,582	**-**	**27,113,582**
Against Stage 2 Loans and Advances			
Property	2,507,201	-	2,507,201
Others	3,561,330	-	3,561,330
	6,068,531	**-**	**6,068,531**
Against Stage 3 Loans and Advances			
Property	2,785,351	-	2,785,351
Others	239,225	-	239,225
	3,024,576	**-**	**3,024,576**

Notes to the financial statements (continued)
Significant accounting policies (continued)
IFRS 9 Financial Instruments (continued)

Performance profile of loans and advances per CBL prudential guidelines is as follow (In thousands of Liberian dollars**)**
2022

Status	**Total count**	**% Total count**	**Value, US'000'**	**% Total value**	**Provision amount US'000'**	**% of Total Provision**
Current	1913	72%	14,696,425	92%	469,650	43%
Total current	**1913**	**72%**	14,696,425	**92%**	469,650	**43%**
Total performing	**1913**	**72%**	14,696,425	**92%**	469,650	**43%**
Substandard	47	2%	623,326	4%	178,899	17%
Doubtful	30	1%	434,191	3%	221,384	20%
Loss	658	25%	246,659	2%	213,969	20%
Total NPL	**735**	**28%**	1,304,176	**8%**	614,252	**57%**
Total Performing & NPL	**2648**	**100%**	**16,000,601**	**100%**	1,083,902	**100%**

Performance profile of loans and advances per CBL prudential guidelines is as follow (In thousands of Liberian dollars**)**
2021

Status	Total Count	% of Total Count	Value L$000	% of Total Value	Provision Amount	% of Total Provision
Current	1828	77%	10,731,989	91%	498,280	40%
Total Current	**1828**	77%	**10,731,989**	**91%**	498,280	40%
Total Performing	**1828**	77%	**10,731,989**	**91%**	498,280	40%
Substandard	36	2%	188,799	2%	50,872	4%
Doubtful	35	1%	515,617	4%	346,909	28%
Loss	462	20%	355,745	3%	355,687	28%
Total NPL	**533**	23%	**1,060,161**	**9%**	**753,468**	**60%**
Total Performing & NPL	**2361**	100%	11,792,150	100%	1,251,748	100%

Notes to the financial statements (continued)
Significant accounting policies (continued)
IFRS 9 Financial Instruments (continued)

Sensitivity Analysis of impairment using CBL provisions

2022

IFRS Classification	IFRS Provision L$'000'	CBL Classification	CBL Provision L$'000'
Stage 1	235,592	Current	469,650
Stage 2	473,814	Sub-standard	178,899
Stage 3	324,367	Doubtful	221,384
		Loss	213,969
	1,033,773		**1,083,902**

2021

IFRS Classification	IFRS Provision L$'000'	CBL Classification	CBL Provision L$'000'
Stage 1	202,337	Current	498,280
Stage 2	372,849	Sub-standard	50,872
Stage 3	694,086	Doubtful	346,909
		Loss	355,687
	1,269,272		**1,251,748**

Notes to the financial statements (continued)
Significant accounting policies (continued)
IFRS 9 Financial Instruments (continued)

Sensitivity Analysis of impairment using CBL provisions

Below is the sensitivity analysis on recognition of provision based on Central Bank of Liberia prudential guideline concerning accounting and financial reporting for Banks

Impact on the Statement of Comprehensive Income and Statement of Changes in Owner's Equity

	December 31, 2022 L$'000'	December 31, 2021 L$'000'
IFRS provision recognized in the statement of profit or loss and other comprehensive income	**233,784**	316,879
Provision based on Central Bank of Liberia's guideline	(275,809)	(296,848)
Difference between IFRS and CBL Provision	**(42,025)**	**20,031**
Profit as per the statement of profit or loss and comprehensive income before the recognition of CBL provision	193,901	204,991
Profit/ Loss if CBL Provision was recognized	**151,876**	**225,022**
Total equity attributable to the owners of the Bank based on IFRS	3,084,054	2,395,671
Total equity attributable to the owners of the Bank based on CBL	**2,932,178**	**2,375,649**

(i) Allowances for credit losses

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and Fair Value through Other Comprehensive Income is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgments 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 and the associated ECL. Refer to **Note 2.3.3** for further details on these estimates and judgments.

Notes to the financial statements (continued)
Significant accounting policies (continued)
IFRS 9 Financial Instruments (continued)

All other financial assets are subsequently measured at fair value through Profit and Loss. In addition an entity may, at initial recognition, irrevocably designate a financial asset as at fair value through profit and loss if doing so eliminates or significantly reduces an accounting mis-match that would otherwise arise.

Investments inequity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in Other Comprehensive Income.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests.

It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Reclassification of financial assets is required if the objective of the business model in which they are held changes after initial recognition of the assets, and if the change is significant to the entity's operations. Such changes are expected to be very in frequent. No other reclassifications are permitted.

2.11 Financial liabilities

Financial liabilities are measured at amortised cost. The financial liabilities are deposits from customers, deposits from banks and other liabilities. Interest expenditure is recognised in interest and similar expense.

2.12 Fair value determination

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price (i.e. the fair value of the consideration paid or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets. The Bank has no financial instrument that is measured at fair value on subsequent recognition.

2.13 De-recognition

The Bank derecognises financial assets when the contractual rights to the cash flows from these assets expire or the Bank transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred or in which the Bank neither retains substantially all the risks and rewards of ownership and it does not retain control of the financial assets. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Bank is recognised as a separate asset or liability in the statement of financial position.

Notes to the financial statements (continued)
Significant accounting policies (continued)
IFRS 9 Financial Instruments (continued)

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the *portion* of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in the income statement.

The Bank may enter into transactions whereby it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not de-recognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

In transactions in which the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

2.14. Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents include cash and restricted balances with Central Bank of Liberia.

2.15 Property, Plant and Equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably.

All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of assets over their estimated useful lives.

Notes to the financial statements (continued)
Significant accounting policies (continued)

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property and equipment are kept under review on an annual basis to take account of any change in circumstances.

Asset Class	Depreciation rate
Leasehold improvement	over the term of the leases
Building	2%
Office furniture and fixture	10%
Office equipment	16.67%
Generators and other equipment	16.67%
Housing furniture and equipment	20%
Motor vehicles	33.33%
Software	10%
Computer equipment	16.67%
Right of use assets	various rates based on the lease term

2.16 Intangible assets

Software not integral to the related hardware acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.
Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it; there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that the asset is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life is 10 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Notes to the financial statements (continued)
Significant accounting policies (continued)

2.17 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.
A provision for restructuring is recognised when the Bank has approved a detailed formal plan, and the restructuring either has commenced or has been announced publicly. Futures operating costs or losses are not provided for.
A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Bank's control. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements.

2.18 Employee benefits

Defined contribution plan
The Bank operates a 'Defined contribution plan'. Contributions to the scheme are paid to the National Social Security and Welfare Corporation (NASSCORP) on a mandatory basis.

The bank makes monthly contribution to the Employee Provident Fund Scheme. All employee are below pensionable age are eligible and management makes a monthly contribution of 5% for each enrolled salary employee. The employees have access to the fund upon separation from the bank.

The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

2.19 Share capital

Share issue costs
Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares
Ordinary shares are classified as “stated capital” in equity.

Notes to the financial statements (continued)
Significant accounting policies (continued)

Dividend on ordinary share
Dividend on the Bank's ordinary shares are recognized in equity in the period in which they are paid or, if earlier, approved by the Bank's Shareholders. The Bank's dividend payout ratio is 40%.

2.20 Earnings per share

The Bank presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of shares outstanding during the period.

3. Financial risk management

3.1 Introduction and overview of the Bank's Risk Management

International Bank (Liberia) Limited defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors. The Bank's aim is to achieve an appropriate balance between risks and return and minimise potential adverse effects on the Bank's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework.

Financial risk management

The Board of Directors is responsible for articulating the risk management policies of the Bank to enable informed decision making and approval and establish/maintain an appropriate environment for risk management in the Bank. All IBLL employees involved in the creation and management of risk exposures are required to comply at all times with the risk management policies, and procedures as approved. The Bank's Internal Audit & Risk Departments monitor compliance on an ongoing basis.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions, products and services offered.

The Board of Directors is also responsible for monitoring the adequacy of the accounting and other records and internal control systems. Its functions include:

- examining how management ensures and monitors the adequacy, quality and objectivity of the financial records including external reports to shareholders and regulators;
- reviewing statutory accounts and published financial statements.
- reviewing the accounting policies of the Bank.

Notes to the financial statements *(continued)*
Financial risk management (continued)

3.2 Measurement of financial assets and liabilities

The Bank's financial instruments are categorized as stated below:

	Financial Assets:	
December 31, 2022	**Investments L$'000'**	**Loan and advances L$'000'**
Cash and cash equivalents		7,221,827
Investments	2,187,020	-
Loan and advances		14,956,282
Other assets		1,514,310
	2,187,020	**23,692,419**

	Financial liabilities: Other financial liability L$'000'
Deposits from customers	18,838,612
Lease liabilities - Operating lease	-
Other liabilities	383,696
	19,222,308

		Financial Assets:
December 31, 2021	**Investments L$'000'**	**Loan and advances L$'000'**
Cash and cash equivalents		5,876,309
Investments	2,089,897	-
Loan and advances		10,522,878
Other assets		2,229,607
	2,089,897	**18,628,794**

	Financial liabilities: Other financial liability L$'000'
Deposits from customers	17,278,564
Lease liabilities - Operating lease	58,706
Other liabilities	408,229
	17,745,499

Notes to the financial statements continued
Financial risk management (continued)

3.3 Credit risk

Management of credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Bank's loans and advances to customers and other banks, and investment debt securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

The Board Credit Committee (BCC) under delegated authority is responsible for the following:

- facilitate the effective management of credit risk by the Bank;
- approve credit risk management policies, underwriting guidelines and standard
- proposals on the recommendation of the Management Credit Committee (MCC);
- approve definition of risk and return preferences and target risk portfolio;
- approve the Bank's credit rating methodology and ensure its proper implementation;
- approve credit appetite and portfolio strategy;
- approve lending decisions and limit setting;
- approve new credit products and processes;
- approve assignment of credit approval authority on the recommendation of the Management Credit Committee (MCC)
- approve credit facility requests and proposals within limits defined by International Bank (Liberia) Limited's credit authorities;
- recommend credit facility requests according to stipulated limits to the Board;
- review credit risk reports on a periodic basis;
- approve credit exceptions in line with Board approval; and
- make recommendations to the Board on credit policy and strategy where appropriate.

The Management Credit Committee shall be responsible for managing credit risks in the Bank. The members of the committee shall include all Unit Heads. This Committee is responsible for the following:

- review credit policy recommendations for Board approval;
- approve individual credit exposure in line with its approval limits;
- agree on portfolio plan/strategy for the Bank;
- review monthly credit risk reports and remedial action plan; and
- Coordinate the Bank's response to material events that may have an impact on the credit portfolio.

The Bank is required to implement credit policies and procedures, with credit approval authorities delegated from the Board Credit Committee.

(b). Maximum exposure to credit risk before collateral held or other credit enhancements

The Bank's maximum exposure to credit risk at December 31, 2022 and December 31, 2021, is represented by the net carrying amounts of its financial assets in the statement of financial position.

Notes to the financial statements (*continued)*
Financial risk management (continued)

3.3b Credit risk

Credit concentrations
The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at December 31, 2022 and December 31, 2021 show that most of the loans and advances are held in the trade sector:

Concentrations of risks of financial assets with credit exposure
Industry sector

December 31, 2022	Loans and advances to customers L$'000'	Investments L$'000"	Other assets L$'000'	Cash balances with foreign bank L$'000'	Cash and bank balances L$'000'
Trade, Hotel and Restaurants	6,179,909	-	-	-	-
Service	2,200,710	-	-	-	-
Personal	1,517,555	-	-	-	-
Trade and Commercial	-	-	1,514,310	-	-
Public sector	-	2,187,020	-	-	-
Construction	3,022,906	-	-	-	-
Financial services	-	-	-	1,440,679	5,781,148
Agriculture	556,473	-	-	-	-
Manufacturing	983,792	-	-	-	-
Mining and Quarrying	192,649	-	-	-	-
Transportation, Storage and Communication	279,318	-	-	-	-
Other	1,067,289	-	-	-	-
	16,000,601	**2,187,020**	**1,514,310**	**1,440,679**	**5,781,148**

Notes to the financial statements continued
Financial risk management continued

c. Loans and advances
Credit quality of loans and advances is summarized as follows:

December 31, 2021	Loans and advances to customers L$'000'	Investments L$'000"	Other assets L$'000'	Cash balances with foreign bank L$'000'	Cash and bank balances L$'000'
Trade, Hotel and Restaurants	4,792,128	-	-	-	-
Service	1,668,442	-	-	-	-
Personal	1,641,473	-	-	-	-
Trade and Commercial	-	-	2,229,607	-	-
Public sector		2,187,020	-	-	-
Construction	2,314,748	-	-	-	-
Financial services	-	-	-	1,051,392	4,824,917
Agriculture	506,589	-	-	-	-
Manufacturing	163,973	-	-	-	-
Mining and Quarrying	29,012	-	-	-	-
Transportation, Storage and Communication	51,612				
Other	624,173				
	11,792,150	**2,187,020**	**2,229,607**	**1,051,392**	**4,824,917**

i. Loans and advances to customers: neither past due nor impaired

The credit quality of the portfolio of loans and advances that were neither past due nor impaired can be assessed by reference to the customer's ability to pay based on loss experience. The Bank has a rating system in place, for its loans and advances to customers' portfolio.

	2022 L$'000'	2021 L$'000'
Neither past due nor impaired	13,416,839	8,712,828
The Bank's rating for its customers is shown below:		
Group 1: Customers with no history of default:	1,432,277	2,019,160
Group 2: Customers with past history of default:	1,151,486	1,060,162
	2,583,763	**3,079,322**

Notes to the financial statements continued
Financial risk management continued

ii. Loans and advances to customers: past due non impaired

	2022 L$'000'	2021 L$'000'
Past due up to 90 days	207,268	212,032
Past due by 90 - 180 days	310,902	500,396
Past due more	633,316	347,734
	1,151,486	**1,060,162**

iii. Credit quality of cash and cash equivalents

The credit quality of cash and cash equivalents and short-term investments that were neither past due nor impaired were assessed as at December 31, 2022 and December 31, 2021.

	Bank balances L$'000'	Treasury bill L$'000'	Total L$'000'
December 31, 2022'			
AAA	1,440,464	2,187,020	3,627,484
December 31, 2021'			
AAA	1,051,392	2,089,897	3,141,289

3.4 Liquidity risk

Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk management in the Bank is solely determined by management, which bears the overall responsibility for liquidity risk. The main objective of the Bank's liquidity risk framework is to maintain sufficient liquidity in order to ensure safe and sound banking operations.

a. *Management of liquidity risk*

The Bank’s approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Bank’s reputation. The Operation Department receives information from the various branches regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Operational Department then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the bank as a whole.

Notes to the financial statements continued
Financial risk management continued

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and severe market conditions. All liquidity policies and procedures are subjected to review and approval by ALCO.

The Bank relies on deposits from customers and other banks, and issues loans and advances as its primary sources of funding.

b. Management of liquidity risk

The table below analyses the Bank's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The cash flows presented are the undiscounted amounts to be settled in future.

December 31, 2022	0-30	31-90	91 - 180	181 - 365	December 31, 2022 LR$'000'
Financial liabilities					
Deposits from customers	1,345,593	2,691,186	5,382,372	9,419,461	18,838,612
Account payables	-	1,264,500	-	-	1,264,500
Borrowings	-	-	-	3,658,355	3,658,355
Other liabilities	-	383,696	-	-	383,696
Total financial liabilities	**1,345,593**	**4,339,382**	**5,382,372**	**13,077,816**	**24,144,853**

	0-30	31-90	91 - 180	181 - 365	December 31, 2021 L$'000'
Financial liabilities					
Deposits from customers	2,826,950	7,985,685	5,876,157	589,772	17,278,564
Account payables	-	643,421	-	-	643,421
Borrowings	-	-	-	872,160	872,160
Other liabilities	-	408,229	-	-	408,229
Total financial liabilities	2,826,950	**9,037,335**	5,876,157	**1,461,932**	**19,202,374**

Notes to the financial statements continued
Financial risk management continued
Liquidity risk (continued)

3.4.1 Bank Liquidity

The Bank liquidity is the level at which the bank is able to convert all amounts due from customers such as; Loans and advances, and overdraft and other current asset (balance with other banks, government securities, investments) into liquid cash. The higher the liquidity position of the bank, the better they will be able to meet their financial obligations.

The following are the determinant of the bank liquidity position as at 31 December 2022:

3.4.2 Analysis of the Bank Liquidation Ratios' Performance

(a) Liquidity

The percentage of the bank's liquid assets of 0.50 in 2022 is relatively higher compared to the total assets and short-term liabilities in 2021 of 0.46. This is mainly as a result of decrease in the current account balance with Foreign Bank and increment in the deposit from customers' balance.

The higher the current ratio, the more capable the bank is of paying it obligations, as it has a larger proportion of asset value relative to the value of its liabilities.

	2022 L$'000'	2021 L$'000'
Cash and cash equivalent	5,781,148	4,824,917
Current Account with Foreign Bank	1,440,679	1,051,392
Investments	1,300,102	1,046,768
Total Liquid Assets	**8,521,929**	**6,923,077**
Deposits from Customers	18,838,612	17,278,564
Total deposits and other designated liabilities	**18,838,612**	**17,278,564**
Net Working Capital	**(10,316,683)**	**(9,312,358)**
Current Ratios	**0.45**	**0.40**

Notes to the financial statements continued
Financial risk management continued
Liquidity risk (continued)

The working capital focuses on the bank's liquidity and its ability to meet current obligations. It measures liquid assets the bank has available to build it business. The Bank's net working capital of **(L$10,316,683**) for 2022 is higher than the result of (L$9,312,358) for 2021. This is attributed to the increase in deposits from customers. The bank's liquidity ratio as of December 31, 2021 was 50% (2021: 46%), which exceeds the regulatory requirement of 15%

3.4.2b Interest rate risk

The primary components of market risk for the Bank result from interest rate risk and foreign exchange risk.

The table below summarizes the International Bank's exposure to interest rate risk. It includes the Bank's financial instruments at their carrying amounts, categorized by the earlier of contractual repricing or maturity date.

December 31, 2022	**Upto1yr**	**1-5yrs**	**Over5yrs**	**Non-Interest bearing**	**December 31, 2022 L$'000'**
Assets					
Cash and bank balances	-	-	-	5,781,148	5,781,148
Cash balances with foreign bank	**1,440,679**	**-**	-	-	1,440,679
Investments	**2,187,020**	**-**	-	-	2,187,020
Loans and advances to customer	-	-	14,956,282	-	14,956,282
Other assets	-	-	-	1,514,310	1,514,310
	3,627,699	**-**	**14,956,282**	**7,295,458**	**25,872,439**
Liabilities					
Deposits from customers	-	3,047,354	15,791,258	-	18,838,612
Account payables	-	-	-	1,264,500	1,264,500
Lease liabilities - operating lease	-	-	-	-	-
Borrowings	-	-	3,658,355	-	3,658,355
Other liabilities	-	-	-	383,696	383,696
	-	**3,047,354**	**19,449,613**	**1,648,196**	**24,145,163**
Total Interest rate repricing gap	**3,627,699**	**(3,047,354)**	**(4,493,331)**	**5,647,263**	**1,727,276**

Notes to the financial statements continued
Financial risk management continued
Liquidity risk (continued)

As at December 31, 2021	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	December 31, 2021 L'000'
Assets					
Cash and short-term funds	-	-	-	4,824,917	4,824,917
Cash balances with foreign bank	1,051,392	-	-	-	1,051,392
Investments	2,089,897	-	-	-	2,089,897
Loan and advances to customers	-	-	10,522,878	-	10,522,878
Other Assets	-	-	-	2,229,607	2,229,607
Total financial assets	**3,141,288**	**-**	**10,522,878**	**7,054,524**	**20,718,690**
Liabilities					
Deposits from customers	-	2,826,950	14,451,614	-	17,278,564
Account payables	-	-	-	643,421	643,421
Lease liabilities - operating lease	-	-	-	58,706	58,706
Borrowings	-	-	-	-	-
Other liabilities	-	-	-	408,229	408,229
Total financial liabilities	**-**	**2,826,950**	**14,451,614**	**1,110,365**	**18,388,920**
Total interest rate repricing gap	3,141,288	(2,826,950)	(3,928,736)	5,944,168	2,329,771

3.5 Market risk

Market risk is defined as the risk of loss caused by open positions in the market and the adverse development of market risk factors such as interest rates, foreign exchange rates, equity prices, credit spreads and their volatilities. Market risk can arise in conjunction with trading and non-trading activities of financial institutions.

The primary components of market risk for the Bank result from interest rate risk and foreign exchange risk.

a. *Management of market risk*
The main objective of Market Risk Management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

b. *Measurement of market risk*

Notes to the financial statements continued
Financial risk management continued
Market risk

The Bank's major measurement technique used to measure and control market risk is outlined below.

i. Foreign exchange risk

The Bank is exposed to risks resulting from fluctuations in foreign currency exchange rates. A material change in the value of any such foreign currency could result in a material adverse effect on the Bank's cash flow and future profits. The Bank is currently exposed to exchange rate risk to the extent of balances and transactions denominated in currencies other than the Liberian Dollars.

The Bank holds the majority of its cash and cash equivalents in US Dollars. However, the Bank does maintain deposits in Liberian Dollars in order to fund ongoing commercial activity and other expenditure incurred in these currencies. The Bank has exposure to foreign exchange risk.

Management has set up a policy to manage the Bank's foreign exchange risk against its functional currency. To manage the foreign exchange risks arising from future commercial transactions and recognised assets and liabilities, the Bank uses off-setting approach. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Bank's functional currency.

The table below shows the impact on International Bank (Liberia) Limited's profit and equity if the exchange rate between the US Dollar and the Liberia Dollars had increased or decreased by 5%, with all other variables held constant.

	December 31, 2022	**December 31, 2021**
	L$'000'	**L$'000'**
Effect of 5% increase in US$	**(12,108)**	(14,859)
Effect of 5% decrease in US$	**12,108**	14,859

ii. Interest risk

Interest rate risk in the Bank's book is the potential loss resulting from net asset value changes and the future development of net interest income due to adverse interest rate shifts. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Based on the sensitivity analysis performed, the impact on profit of a 5% shift would be a maximum increase of L$**12.1** million (2022: L$**14.9** million) or decrease L$12.1 million (2021 L$14.9 million).

Notes to the financial statements continued
Financial risk management continued
Market risk

3.6 Financial value of financial assets and liabilities

a) Financial instruments not measured at fair value

The following table summarises the carrying amounts of financial assets and liabilities presented on the Bank's statement of Financial Position that are not at fair value.

	Carrying amount		Fair value	
	December 31, 2022 L$'000'	December 31, 2021 L$'000'	December 31, 2022 L$'000'	December 31, 2021 L$'000'
Financial assets				
Cash and cash equivalents	**7,221,827**	5,876,309	**7,221,827**	5,876,309
Investments	**2,187,020**	2,089,897	**2,187,020**	2,089,897
Loans and advances to customer	**14,956,282**	10,522,878	**14,956,282**	10,522,878
Total	**24,365,129**	18,489,083	**24,365,129**	18,489,083
Financial liabilities				
Deposits from customers	**18,838,612**	17,278,564	**18,838,612**	17,278,564
Account payables	**1,264,500**	643,421	**1,264,500**	643,421
Borrowings	**3,658,355**	872,160	**3,658,355**	872,160
Other liabilities	**383,696**	408,229	**383,696**	408,229
Total Liabilities	**24,145,163**	19,202,374	**24,145,163**	19,202,374

Valuation inputs

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Quoted market prices – Level 1

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. This category includes liquid government bonds and treasury bills actively traded through an exchange or clearing house.

Notes to the financial statements continued
Financial risk management continued

Valuation technique using observable inputs – Level 2

Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuations based on observable inputs include financial instruments such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.

Valuation technique using significant unobservable inputs – Level 3

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

Fair value methods and assumptions

(i) Cash and bank balances

The carrying amount of these balances is their fair value.

(ii) Loans and advances

Loans and advances are carried at amortized cost net of provision 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 current market rates to determine fair value.

(iii) Financial assets through Profit and Loss (FVPL)

Treasury bills represent short term instruments issued by the Central Bank of Liberia and GOL. The fair value of treasury bills is determined with reference to quoted prices (unadjusted) in active markets for identical assets.

(iv) Deposits from banks and customers including overdraft

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits and overdraft, is the amount repayable on demand. The estimated fair values of fixed interest-bearing deposits are determined using a discounted cash flow model based on a current yield curve appropriate for the remaining term to maturity.

(v) Other liabilities

Other liabilities represent monetary liabilities which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.

Notes to the financial statements continued
Financial risk management continued

3.7 Capital management

The Bank's lead regulator, Central Bank of Liberia sets and monitors capital requirements for the Bank as a whole.

In implementing current capital requirements, Central Bank of Liberia requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

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

- Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, statutory reserves and other distributable and legal reserve.
- Tier 2 capital, includes the fair value reserve relating to unrealized gains on equity instruments classified as available-for-sale.

Banking operations are categorized as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-Statement of financial position exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank has complied with all external imposed capital requirements throughout the period and there have been no material changes in the Bank's management of capital during the period.

3.8 Capital adequacy ratio

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with section 15 of the New Financial Institution Act (FIA) 1999 the Bank must maintain a minimum capital adequacy ratio of 10%.

Notes to the financial statements (*continued)*
Financial risk management (continued)
Capital management (continued)

Tier 1 capital	December 31, 2022 L$'000'	December 31, 2021 L$'000'
Issue capital	705,486	705,486
Share Premium	57,713	57,713
Statutory Reserve	489,228	439,865
Retained Earnings	750,641	
Deduction from tier 1(one) Capital	(124,263)	1,698,094
Total qualifying Tier	**1,878,805**	**1,697,540**
Tier 2 Capital		
Adjusted Capital Base	**1,878,805**	**1,878,805**

	Amount	Weighted %	December 31, 2022 L$'000'	Amount	Weighted %	December 31, 2021 L$'000'
Eligible past due exposure	532,042	50%	266,021	168,567	50%	84,283
Retail exposures	2,682,028	75%	2,011,521	2,694,124	75%	2,020,593
Eligible claim on corporation and others	11,046,713	100%	11,046,713	11,559,549	100%	11,559,549
Off -balance items			-		50%	-
Total	**14,260,783**		**13,324,255**	**14,422,240**		**13,664,426**

Capital Adequacy Ratios	**14.10%**	**12.42%**

The Bank's CAR for 2022 stood at 14.10% (2021: 12.42%) resulting into a surplus of 1.68% of the minimum adequacy ratio of 10% required by the Central Bank of Liberia.

Notes to the financial statements (*continued)*

4. Critical accounting estimates and judgments in applying accounting policies

4.1 Critical accounting estimates and judgements

The Bank's IFRS financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of these IFRS financial statements. The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Bank's results and financial situation due to their materiality.

4.2 Impairment charges on financial assets

The Bank reviews its loan portfolios for impairment on an ongoing basis. The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and collectively for financial assets that are not individually significant together with significant assets assessed individually as not impaired. Impairment provisions are also recognised for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment. The Bank has not started providing for impairment using the Expected credit loss base on IFRS 9.

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio, when scheduling its future cash flows.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The use of historical loss experience is supplemented with significant management judgment to assess whether current economic and credit conditions are such that the actual level of inherent losses is likely to differ from that suggested by historical experience. In normal circumstances, historical experience provides objective and relevant information from which to assess inherent loss within each portfolio.

In other circumstances, historical loss experience provides less relevant information about the inherent loss in a given portfolio at the statement of financial position date, for example, where there have been changes in economic conditions such that the most recent trends in risk factors are not fully reflected in the historical information. In these circumstances, such risk factors are taken into account when calculating the appropriate levels of impairment allowances, by adjusting the impairment loss derived solely from historical loss experience.

Notes to the financial statements *(continued)*

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

Bank's provision policy rests with the Risk Management Committee or the Management Credit Committee for implementation by the Finance Division of the Bank. At all times provisioning will be done to assist in prudent management of the Bank's assets. Full provision will also be made where fraud is suspected.

The level of provisioning made is in line with the Central Bank of Liberia as follows:

Category	**Days Past Due**	**Provision**
		Required (Central Bank)
A – Current/Standard	Less than 30 days	1%
B – OLEM	From 31 to 90 days	5%
C – Substandard	From 91 to 180 days	25%
D – Doubtful	From 181 to 360 days	50%
L – Loss	More than 360 days	100%

It must be noted that as payments on a delinquent account become protracted, and the risk of recovery gets higher, higher levels of provision would be required. Classification is determined by:

- Degree of deterioration
- Duration of default
- Estimated probability of repayment
- Ease of realization/value of collateral (if any)

Notes to the financial statements *(continued)*

4.3 Fair value of financial instruments

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in the accounting policy note 2.10. For financial instruments trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation of financial instruments

The Bank's accounting policy on fair value measurements is discussed under Note 3.2
The Bank measures fair values using the following hierarchy of methods:

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market date (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques. This category includes loans and advances to banks and customers, investment securities, deposits from banks and customers.

Fair values of financial assets and financial liabilities that are valued in inactive markets are based on quoted market prices or dealer price quotations. For all financial instruments the Bank determines fair value by using valuation techniques which include risk-free interest rates, credit spreads and other premium used in estimating discount rates, bonds and equity prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Notes to the financial statements continued

	Amounts are expressed in Liberian Dollars	December 31, 2022 L$'000'	December 31, 2021 L$'000'
5.1	**Cash and cash equivalent**		
	Cash on Hand	2,961,272	1,255,519
	Balance with Central Bank of Liberia other than mandatory reserve	2,819,876	3,569,398
		5,781,148	**4,824,917**
5.2	Cash balances with foreign bank	1,440,679	1,051,392
		7,221,827	**5,876,309**
	Mandatory reserve deposits	(**1,883,851**)	(2,174,753)
	Cash and cash equivalent at December 31,	**5,337,976**	**3,701,556**

Included in the balances with the Central Bank of Liberia above is an amount of L$**1,883,851** (2021 2,174,753) for the Bank mandatory primary reserve deposits representing 10% (USD) and 25% (LRD) of the Bank's total deposits and is not available for use in the Bank's day-to-day operations. Cash in hand and balances with Central Bank of Liberia are non- interest bearing.

6.	**Investments**		
	Treasury bill – CBL	1,128,102	1,046,768
	GOL Bond	886,918	1,043,129
	Placement	172,000	-
		2,187,020	**2,089,897**
7.0	**Loan and advances to customers**		
	Stage 1: 12 months ECL	13,416,839	8,712,812
	Stage 2: Life Time ECL not Credit Impaired	1,432,277	1,989,158
	Stage 3: Life Time ECL Credit Impaired	1,151,485	1,090,180
	Gross amount	**16,000,601**	**11,792,150**
	Stage 1: 12 months ECL	237,760	202,337
	Stage 2: Life Time ECL not Credit Impaired	478,919	372,849
	Stage 3: Life Time ECL Credit Impaired	327,640	694,086
	Total impairments	**1,044,319**	**1,269,272**
	Carrying amount	**14,956,282**	**10,522,878**

Notes to the financial statements continued

Amounts are expressed in Liberian Dollars		December 31, 2022 L$'000'	December 31, 2021 L$'000'
7.1	**Loan and advances to customers**		
	Gross loan and advances to customers	13,416,839	8,712,812
	Less: Allowance for impairment	(237,760)	(202,337)
	Current	**13,179,079**	**8,510,475**
	Non-current	**1,777,203**	**2,012,403**
7.2	**Loan loss provision**		
	At January 1, 2020	**1,269,272**	**1,197,343**
	Charge for the year	233,784	316,879
	Loan written off	(527,618)	(315,833)
	Recovery	68,881	2,431
	Exchange rate effect	-	68,452
	At December 31,	**1,044,319**	**1,269,272**
	12 - month ECL	237,760	202,337
	Lifetime ECL not credit impaired	478,919	372,849
	Lifetime ECL credit impaired	327,640	694,086
		1,044,319	**1,269,272**

Notes to the financial statements continued

8. Property, plant & equipment

Amounts are expressed in Liberian Dollars

Description	Land	Leasehold properties and improvement L$'000'	Building L$'000'	Household furniture and equipment L$'000'	Office furniture and fixture L$'000'	Office equipment L$'000'	Other machinery and equipment L$'000'	Vehicle L$'000'	Total L$'000'
At 1 January 2021	16,668	468,042	245,866	169	82,549	413,487	139,885	93,204	1,459,870
Addition during the period	-	45,318	-	-	44,128	61,651	3,381	12,792	167,270
Transferred	29,072	-	(29,072)		(884)	884	-	-	-
Disposal	-	(28,271)	-		(4,021)	-	(42,204)	(6,541)	(81,037)
Exchange rate effect	(1,914)	(117,662)	(28,237)	(19)	(15,002)	(87,701)	(16,488)	(12,305)	(279,329)
At 31- December-2021	**43,826**	**367,427**	**188,557**	**150**	**106,770**	**388,321**	**84,574**	**87,150**	**1,266,774**
At 1 January 2022	**43,826**	**367,427**	**188,557**	**150**	**106,770**	**388,321**	**84,574**	**87,150**	**1,266,774**
Addition during the period		46,917	-	-	15,464	36,623	12,964	30,051	142,019
Adjustment or reclassification		(22,371)	-	-	-	-	-	-	(22,371)
Disposal		-	-	(150)	-	-	-	-	(150)
At 31- December-2022	**43,826**	**391,973**	**188,557**	**-**	**122,234**	**424,944**	**97,540**	**117,201**	**1,386,272**
Depreciation									
At 1 January 2021	-	97,919	6,922	59,243	58,778	278,916	53,846	86,430	642,052
Charge for the year	-	24,559	4,311	16	7,757	27,363	5,216	5,164	74,386
Exchange rate effect	-	(30,641)	(1,916)	(59,112)	(12,750)	(39,804)	8,954	(14,206)	(149,475)
At 31- December-2021	**-**	**91,838**	**9,317**	**147**	**53,785**	**266,474**	**68,016**	**77,388**	**566,963**
At 1 January 2022	**-**	**91,838**	**9,317**	**147**	**53,785**	**266,474**	**68,016**	**77,388**	**566,963**
Charge for the year	-	19,800	3,968		7,912	32,874	6,798	7,627	78,979
Adjustments/ reclassification		-	-	3	-	-	-	-	3
Disposal	**-**	**-**	-	**(150)**	**-**	**-**	**-**	**-**	(150)
At 31- December-2022	**-**	**111,638**	**13,285**	**-**	**61,697**	**299,348**	**74,814**	**85,015**	**645,795**
Carrying amount - 2022	**43,826**	**280,335**	**175,272**	**-**	**60,537**	**125,596**	**22,726**	**32,186**	**740,477**
Carrying amount - 2021	**43,826**	**275,589**	**179,240**	**2.81**	**52,985**	**121,846**	**16,558**	**9,762**	**699,811**

Notes to the financial statements continued

	Amounts are expressed in Liberian Dollars	December 31, 2022 L$'000'	December 31, 2021 L$'000'
9.	**Intangible Assets**		
	Cost:		
	Balance at the start of the period	213,264	213,264
	Addition during the period	-	-
	Exchange rate effect	-	-
	Disposal		
	Balance as at end of the period	**213,264**	**213,264**
	Accumulated amortization		
	Balance at the start of the period	70,549	59,880
	Charge for the period	18,452	29,084
	Exchange rate effect	-	(18,415)
		89,001	**70,549**
	Net book value at 31 December 2022	**124,263**	**142,715**
	Net book value at 31 December 2021	**142,715**	**153,384**
10.	**Right of Use – Assets**		
	Cost		
	Balance at the start of the period	786,368	507,933
	Addition during the period	98,243	278,435
	Modification on the lease property	(5,278)	
	Balance as at end of the period	**879,333**	**786,368**
	Accumulated depreciation - on ROU		
	Balance at the start of the period	135,031	70,663
	Charge for the period	53,743	82,850
	Exchange rate effect	(28,953)	(18,482)
	Balance as at end of the period	**159,821**	**135,031**
	Balance as at end of the period	**719,512**	**651,337**

Notes to the financial statements continued

Amounts are expressed in Liberian Dollars	December 31, 2022 L$'000'	December 31, 2021 L$'000'

11.1 Income tax expense

Current income tax	**65,292**	92,193

11.2 Current income tax

December 31, 2022	Balance as at Jan 1,	Payments during the period	Charge for the year	Balance at December 31,
Assessment up to 2021	**21,795**	-	-	**21,795**
Payment during the year	-	(14,751)	17,156	2,405
	21,795	(14,751)	17,156	**24,200**

December 31, 2021	Balance as at Jan1,	Payments during the period	Charge for the year	Balance at December 31,
Assessment up to 2020	18,630	-	-	18,630
Payment during the year	-	**(49,565)**	46,400	3,165
	18,630	**(49,565)**	46,400	**21,795**

Recognized in the income statements

Current tax expenses:		
Current year	17,156	46,400
Deferred tax expense		
Origination and reversal of temporary difference	48,108	45,793
	65,262	**92,193**

Notes to the financial statements continued
Income tax expense (continued)

Amounts are expressed in Liberian Dollars	December 31, 2022 L$'000'	December 31, 2021 L$'000'
Reconciliation of the effective tax rate		
Profit before income tax	**287,231**	297,183
Income tax on profit before tax	**71,808**	74,296
Net movement	**42,708**	
Tax adjustment prior year difference	**-**	(29,948)
Tax impact on temporary difference		
Property, plant and equipment	**(72,832)**	1,205
Non-deductible expense	**28,181**	10,950
Tax incentives	**(4,573)**	35,690
Total income tax expense in Income statement	**65,292**	92,193

11.3 Deferred Tax Assets and liabilities

Recognized Deferred Tax Assets and Liabilities

	2022			2021		
	Asset	Liability	Net	Asset	Liability	Net
Property plant and equipment	-	62,849	62,849	-	16,277	16,277
Right of use asset/Leased liability		-	-	(625)	-	(625)
Intangible assets	(7,558)	-	(7,558)	-	-	-
Unrealized Exchange loss/gain	-		-	-	12,868	12,868
	(7,558)	**62,849**	**55,291**	**(625)**	**29,145**	**28,520**

Movement in temporary differences during the year - 2022	Opening Balance	Recognized in the profit and loss	Recognized in equity	Closing balance
Property plant and equipment	16,277	46,572	-	62,849
Right of use asset	(625)	625	-	-
Intangible assets		(7,558)	-	(7,558)
Unrealized Exchange loss/gain	12,868	(12,868)		-
	28,520	**26,771**	**-**	**55,291**

Notes to the financial statements continued

Income tax expense (continued)

Movement in temporary differences during the year - 2021	Opening Balance	Recognized in the profit and loss	Recognized in equity	Closing balance
Property plant and equipment	(41,279)	57,556	-	16,277
Right of use asset	51,384	(52,009)	-	(625)
Adjustment Recon with Signed Account	(8,081)	8,081	-	-
Other in sign account Defered tax		-		-
Unrealised Exchange loss/gain	-	12,868		12,868
	2,024	**26,496**	**-**	**28,520**

Amounts are expressed in Liberian Dollars	December 31, 2022 L$'000'	December 31, 2021 L$'000'

12.1 Other assets

Staff and sundry debtors	4,257	79
Prepaid staff benefit	12,104	12,274
Prepayment	82,656	49,257
Other receivables (**see note 12.2**)	1,415,293	2,167,997
	1,514,310	**2,229,607**

12.2 Included in the amount for other assets in the financial position as at December 31, 2022 are other receivables detail shown below:

Transfer related services -accounts receivables	137,263	371,824
MTN/ Orange Mobile Money Receivable	468	660,128
CBL & LRA trnx Receivables	35,905	354,966
Clearing amounts receivable	648,194	327,841
Interest receivable - interbank placement	8,935	148
Interest receivables – reclassified	225,683	166,739
Miscellaneous account receivables	358,845	286,351
	1,415,293	**2,167,997**

Notes to the financial statements continued

	Amounts are expressed in Liberian Dollars	December 31, 2022 L$'000'	December 31, 2021 L$'000'
13	**Deposit from Customers**		
	Saving	3,047,354	7,308,060
	Demand deposit	15,090,939	9,380,732
	Time deposit	700,019	589,772
		18,838,612	**17,278,564**
	Current	18,138,283	16,344,481
	Non-current	700,319	196,373
14	**Account payables**		
	Manager's checks	142,056	240,405
	Draft & Transfer	191,487	34,853
	Interest payable	1,109	1,379
	Other payable	928,848	366,784
		1,264,500	**643,421**
15	**Lease Liabilities**		
	Lease liabilities	144,747	58,706
		144,747	58,706
	Current	6,305	6,781
	Non-current	138,442	51,925
		144,757	**58,706**
16	**Borrowings**		
	Due to OPIC	3,089,800	-
	Due to Central Bank of Liberia	105,085	
	Due to Ghana International Bank	463,470	872,160
		3,658,355	**872,160**

The Bank renewed its previous facility with the US International Development Finance Corporation (DFC)/OPIC for an amount of US$20 million to be repaid over a tenure of (8) years. The bank also maintained a facility from the Ghana International Bank (GHIB) for an amount of US$6,000,000 for twenty-four months and expected to expire on 17th September 2023.The amount reported are the outstanding balances of these facilities as the end of the year.

Notes to the financial statements continued

	Amounts are expressed in Liberian Dollars	December 31, 2022 L$'000'	December 31, 2021 L$'000'
17	**Other Liabilities**		
	Accrued expense and others	225,683	282,122
	Deferred revenue	158,013	126,107
		383,696	**408,229**
18	**Stated capital**		
	At 1 January	705,486	705,486
		705,486	**705,486**
19	**Interest Income**		
	Loan and advances to customers:		
	Term loan	1,534,104	1,474,531
		1,534,104	**1,474,531**
20	**Interest expense**		
	Saving accounts	136,646	139,598
	Time deposits	33,697	19,739
	CBL – Placement	-	-
		170,343	**159,337**
21	**Impairment loss on financial assets**		
	Increase/(decrease) in stage 1 impairment on loans - see note 7	237,769	88,021
	Increase/(decrease) in stage 2 impairment on loans - see note 7	478,919	367,458
	Increase/(decrease) in stage 3 impairment on loans - see note 7	(482,894)	(138,600)
		233,784	**316,879**
22	**Fees and Commission Income**		
	Fees from transfers	438,611	468,432
		438,611	**468,432**

Notes to the financial statements continued

Amounts are expressed in Liberian Dollars		December 31, 2022 L$'000'	December 31, 2021 L$'000'
23	**Other Operating Income**		
	Fee income on customer deposit	196,740	199,305
	Treasury Bill	146,974	245,116
	Interest from GOL	39,508	52,462
	Currency trading income	28,554	19,494
	Miscellaneous	35,991	40,197
		447,767	**556,574**
24	**Personnel cost**		
	Staff cost	381,502	398,801
	Social security contributions	23,509	8,625
	Provident fund contribution	15,803	16,870
	Other staff related expense	66,244	91,109
		487,058	**515,405**
25	**Occupancy and other property cost**		
	Utilities	121,888	91,863
	Lease and rental expense	-	6,266
	Repairs and maintenance - Building and others	79,122	71,043
	Security Guard Service	60,695	65,631
	Repairs and maintenance - Vehicle	10,643	12,638
	Insurance	158,974	151,944
	Software maintenance	24,855	30,518
		456,177	**429,903**
26	**Depreciation and Amortization**		
	Depreciation (Note 8)	78,979	74,386
	Depreciation on ROU	53,743	82,850
	Amortization of Intangible assets (Note 9)	18,452	29,084
		151,174	**186,320**
27	**Finance cost**		
	Interest expense on lease liabilities	6,241	2,858
	Interest expense - GHIB	38,762	
	Interest expense – DFC/ DFC	109.453	68,652
		154,456	**71,510**

Amounts are expressed in Liberian Dollars	December 31, 2022 L$'000'	December 31, 2021 L$'000'
28 Other operating expense		
Consultancy	2,829	58,871
Professional service	45,760	22,147
License and taxes	12,382	14,498
Office expense	109,127	110,667
Scholarship and donation	10,834	16,721
Foreign travel	18,690	5,205
Local transportation	5,577	7,057
Board expense	27,798	17,904
Miscellaneous expense	231,657	250,661
Money gram	15,603	19,272
	480,257	**523,003**

29 Prior Period Adjustments

Rectification of depreciation – error	(3,510)	9,877
PPE Booked as Spare-parts	4,105	-
Modification to the ROU Assets	16,519	44,565
Revisal of MTN - Interest expense booked twice	6,176	-
Overstatement of prepaid expenses	-	8,976
	23,290	**63,418**

Notes to the financial statements continued

30. Related party transactions

Related parties are considered to be related if one has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both.

A number of banking transactions were entered into with related parties in the normal course of business. These include loans and deposits.

a) Loans and advances to related parties

The Bank granted various credit facilities to other companies which have common directors with the Bank as well as members of the Bank. The rates and terms agreed are comparable to other facilities being held in the Bank's portfolio. Details of these are described below:

December 31, 2022	Key management personnel (and close family member L$'000'	Total L$'000'
Loan outstanding at 1 January	4,534	4,534
Loan disbursed during the year	13,904	13,904
Loan repayments during the year	(17,197)	(17,197)
Loans outstanding at 31 December 2022	1,241	1,241
December 31, 2021		
Loan outstanding at 1 January	11,003	11,003
Loan disbursed during the year	10,899	10,899
Loan repayments during the year	(17,368)	(17,368)
Loans outstanding at 31 December 2021	4,534	4,534

b) Key management compensation

Key management has been determined as members of the Executives of the Bank. The compensation paid to the key management as employees is shown below. There were no sales/purchase of goods and services between the Bank and key management personnel.

	December 31, 2022 L$'000	December 31, 2021 L$'000'
Salaries and other short term employment benefits	43,874	39,997
Post-employment benefits	4,171	3,323
	48,046	**43,320**

Notes to the financial statements continued

31. Employees

The average number of persons employed by the Bank during the period is shown below:

	December 31, 2022	December 31 2021
Executive directors	2	1
Management	11	11
Non-management	235	228

Compensation for the above staff: LRD'000'		
Executive directors	37,871	36,068
Management	100,141	93,590
Non-management	360,833	277,564

The number of employees of the Bank, other than directors, who received emoluments during the year in the following ranges (excluding pension contributions and other benefits), is shown below:

LRD	**December 31, 2022**	**December 31, 2021**
300,000 – 2,00,000	206	202
2,000,001 – 2,800,000	14	15
2,800,001 – 3,500,000	6	5
3,500,001 - 4,000,000	5	1
4,000,001 - 5,500,000	3	3
5,500,001 - 6,500,000	3	3
6,500,001 - 7,800,000	5	4
7,800,001 - 9,000,000	3	2
9,000,001 – and above	1	1
	-	-

32. Directors' emoluments

Remuneration paid to the Bank's directors (excluding other allowances) is shown below:

	December 31, 2022 L$'000'	December 31, 2021 L$'000'
Fees and sitting allowances	**24,873**	11,738
Other director expenses	**3,089**	3,925

Notes to the financial statements (*continued)*

The number of directors who received fees and other emoluments (excluding pension contributions and other benefits) is shown below:

	December 31, 2022	December 31, 2021
3,400,001 above	-	-
	-	-

33. Commitments

a) Capital commitments

The Bank did not have any capital commitment as at December 31, 2022.

b). Contingent liabilities and commitments

In the normal course of business, the Bank enters into transactions involving acceptances, guarantees, performance bonds and indemnities that have off statement of financial position risk. The majority of these facilities are offset by corresponding obligations of third parties.

Guarantees and bid bonds include performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's credit worthiness. As at the date of issuing this set of financial statements the Bank Guarantees as at December 31, 2022 was L$**786** million (2021: L$514.43 million).

34. Subsequent events

The Bank is not aware of any other material event which occurred after the reporting date and up to the date of this report which would require adjustment or disclosure.

Supplementary Data Brief

The financial statements for the year ended December 31, 2022 are presented on pages 18 to 21 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, the requirement of the New Financial Institutions Act (FIA) of 1999 of the Republic of Liberia, the Prudential Regulations of the Central Bank of Liberia (CBL) and in the manner required by the Liberia Business Corporation Act of the Association of Laws of Liberia Revised (2002). The above-mentioned financial statements presented are denominated in Liberian dollars equivalent. The United States dollar presentation is for the benefit of readers who may not be familiar with Liberian dollar values.

STATEMENT OF FINANCIAL POSITION
As at December 31, 2022

In Thousands of United States Dollars	Notes	December 31, 2022 US'000'	December 31, 2021 US$'000'
Assets			
Cash and cash equivalents	5	**46,746**	40,426
Investments	6	**14,156**	14,377
Loans and advances to customer	7	**96,810**	72,392
Property, plant and equipment	8	**5,065**	4,820
Intangible assets	9	**693**	813
Right of Use asset	10	**4,657**	4,481
Other assets	12	**9,803**	15,338
Total Assets		**177,930**	**152,647**
Liabilities			
Deposits from customers	13	**121,940**	118,867
Account payables	14	**8,185**	4,428
Deferred Tax Liabilities		**358**	196
Lease liabilities - operating lease	15	**937**	404
Current income tax liabilities	11.2	**157**	150
Borrowings	16	**23,680**	6,000
Other liabilities	17	**2,483**	2,809
Total liabilities		**157,740**	**132,854**
Equity			
Stated capital	18	**12,338**	12,338
Share premium		**1,009**	1,009
Statutory reserve		**3,480**	3,026
Income surplus		**3,363**	3,490
Total equity		**20,190**	**19,793**
Total equity and liabilities		**177,930**	**152,647**

The notes on pages 90 to 118 are an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

In Thousands of United States Dollars	Notes	December 31, 2022 US'000'	December 31, 2021 US'000'
Interest Income	19	10,031	8,875
Interest expense	20	(1,114)	(959)
Net Interest Income		**8,917**	**7,916**
Net impairment credit on financial assets	21	(1,529)	(1,907)
Net interest income after loan impairment charges		**7,388**	**6,009**
Fees and commission income	22	2,868	2,819
Other Operating Income	23	2,928	3,350
Net Operating Income		**13,184**	**12,178**
Personnel expense	24	(3,185)	(3,102)
Occupancy and other property cost	25	(2,983)	(2,587)
Depreciation and Amortization	26	(989)	(1,121)
Finance cost	27	(1,011)	(430)
Other operating expense	28	(3,139)	(3,149)
Profit before income tax		**1,877**	**1,789**
Income tax expense	11	(427)	(555)
Profit after income tax		**1,450**	**1,234**
Other comprehensive income			
Foreign translation difference		-	(48)
Total comprehensive income for the year		**1,450**	**1,114**
			0.041

The notes on pages 90 to 118 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

Amounts are expressed in United States Dollars	Share capital US$'000'	Share Premium US$'000'	Statutory Reserves US$'000'	Income surplus US$'000'	Translation difference US$'000'	Total US$'000'
Balance as at January 1, 2021	**12,338**	**1,009**	**2,718**	**3,176**	**49**	**19,290**
Profit for the year	-	-	308	926	-	1,234
Prior period adjustment	-	-	-	(613)	-	(613)
Translation difference	-	-	-	(70)	-	(118)
Balance as 31 December 2021	**12,338**	**1,009**	**3,026**	**3,420**	**-**	**19,793**
Balance as at January 1, 2022	**12,338**	**1,009**	**3,026**	**3,420**	**-**	**19,793**
Profit for the year	-	-	454	996	-	1,450
Dividend declared	-	-	-	(494)		(494)
Prior period adjustment	-	-	-	(559)	-	(559)
Balance as 31 December 2022	**12,338**	**1,009**	**3,480**	**3,363**	**-**	**20,190**

The notes on pages 90 to 118 are an integral part of these financial statements

STATEMENT OF CASH FLOW

In thousands of United States Dollars	Notes	December 31, 2022 US'000'	December 31, 2021 US'000'
Cash flow from operating activities:			
Profit before taxations		**1,877**	1,789
Adjustment for:			
Depreciation and Amortization	26	**989**	1,121
Loss (gain) on the sale of PPE		**-**	30
Interest expense		**1,011**	430
Impairment on Loan and Advances	21	**1,529**	1,907
Net Interest income		**(8,918)**	(7,916)
Cash flow from operations before working capital change		**(3,512)**	**(2,639)**
Changes in Loan and Advances		**(25,947)**	(7,203)
Changes in Mandatory Reserve Deposits	5.2	**2,771**	(4,893)
Changes in Trading Assets	6	**221**	(3,026)
Changes in Other Assets	12	**5,536**	(91)
Changes in deposits to Customers	13	**3,073**	18,144
Changes in Accounts payable	14	**3,759**	(351)
Changes in Other Liabilities	17	**(325)**	(189)
Cash generated by/ (utilized in) operating activities		**(14,424)**	**(248)**
Interest received	19	**10,031**	8,875
Interest paid	20	**(1,114)**	(959)
Income tax expense	11.2	**(155)**	(292)
Net Cash flows from operating activities		**(5,662)**	**7,377**
Cash flows from Investing Activities			
Purchase of property plant & equipment	8	**(929)**	(854)
Adjustments in PPE and ROU		**168**	(931)
Sale proceed from sale of PPE		**-**	29
Right of Use Assets	10	**(636)**	(2,317)
Net cash generated from/ (used in) Investing Acctivities		**(1,397)**	**(4,074)**
Cash flows from Financing Activities			
Repayment of long term debt	16	**17,680**	(5,667)
IFRS 16 Lease liability	15	**533**	(1,006)
Cash payments for the interest portion of lease liabilities	27	**(41)**	(17)
Interest paid on the long - term borrowing	27	**(969)**	(413)
Other adjustment to equity		**(559)**	683
Payments of dividends		**(494)**	-
Net cash generated from financing activities		**16,150**	**(6,420)**
Net increase in cash and cash equivalent		**9,091**	(3,117)
Cash and cash equivalent as at January 1	5.2	**25,461**	28,578
Cash and cash equivalent at Dec		**34,552**	**25,461**

The notes on pages 90 to 118 are an integral part of these financial statements

Notes to the financial statements
Significant accounting policies continued

3.3.2 Credit Risk Exposure

The table below shows the Bank's maximum exposure to credit risk categorized in the various stages:

December 31, 2022	Stage 1 US'000'	Stage 1 US'000'	Stage 1 US'000'	Total US'000'
Loans and advances to customers	**85,307**	**6,171**	**5,332**	**96,810**
Gross carrying amount	86,846	9,271	7,453	103,570
Loss Allowance	(1,539)	(3,100)	(2,121)	(6,760)
	85,307	**6,171**	**5,332**	**96,810**

December 31, 2021	Stage 1 US$'000'	Stage 2 US$'000'	Stage 3 US$'000'	Total US$'000'
Loan and advances to customers	58,548	11,119	2,725	72,392
Gross carrying amount	59,940	13,684	7,500	81,124
Loss Allowance	(1,392)	(2,565)	(4,775)	(8,732)
	58,548	**11,119**	**2,725**	**72,392**

Notes to the financial statements
Significant accounting policies continued

At December 31, 2022	**Loan to individual**	**Loans to non-individual**	**Total US$**
Loan and advances to customers	10,007	76,839	86,846
Stage 1 - 12 months ECL	**10,007**	**76,839**	**86,846**
Loan and advances to customers	252	9,019	9,271
Stage 2 - Lifetime ECL not credit	**252**	**9,019**	**9,271**
Loan and advances to customers	1,242	6,211	7,453
Stage 3 - Non- performing loans	**1,242**	**6,211**	**7,453**
Total gross loans and advances	**11,501**	**92,069**	**103,570**

The impairment allowance on the loans and advance is further analyzed as follow:

At December 31, 2022	Loan to individual	Loans to non-individual	Total US$
Loan and advances to customers	171	1,368	1,539
Stage 1 - 12 months ECL	**171**	**1,368**	**1,539**
Loan and advances to customers	18	3,082	3,100
Stage 2 - Lifetime ECL not credit	**18**	**3,082**	**3,100**
Loan and advances to customers	321	1,800	2,121
Stage 3 - Non- performing loans	**321**	**1,800**	**2,121**
Total allowances	**510**	**6,250**	**6,760**

Notes to the financial statements
Significant accounting policies continued

Loan and advances are summarized as follows:

December 31, 2021	Loans to individuals US$'000'	Loans to non-individuals US$'000'	Total US$'000'
Loans and advances to customers	6,921	53,019	59,940
Stage 1 - 12 months ECL	**6,921**	**53,019**	**59,940**
Loans and advances to customers	378	13,306	13,684
Stage 2 - Lifetime ECL not credit impaired	**378**	**13,306**	**13,684**
Loans and advances to customers	930	6,570	7,500
Stage 3- None- performing loans	**930**	**6,570**	**7,500**
Total gross loans and advances	**8,229**	**72,895**	**81,124**

The impairment allowance on the loans and advance is further analyzed as follow:

December 31, 2021	Loans to individuals US$'000'	Loans to non-individuals US$'000'	Total US$'000'
Loans and advances to customers	132	1,260	1,392
Stage 1 - 12 months ECL	**132**	**1,260**	**1,392**
Loans and advances to customers	45	2,520	2,565
Stage 2 - Lifetime ECL not credit impaired	**45**	**2,520**	**2,565**
Loans and advances to customers	435	4,340	4,775
Stage 3- None- performing loans	**435**	**4,340**	**4,775**
Total allowances	**612**	**8,120**	**8,732**

Notes to the financial statements
Significant accounting policies continued
(In thousands of United States Dollars)

At December 31, 2022	Gross Loans US$	Collateral US$
Against Stage 1 Loans and Advances	86,846	130,402
Against Stage 2 Loans and Advances	9,271	8,414
Against Stage 3 Loans and Advances	7,453	16,775
	103,570	**155,591**

December 31, 2021	Gross Loans US'000'	Collateral US'000'
Against Stage 1 Loans and advances	59,940	166,095
Against Stage 2 Loans and advances	13,684	7,156
Against Stage 3 Loans and advances	7,500	96,823
	81,124	**270,074**

The type of collateral and other security enhancements held against the various loan classifications are analyzed in the table below:

At December 31, 2022	Term loan	Overdraft	Total US$
Against Stage 1 Loan and Advances			
Property	90,560	-	90,560
Others	39,842	-	39,842
	130,402	**-**	**130,402**
Against Stage 2 Loans and Advances			
Property	7,013	-	7,013
Others	1,401	-	1,401
	8,414	**-**	**8,414**
Against Stage 3 Loans and Advances			
Property	11,697	-	11,697
Others	5,078	-	5,078
	16,775	**-**	**16,775**

Notes to the financial statements
Significant accounting policies continued

The type of collateral and other security enhancements held against the various loan classifications are analyzed in the table below:

At December 31, 2021	Term loan US$'000'	Overdraft US$'000'	Total US$'000'
Against Stage 1 Loan and Advances			
Property	129,857	-	129,857
Others	36,238	-	36,238
	166,095	**-**	**166,095**
Against Stage 2 Loans and Advances			
Property	4,019	-	4,019
Others	3,138	-	3,138
	7,157	**-**	**7,157**
Against Stage 3 Loans and Advances			
Property	77,271	-	77,271
Others	19,552	-	19,552
	96,823	**-**	**96,823**

Notes to the financial statements
Significant accounting policies continued
(In thousands of United States Dollars)

33.2.1 Performance profile of loans and advances per CBL prudential guidelines is as follow:
(In thousands of United States Dollars)

2022

Status	Total count	% Total count	Value, US'000'	% Total value	Provision amount US'000'	% Total provision
Current	1913	72%	82,521	92%	3,040	43%
Total current	**1913**	**72%**	**82,521**	**92%**	**3,040**	**43%**
Total performing	**1913**	**72%**	**82,521**	**92%**	**3,040**	**43%**
Substandard	47	2%	3,500	4%	1,158	16%
Doubtful	30	1%	2,438	3%	1,433	20%
Loss	658	25%	1,385	2%	1,385	21%
Total NPL	**735**	**28%**	**7,323**	**8%**	**3,976**	**57%**
Total Performing & NPL	**2648**	**100%**	**89,844**	**100%**	**7,016**	**100%**

2021

Status	Total count	% Total count	Value US$'000'	% Total value	Provision amount US$'000'	% Total provision
Current	1828	77%	73,830	91%	3,428	40%
Total current	**1828**	**77%**	**73,830**	**91%**	**3,428**	**40%**
Total performing	**1828**	**77%**	**73,830**	**91%**	**3,428**	**40%**
Substandard	36	2%	1,299	2%	350	4%
Doubtful	35	1%	3,547	4%	2,387	28%
Loss	462	20%	2,448	3%	2,447	28%
Total NPL	**533**	**23%**	**7,294**	**9%**	**5,182**	**60%**
Total Performing & NPL	**2361**	**100%**	**81,124**	**100%**	**8,611**	**100%**

Notes to the financial statements
Significant accounting policies continued
(In thousands of United States Dollars)

3.3.2.3 Sensitivity Analysis of impairment using IFRS and CBL provisions

2022

IFRS Classification	IFRS Provision US$	CBL Classification	CBL Provision US$
Stage 1	1,539	Current	3,040
Stage 2	3,100	Sub-standard	1,158
Stage 3	2,121	Doubtful	1,433
		Loss	1,385
	6,760		**7,016**

2021

IFRS Classification	IFRS Provision US$'000'	CBL Classification	CBL Provision US$'000'
Stage 1	1,392	Current	599
Stage 2	2,565	Olem	2,829
Stage 3	4,775	Sub-standard	350
		Doubtful	2,387
		Loss	2,446
	8,732		**8,611**

Notes to the financial statements
Measurement of financial assets and liabilities
(In thousands of United States Dollars)

The Bank's financial instruments are categorized as stated below:

	Financial Assets	
December 31, 2022	**Held to Maturity US$'000'**	**Loan and advances US$'000'**
Cash and cash equivalents	-	37,422
Cash balances with foreign bank	-	9,324
Investments	14,156	-
Loan and advances	-	96,810
Other assets	-	9,803
	14,156	**153,359**

	Financial Liabilities: Other financial liabilities US$'000'
Deposits from customers	121,940
Lease liabilities - operating lease	-
Other liabilities	2,483
	124,423

	Financial Assets	
December 31, 2021	**Held to Maturity US$'000'**	**Loan and advances US$'000'**
Cash and cash equivalents	-	33,193
Cash balances with foreign bank	-	7,233
Investments	14,377	-
Loan and advances	-	72,392
Other assets	-	15,338
	14,377	**128,156**

	Financial Liabilities: Other financial liabilities US$'000'
Deposits from customers	118,867
Lease liabilities - operating lease	404
Other liabilities	2,809
	122,080

Notes to the financial statements
Financial Risk Management continued
(In thousands of United States Dollars)

Credit Risk

Credit concentrations
The Bank monitors concentration of credit risk by sector. An analysis of concentrations of credit risk at December 31, 20222 and December 31, 2021 show that most of the loans and advances are held in the trade sector

Concentrations of risks financial assets with credit exposure

Industry

December 31, 2022	Loans and advances to customers US'000'	Investments US'000'	Other assets US'000'	Cash balances with foreign bank US'000'	Cash and bank balances US'000'
Trade, Hotel and Restaurant	40,002	-	-	-	-
Service	14,245	-	-	-	-
Personal	9,823	-	-	-	-
Trade and Commercial	-	-	9,803	-	-
Public sector		14,156	-	-	-
Construction	19,567	-	-	-	-
Financial services	-	-	-	9,324	37,422
Agriculture	3,602	-	-	-	-
Manufacturing	6,368	-	-	-	-
Mining and Quarrying	1,247	-	-	-	-
Transportation, Storage and Communication	1,808				
Other	6,908				
	103,570	**14,156**	**9,803**	**9,324**	**37,422**

Notes to the financial statements continued
Financial Risk Management continued
(In thousands of United States Dollars)

Concentrations of risks financial assets with credit exposure

Industry

December 31, 2021	Loans and advances to customers US$'000'	Investments US$'000'	Other assets US$'000'	Cash balances with foreign bank US$'000'	Cash and bank balances US$'000'
Trade, Hotel and Restaurants	32,976	-	-	-	-
Service	11,481	-	-	-	-
Personal	11,296	-	-	-	-
Trade and Commercial	-	-	15,338	-	-
Public sector	355	14,377	-	-	-
Construction	15,929	-	-	-	-
Financial services	-	-	-	7,233	33,193
Agriculture	3,486	-	-	-	-
Manufacturing	1,128	-	-	-	-
Mining and Quarrying	200	-	-	-	-
Transportation, Storage and Communication	-				
Other	4,271				
	81,124	**14,377**	**15,338**	**7,233**	**33,193**

Notes to the financial statements continued

Loan and advances to customer: neither past due nor impaired

The credit quality of the portfolio of loan and advances that were neither past due nor impaired can be assessed by reference to the customer's ability to pay based on loss experience. The Bank has a rating system in place for its loan and advances to customers' portfolio.

	December 31, 2022 US$'000'	December 31, 2021 US$'000'
Neither past due or impair	86,846	68,920
The Bank's rating for its customer is shown below:		
Group 1: Customers with no history of default:	9,271	4,910
Group 2: Customers with past history of default:	7,453	7,294
	16,724	**12,204**

Loans and advances to customers past due non impaired:

	December 31, 2022 US$'000'	December 31, 2021 US$'000'
Past due up to 90 days	1,669	1,299
Past due by 90 - 180 days	2,503	3,547
Past due more	3,281	2,447
	7,453	**7,294**

Notes to the financial statements continued

Credit quality of cash and cash equivalent

The credit quality of cash and cash equivalent and short-term investments that were neither past due nor impaired were assessed as at December 31, 2022 and December 31, 2021:

	Bank balances US$'000'	Treasury bill US$'000'	Total US$'000'
December 31, 2022'			
AAA	**37,422**	**14,156**	**51,578**
December 31, 2021'			
AAA	40,426	14,377	54,803

Notes to the financial statements
Financial Risk Management continued
Liquidity risk continued
(In thousands of United States Dollars)

The table below analysis the Bank's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The cash flows presented are the undiscounted amounts to be settled in future.

	0-30	31-90	91 - 180	181 - 365	December 31, 2022 US$'000'
Financial liabilities					
Deposits from customers	8,710	17,421	34,840	60,969	121,940
Account payables	585	1,169	2,338	4,092	8,185
Borrowings	-	-	-	23,680	23,680
Other liabilities	-	2,483	-	-	2,483
Total financial liabilities	**9,295**	**21,073**	**37,178**	**88,741**	**156,288**

	0-30	31-90	91 - 180	181 - 365	December 31, 2021 US$'000'
Financial liabilities					
Deposits from customers	19,448	65,025	30,337	4,047	118,867
Account payables	-	4,428	-	-	4,428
Borrowings	-	-	-	6,000	6,000
Other liabilities	-	2,809	-	-	2,809
Total financial liabilities	**19,448**	**72,262**	**30,337**	**10,047**	**132,104**

Notes to the financial statements
Financial Risk Management continued
(In thousands of United States Dollars)

Interest rate risk
The primary components of market risk for the Bank result from interest rate risk and foreign exchange risk.

The table below summarizes International Bank's exposure to interest rate risk. It includes the Bank's financial instruments.

December 31, 2022	**Up to 1yr**	**1-5yrs**	**Over 5yrs**	**Non-Interest bearing**	**Total US$'000'**
Assets					
Cash and bank balances	-	-	-	37,422	37,422
Cash balances with foreign bank	9,324	-	-	-	9,324
Investments	14,156	-	-	-	14,156
Loans and advances to customer	-	-	96,810	-	96,810
Other assets	-	-	-	9,803	9,803
	23,480	**-**	**96,810**	**47,225**	**167,515**
Deposits from customers					
Account payables	-	19,725	102,215	-	121,940
Lease liabilities - operating lease	-	-	-	8,185	8,185
Borrowings	-	-	23,680	-	23,680
Other liabilities	-	-	-	2,483	2,483
	-	**19,725**	**125,895**	**10,668**	**156,288**
Total Interest rate repricing gap	**23,480**	**(19,725)**	**(29,085)**	**36,557**	**11,227**

As at December 31, 2021	**Up to 1 year**	**1-5 years**	**Over 5 years**	**Non-interest bearing**	**Total US$'000'**
Assets					
Cash and short-term funds	-	-	-	33,193	33,193
Cash balances with foreign bank	7,233	-	-	-	7,233
Investments	14,377	-	-	-	14,377
Loan and advances to customers	-	-	72,392	-	72,392
Other Assets	-	-	-	15,338	15,338
Total financial assets	**21,610**	**-**	**72,392**	**48,531**	**142,533**
Liabilities					
Deposits from customers	-	19,448	95,362	4,057	118,867
Account payables	-	-	-	4,426	4,426
Lease liabilities - operating lease	-	-	-	404	404
Borrowings	-	-	6,000	-	6,000
Other liabilities	-	-	-	2,809	2,809
Total financial liabilities	**-**	**19,448**	**101,362**	**11,695**	**132,506**
Total interest rate repricing gap	**21,610**	**(19,448)**	**(28,970)**	**36,834**	**10,027**

Notes to the financial statements
Financial Risk Management continued
Liquidity risk continued
(In thousands of United States Dollars)

4.6 Financial value of financial assets and liabilities

(a). Financial instruments not measured at fair value

The following table summarizes the carrying amounts of financial assets and liabilities presented on the Bank's statement of financial position that are not at fair value.

	Carrying amount		Fair value	
Financial assets	**December 31, 2022 U$'000'**	December 31, 2021 US$'000'	**December 31, 2022 U$'000'**	December 31, 2021 US$'000'
Cash and cash equivalents	**46,746**	40,426	**46,746**	40,426
Investments	**14,156**	14,377	**14,156**	14,377
Loans and advances to customer	**96,810**	72,392	**96,810**	72,392
Total	**157,712**	127,195	**157,712**	127,195
Financial liabilities				
Deposits from customers	**121,940**	118,867	**121,940**	118,867
Account payables	**8,185**	4,426	**8,185**	4,426
Borrowings	**23,680**	6,000	**23,680**	6,000
Other liabilities	**2,483**	2,808	**2,483**	2,808
Total Liabilities	**156,288**	132,101	**156,288**	**132,101**

Notes to the financial statements

	In Thousands of United States Dollars	December 31, 2022 US$'000'	December 31, 2021 US$'000'
5.1	**Cash and cash equivalent**		
	Cash on Hand	19,169	8,637
	Balance with Central Bank of Liberia other than mandatory reserve	18,253	24,556
		37,422	**33,193**
5.2	Cash balances with foreign bank	9,324	7,233
		46,746	**40,426**
	Mandatory Reserve Deposits	**(12,194)**	(14,965)
		34,552	**25,461**

Included in the balances with Central Bank of Liberia above is an amount of **US$12,194** (2021 US$14,965) for the Bank Mandatory primary Reserve Deposits representing 10% (USD) and 25% LRD of the Bank's total deposits and is not available for use in the Bank's day-to-day operations. Cash in hand and balances with Central Bank of Liberia are non-interesting bearing.

6.	**Investments**		
	Treasury bill – CBL	7,302	7,201
	GOL Bond	5,741	7,176
	Placements	1,113	-
		14,156	**14,377**
7.	**Loan and advances to customers**		
	Stage 1: 12 months ECL	86,846	59,940
	Stage 2: Life Time ECL not Credit Impaired	9,271	13,684
	Stage 3: Life Time ECL Credit Impaired	7,453	7,500
	Gross amount	**103,570**	**81,124**
	Stage 1: 12 months ECL	1,539	1,392
	Stage 2: Life Time ECL not Credit Impaired	3,100	2,565
	Stage 3: Life Time ECL Credit Impaired	2,121	4,775
	Total impairments	**6,760**	**8,732**
	Carrying amount	**96,810**	**72,392**

Notes to the financial statements continued

	In Thousands of United States Dollars	December 31, 2022 US$'000'	December 31, 2021 US$'000'
7.1	Gross loan and advances	86,846	59,940
	Allowance for impairment	(1,539)	(1,392)
	Current	**85,307**	**58,548**
	Non-current	**11,503**	**13,844**
7.2	**Loan loss provision**		
	At January 1,	8,732	8,981
	Charge for the year	1,529	1,907
	Loan written of	(3,777)	(2,173)
	Recovery	276	17
	At December 31,	**6,760**	**8,732**
	12 - month ECL	85,307	58,548
	Lifetime ECL not credit impaired	6,171	11,119
	Lifetime ECL credit impaired	5,332	2,725
		96,810	72,392

Notes to the financial statements continued

8. Property, plant and equipment

In Thousands of United States Dollars

Amounts are expressed in United States Dollars

Description	Land US$'000'	Leasehold properties and improvement US$'000'	Building US$'000'	Household furniture and equipment US$'000'	Office furniture and fixture US$'000'	Office equipment US$'000'	Other machinery and equipment US$'000'	Vehicle US$'000'	Total US$'000'
At 1 January 2021	102	2,850	1,497	1	503	2,518	853	568	8,891
Addition during the period	-	120	-	-	266	371	20	77	854
Transferred	200	-	(200)	-	(6)	6	-	-	(0)
Disposal	-	(194)	-	-	(28)	-	(290)	(45)	(557)
Adjustments/ reclassification	-	(248)	-	-	-	(215)	-	-	(463)
At 31- December-2021	**302**	**2,528**	**1,297**	**1**	**735**	**2,680**	**583**	**600**	**8,725**
At 1 January 2022	302	2,528	1,297	1	735	2,680	583	600	8,725
Addition during the period	-	307	-	-	101	239	85	197	929
Transferred	-	-	-	-					-
Disposal	-			(1)					(1)
Adjustments/ reclassification	-	(155)	-	-	(24)	7	(9)	-	(181)
At 31- December-2022	**302**	**2,680**	**1,297**	**-**	**812**	**2,926**	**659**	**797**	**9,472**
Depreciation									
At 1 January 2021	-	596	42	1	358	1,698	689	526	3,910
Charge for the year	-	148	26	-	47	165	31	31	448
Adjustments/ reclassification	-	(177)	(4)	-	(18)	32	(260)	(25)	(452)
At 31- December-2021	**-**	**567**	**64**	**1**	**387**	**1,895**	**460**	**532**	**3,905**
At 1 January 2022	-	567	64	1	387	1,895	460	532	3,905
Charge for the year	-	129	26	-	52	215	44	50	516
Adjustments/ reclassification	**-**	**(12)**		**(1)**		**(2)**	**-**		(16)
At 31- December-2022	**-**	**684**	**90**	**-**	**438**	**2,108**	**504**	**582**	**4,407**
Carrying amount - 2022	**302**	**1,996**	**1,207**	**-**	**373**	**818**	**155**	**215**	**5,066**
Carrying amount - 2021	**302**	**1,961**	**1,233**	**-**	**348**	**785**	**123**	**68**	**4,820**

Notes to the financial statements continued

In Thousands of United States Dollars	December 31, 2022 US$'000'	December 31, 2021 US$'000'
9. Intangible Assets		
Cost:		
Balance at the start of the period	1,299	1,299
Addition during the period	-	-
Balance as at end of the period	**1,299**	**1,299**
Accumulated amortization		
Balance at the start of the period	487	365
Charge for the period	121	174
Adjustments	(2)	(53)
	606	**486**
Net book value at 31 December	**693**	**813**
10. Right of Use – Assets		
Cost		
Balance at the start of the period	5,410	3,093
Addition during the period	636	2,317
Modification on the lease agreement	(354)	
Balance as at end of the period	**5,692**	**5,410**
Accumulated depreciation - on ROU		
Balance at the start of the period	929	430
Charge for the period	351	499
Adjustments	(245)	-
Release on disposal		
Balance as at end of the period	**1,035**	**929**
Balance as at end of the period	**4,657**	**4,481**

Notes to the financial statements continued

In Thousands of United States Dollars	December 31, 2022 US$'000'	December 31, 2021 US$'000'

11.1 Income tax expense

Current income tax	**427**	555

11.2 Current income tax

December 31, 2022'	Balance 1 January	Payments during the year	Charge for the year	Balance at December 31,
Year of assessment - Up to 2022	150			150
		(155)	162	7
	150	**(155)**	**162**	**157**

December 31, 2021'	Balance 1 January	Payments during the year	Charge for the year	Balance at December
Year of assessment - Up to 2021	137			137
		(292)	279	13
	75	**(292)**	**279**	**150**

Recognized in the income statements

11.2 Income tax expense		
Current income tax	**162**	**279**
Deferred tax expense		
Origination and reversal of temporary difference	265	276
	427	**555**

Notes to the financial statements continued

Income tax expense continued

In Thousands of United States Dollars	December 31, 2022 US$'000'	December 31, 2020 US$'000'
Reconciliation of effective tax rate		
Profit before income tax	**1,877**	**1,789**
Income tax on profit before tax	470	447
Net movement in temporary difference	265	
Tax adjustment prior year diff.	-	(180)
Tax impact of permanent difference:		
Impact on Proceed	(476)	7
Non-deductible expense	196	4
Tax incentive	(28)	277
Total Income tax expense in Income statement	**427**	**555**

11.3 Deferred Tax Assets and Liabilities

Recognized Deferred Tax Assets and Liabilities

	2022			2021		
	Asset	**Liability**	**Net**	**Asset**	**Liability**	**Net**
Property plant and equipment	-	510	510	-	200	200
Right of use asset/Leased liability	(152)	-	(152)	(4)	-	(4)
Adjustment Recon with Signed Account	-		-	-	-	-
Other in sign account Deferred tax						
Unrealized Exchange loss/gain	-		-			-
	(152)	**510**	**358**	**(4)**	**200**	**196**

Movement in temporary differences during the year - 2022	**Opening Balance**	**Recognized in the profit and loss**	**Recognized in equity**	**Closing balance**
Property plant and equipment	200	310	-	**510**
Right of use asset	(4)	4		-
Intangible assets		(152)	-	(152)
Other in sign account Deferred tax				-
Unrealized Exchange loss/gain	-	-		
	196	**265**	**-**	**358**

Notes to the financial statements continued

Income tax expense continued

In Thousands of United States Dollars	December 31, 2022 US'000'	December 31, 2021 US'000'

Movement in temporary differences during the year - 2021	Opening Balance	Recognized in the profit and loss	Recognized in equity	Closing balance
Property plant and equipment	(196)	396	-	200
Right of use asset	313	(317)		(4)
Adjustment Recon with Signed Account	(196)	196	-	-
Prior Years Adj. Deferred Tax		-		
Unrealized Exchange loss/gain		-		
	(79)	**276**	**-**	**196**

12. Other assets

	2022	2021
Staff and sundry debtors	28	1
Prepaid staff benefit	78	84
Prepayment	535	339
Other Account receivable	9,162	14,914
	9,803	**15,338**

13. Deposit from Customers

	2022	2021
Saving	19,725	50,289
Demand deposit	97,684	64,521
Time deposit	4,531	4,057
	121,940	**118,867**
Current	117,409	99,528
Non-current	4,531	1,196
	121,940	**100,724**

Notes to the financial statements continued

In Thousands of United States Dollars		December 31, 2022 US'000'	December 31, 2021 US'000'
14.	**Account payables**		
	Manager's cheques	926	1,654
	Draft & Transfer	1,239	240
	Interest payable	7	9
	Other payable	6,013	2,524
		8,185	**4,427**
15.	**Lease Liabilities**		
	Lease Liabilities	937	404
		937	**404**
	Current	41	47
	Non-current	896	357
		937	**404**
16.	**Borrowing cost**		
	Due to OPIC	20,000	-
	Due to Central Bank of Liberia	680	
	Due to Ghana International Bank	3,000	6,000
		23,680	**6,000**

The Bank renewed its previous facility with the US International Development Finance Corporation (DFC)/OPIC for an amount of US$20 million to be repaid over a tenure of (8) years. The bank also maintained a facility from the Ghana International Bank (GHIB) for an amount of US$6,000,000 for twenty-four months and expected to expire on 17th September 2023.The amount reported are the outstanding balances of these facilities as the end of the year.

Notes to the financial statements continued

In Thousands of United States Dollars		December 31, 2022 US$'000'	December 31, 2021 US$'000'
17.	**Other Liabilities**		
	Accrued expense and others	1,461	2,101
	Deferred revenue	1,022	1,023
		2,483	**3,124**
18.	**Stated capital**		
	At 1 January	12,338	12,338
		12,338	**12,338**
19.	**Interest Income**		
	Loan and advances to customers:		
	Term loan	10,031	8,875
		10,031	**8,875**
20.	**Interest expense**		
	Saving accounts	894	840
	Time deposits	220	119
		1,114	**959**
21.	**Impairment loss on financial assets**		
	Increase/(decrease) in stage 1 impairment on loans - see note 7	147	696
	Increase/(decrease) in stage 2 impairment on loans - see note 7	535	2,532
	Increase/(decrease) in stage 3 impairment on loans - see note 7	847	(1,321)
		1,529	**(1,907)**

Notes to the financial statements continued

In Thousands of United States Dollars		December 31, 2022 US$'000'	December 31, 2021 US$'000'
22.	**Fees and Commission Income**		
	Fees from transfers	2,868	2,819
		2,868	**2,819**
23.	**Other Operating Income**		
	Fee income on customer deposit	1,286	1,200
	Treasury bill	961	1,475
	Interest from GOL Bond	258	316
	Currency trading income	187	117
	Miscellaneous	236	242
		2,928	**3,350**
24.	**Personnel cost**		
	Staff cost	2,495	2,400
	Social security contributions	154	52
	Provident fund contribution	103	102
	Other staff related expense	433	548
		3,185	**3,102**
25.	**Occupancy and other property cost**		
	Utilities	797	553
	Lease and rental expense	-	38
	Repairs and maintenance - Building and others	517	428
	Security Guard Service	397	395
	Repairs and maintenance - Vehicle	70	76
	Insurance	1,040	914
	Software maintenance	162	183
		2,983	**2,587**
26.	**Depreciation and Amortization**		
	Depreciation (Note 8)	517	448
	Depreciation on ROU	351	499
	Amortization of Intangible assets (Note 9)	121	174
		989	**1,121**
27.	**Finance cost**		
	Interest expense on lease liabilities	41	17
	Interest expense – GHIB	254	413
	Interest expense – OPIC/DFC	716	
		1,011	**430**

Notes to the financial statements continued

In Thousands of United States Dollars	December 31, 2022 US$'000'	December 31, 2021 US$'000'
28. Other operating expense		
Consultancy	19	354
Professional service	299	133
License and taxes	81	87
Office expense	714	666
Scholarship and donation	71	101
Foreign travel	122	31
Local transportation	36	42
Board expense	182	108
Miscellaneous expense	1,593	1,511
Money gram	102	116
	3,219	**3,149**

Notes to the financial statements continued

29. Related party transactions

Related parties are considered to be related if one has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both.

A number of banking transactions were entered into with related parties in the normal course of business. These include loans and deposits.

a) Loans and advances to related parties

The Bank granted various credit facilities to other companies which have common directors with the Bank as well as members of the Bank. The rates and terms agreed are comparable to other facilities being held in the Bank's portfolio. Details of these are described below:

December 31, 2022	Parent, entities and associates of Parent US'000'	Key management personnel (and close family member US$'000'	Total US$'000'
Loan outstanding during the period 2021	-	**22**	**22**
Loan disbursement during the period	-	**90**	**90**
Loan repayments during the year	-	**(82)**	**(82)**
Loans outstanding at 31 December 2022	-	***8***	***8***
December 31, 2021			
Loan outstanding during the period 2020	-	*67*	*67*
Loan disbursement during the period	-	75	75
Loan repayments during the year	-	(120)	(120)
Loans outstanding at 31 December 2021	-	22	22

b) Key management compensation

Key management has been determined as members of the Executive of the Bank. The compensation paid to the key management as employees is shown below. There were no sales/purchase of goods and services between the Bank and key management personnel.

	December 31, 2022 US'000'	December 31, 2021 US'000'
Salaries and other short term employment benefits	**284**	275
Post-employment benefits	**27**	27
Termination benefits	-	-
	-	

Notes to the financial statements continued

30. Employees

The average number of persons employed by the Bank during the period is shown below:

	December 31, 2022	December 31, 2022
Executive directors	1	1
Management	11	11
Non-management	234	235
Compensation for the above staff:		
Executive directors	264	254
Management	561	644
Non-management	1,823	1,910

The number of employees of the Bank, other than directors, who received emoluments during the year in the following ranges (excluding pension contributions and other benefits), is shown below:

USD	**December 31, 2022**	**December 31, 2021**
1,857 – 12,380	209	209
12,381 – 17,332	14	15
17,333 – 21,665	6	5
21,666 - 24,760	5	4
24,760 - 34,045	3	4
34,046 - 40,235	3	3
40,236 - 48,282	5	4
48,283 - 55,710	3	3
55,711 – and above	1	1
	-	-

31. Directors' emoluments

Remuneration paid to the Bank's directors (excluding other allowances) is shown below:

	December 31, 2022 US$'000'	December 31, 2021 US$'000'
Fees and sitting allowances	**161**	80
Other director expenses	**20**	27
	-	-

Notes to the financial statements (*continued)*

The number of directors who received fees and other emoluments (excluding pension contributions and other benefits) is shown below:

	December 31, 2022	December 31, 2021
US$21,046 above	-	-
	-	-

32. Commitments

a) Capital commitments

The Bank did not have any capital commitment as at December 31, 2022.

b). Contingent liabilities and commitments

In the normal course of business, the Bank enters into transactions involving acceptances, guarantees, performance bonds and indemnities that have off statement of financial position risk. The majority of these facilities are offset by corresponding obligations of third parties.

Guarantees and bid bonds include performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's credit worthiness. As at the date of issuing this set of financial statements the Bank Guarantees as at December 31, 2022 was US$**5.11 million (US$3.54 million, 2021)**

33. Subsequent events

The Bank is not aware of any other material event which occurred after the reporting date and up to the date of this report which would require adjustment or disclosure.