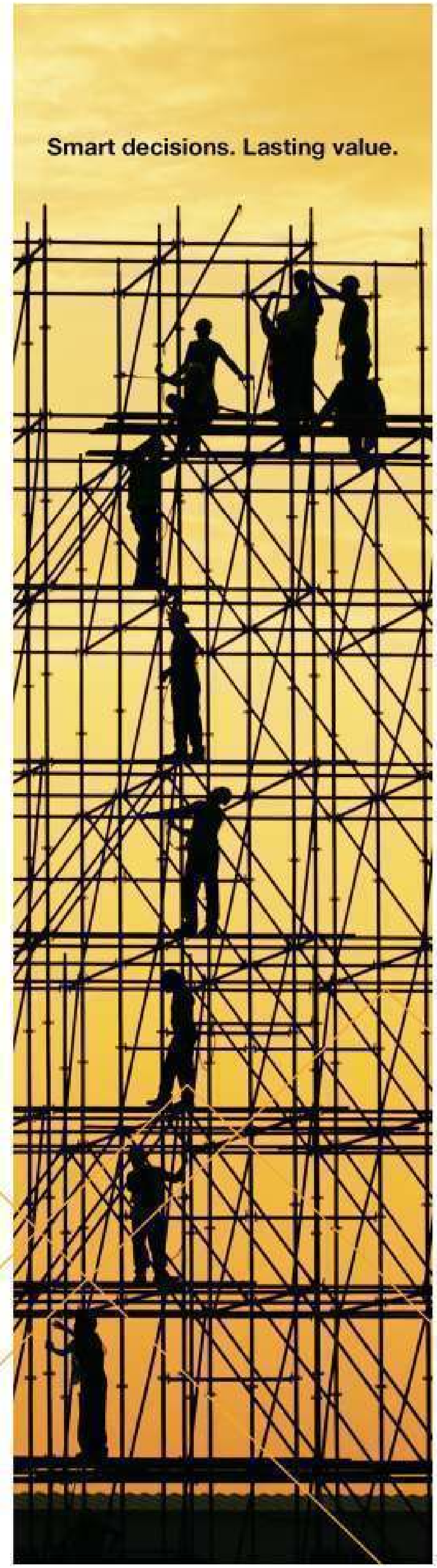

INTERNATIONAL BANK (LIBERIA) LIMITED

Auditor's Report and Financial Statements
For the year ended December 31, 2020

Audit / Tax / Advisory

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 64 Broad Street, 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	Acting Chairman
	Miatta Beysolow	Director
	Stephen D. Cashin	Director
	O. Natty B. Davis	Director
	Frankie Hayford	Director
	Ibrahim Salla	Director
	Estrada Bernard	Director
	Henry F. Saamoi	CEO/ Executive Director

Corporate Secretary Gerald Woels

Registered Office:
International Bank (Liberia) Limited
64 Broad Street
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 eight (8) 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 8-member Board of Directors of International Bank (Liberia) Limited is composed of a non-executive Chairman, with 1 Executive Director and 6 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 four (4) 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 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 appropriate. A report is provided to the full Board at each sitting.

Board Credit Committee

The Board's Credit Committee is responsible for review of all credits granted by the Bank and approves specific loans and credit related proposals beyond the Management Credit Committee's authority 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.

Corporate Governance (continued)

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:

- Local & Management Credit Committee;
- Assets and Liabilities Management Committee;
- Product Development Committee;
- Risk Management Committee;
- Strategic Plan Implementation Management Committee;
- IT Steering Committee; and
- Procurement Committee.

Shareholder structure of the Bank

The Bank's Shareholders as at December 31, 2020 are as follows:

	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 period ended December 31, 2020.

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, 2020, the statement of profit or loss and 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 (IFRS), 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 (2002).

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. During the year, the Bank experienced a profit after tax. The directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not continue as a going concern in the year ahead.

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.

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, 2020 and the state of the Bank's affairs are set out in the financial statements.

Going Concern

The Bank reported a profit after tax for the year ended December 31, 2020. 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.

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, 2020 were approved by the board of directors on ...April 15..........2021 and signed on its behalf by:

....

Pa Macoumba Njie

Acting Chairman

Board of Directors

Crowe Liberia, LLC
Bible House, 1st & 3rd Floors
Tubman Boulevard
11 Street, Sinkor
1000 Monrovia, 10 Liberia
Main +231 (0)881115927
+231 (0)776010527
Fax +231 (0)881115927
Email: crowelib@crowe.com.lr
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, 2020, 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 21 to 90.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Bank as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), 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 (2002).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 and have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Other Legal and Regulatory Requirements

The Registered Business Company Law (2002) of Liberia requires that in carrying out our audit we consider and report on the following matters. We confirm that:

I. We have obtained all the information and explanations which 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 properly drawn up so as to exhibit a true and fair view of the state of the Bank's affairs according to the best of the information and the explanations given to us and as shown by the books of the Bank.

In addition, 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 Banks' 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 in the event of noncompliance.

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 in 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 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	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 asset. 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; We tested the reasonableness of the Bank's ECL methodology by considering whether it reflects unbiased and probability weighted

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 & 21 to the financial statements for further information.	amounts that is determined by evaluation a range of possible outcomes, the time value of money and reasonable & 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 rate. 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 loan and advances using the Bank's impairment model and reviewed IFRS 9 disclosers 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. 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	We performed tests on the operating effectiveness of controls relating to loan asset classification by testing the classification of a sample of high value loans assets from the banking application to underlying supporting documents obtained from the credit department. (Credit report, credit recommendation on classification and loan portfolio). We performed substantive test of detail on fee and commission income by assessing the amortization schedule with information held from prior periods, testing loan asset

aggressive methods for fee and commission income amortization; This would usually lead to revenue and profit being recognized too early.	period to underlying supporting information (customer credit files) and performing re-computation of fee and commission income amortization schedule.
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 & 20 to the financial statements for further information.	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.	Through our discussions with management and reading of IFRS 16, we understood the bank's process in identifying lease contracts, or contracts which contained leases.
Therefore, the cumulative effect of adopting IFRS 16 was recognized as an adjustment to the opening balance of general reserve at 1 January 2019, with no restatement of comparative information	We read a sample of contracts to assess whether leases have been appropriately identified.
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. 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	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.

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.	We assessed Bank's accounting for ROU 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 light of the requirements of IFRS 16. Our conclusions reached was not materially different from management's conclusion.

Independent Auditor’s Report (Continued)

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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Independent Auditor's Report (Continued)

- 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 Bank 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 events in a manner that achieves fair presentation.

- 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 our audit.

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.

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 **Theo. Dekonty Joseph.**

Theo. Dekonty Joseph, CPA, CFE, FCPA
Managing Partner License # 014

Crowe Liberia llc

Crowe Liberia, LLC
Monrovia, Liberia
April 22, 2021

STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

In Thousands of Liberian Dollars	Notes	December 31, 2020 L$'000'	December 31, 2019 L$'000'
Assets			
Cash and cash equivalents	5	**6,347,149**	8,204,352
Held to maturity financial assets	6	**1,864,167**	2,198,755
Loans and advances to customer	7	**11,018,490**	13,419,155
Property, plant and equipment	8	**817,817**	687,902
Intangible assets	9	**153,384**	12,354
Right of Use asset	10	**437,270**	96,030
Deferred tax assets	11.3	**13,041**	16,105
Other assets	12	**2,503,987**	1,176,551
Total Assets		**23,155,305**	**25,811,204**
Liabilities			
Deposits from customers	13	**16,540,814**	15,474,727
Account payables	14	**784,528**	1,827,424
Lease liabilities - operating lease	15	**231,545**	97,345
Current income tax liabilities	11.2	**18,630**	8,559
Borrowings	16	**1,915,900**	5,015,408
Other liabilities	17	**496,836**	455,612
Total liabilities		**19,988,253**	**22,879,075**
Equity			
Stated capital	18	**705,486**	705,486
Share premium		**57,713**	57,713
Statutory reserve		**324,297**	285,024
Income surplus		**420,033**	224,823
Foreign currency translation reserve		**1,659,523**	1,659,083
Total equity		**3,167,052**	**2,932,129**
Total equity and liabilities		**23,155,305**	**25,811,204**

Pa Macdumba Njie
Acting Chairman
Board of Directors

Henry F. Saamoi
Chief Executive Officer (CEO)

The notes on pages 21 to 90 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, 2020 L$'000'	December 31, 2019 L$'000'
Interest Income	19	**1,456,444**	2,017,830
Interest expense	20	**(118,346)**	(169,465)
Net Interest Income		**1,338,098**	**1,848,365**
Net impairment credit on financial assets	21	**(277,579)**	(382,763)
Net interest income after loan impairment charges		**1,060,519**	**1,465,602**
Fees and commission income	22	**419,246**	449,268
Other Operating Income	23	**368,094**	281,053
Net Operating Income		**1,847,859**	**2,195,923**
Personnel expense	24	**(510,539)**	(589,087)
Occupancy and other property cost	25	**(337,125)**	(418,708)
Depreciation and Amortization	26	**(138,157)**	(122,338)
Finance cost	27	**(205,836)**	(243,747)
Other operating expense	28	**(437,420)**	(522,678)
Profit before income tax		**218,782**	**299,365**
Income tax expense	11	**(61,689)**	(76,431)
Profit after income tax		**157,093**	**222,934**
Other comprehensive income			
Foreign translation difference		**440**	378,221
Total comprehensive income for the year		**157,533**	**601,155**
Earnings per share		0.013	0.018

The notes on pages 21 to 90 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, 2019	705,486	57,713	229,289	172,371	1,281,157	2,446,016
Profit for the year	-	-	55,735	167,202		222,937
Other adjustments	-	-	-	(7,538)	(295)	(7,833)
Dividend declared	-	-	-	(107,212)	-	(107,212)
Translation difference	-	-	-	-	378,221	378,221
Balance as 31 December 2019	**705,486**	**57,713**	**285,024**	**224,823**	**1,659,083**	**2,932,129**
Balance as at January 1, 2020	**705,486**	**57,713**	**285,024**	**224,823**	**1,659,083**	**2,932,129**
Profit for the year	**-**	**-**	**39,273**	**117,820**	**-**	**157,093**
Dividend declared	**-**	**-**	**-**	**-**	**-**	**-**
Prior period adjustments	**-**	**-**	**-**	**77,390**	**-**	**77,390**
Translation difference	**-**	**-**	**-**	**-**	**440**	**440**
Balance as 31 December 2020	**705,486**	**57,713**	**324,297**	**420,033**	**1,659,523**	**3,167,052**

The notes on pages 21 to 90 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

In thousands of Liberian Dollars	Notes	December 31, 2020 L$'000'	December 31, 2019 L$'000'
Cash flow from operating activities:			
Profit before taxations		**218,782**	299,365
Adjustment for:			
Depreciation and Amortization	26	**138,157**	122,338
Loss on the sale of PPE		**33,926**	-
Impairment on Loan and Advances	21	**277,579**	382,763
Deferred tax assets	11.1	**(3,064)**	19,949
Net Interest income		**(1,338,098)**	(1,848,365)
Cash flow from operations before working capital change		**(672,718)**	**(1,023,950)**
Changes in Loan and Advances		**2,123,086**	(2,018,589)
Changes in Mandatory Reserve Deposits	5.2	**141,285**	(219,492)
Changes in Trading Assets		**334,589**	(359,834)
Changes in Other Assets	12	**(1,327,437)**	(147,424)
Changes in deposits to Customers	13	**1,066,087**	2,624,196
Changes in Accounts payable	14	**(1,042,896)**	(63,648)
Changes in Other Liabilities	17	**41,224**	115,258
Cash generated by/ (utilized in) operating activities		**663,220**	**(1,093,483)**
Interest received	19	**1,456,444**	2,017,830
Interest paid	20	**(118,346)**	(169,465)
Income tax paid	11.2	**(34,209)**	(94,479)
Net Cash flows from operating activities		**1,967,109**	**660,403**
Cash flows from Investing Activities			
Purchase of property plant & equipment	8	**(319,828)**	(432,306)
Adjustment in PPE		**(122,031)**	127,593
Sale proceed from sale of PPE		**39,237**	-
Purchase of Intangible Assets	9	**(5,910)**	(1,882)
Right of Use Assets	10	**(387,459)**	(120,474)
Net cash generated from/ (used in) Investing Activities		**(795,991)**	**(427,069)**
Cash flows from Financing Activities			
Repayment of long term debt	16	**(3,099,508)**	1,583,444
IFRS 16 Lease liability	15	**134,200**	(97,345)
Other adjustment to equity		**77,830**	(7,833)
Payments of dividends		**-**	(107,212)
Net cash generated from financing activities		**(2,887,478)**	**1,371,054**
Net increase in cash and cash equivalent		**(1,716,360)**	**1,604,388**
Cash and cash equivalent as at January 1	5.2	**6,408,988**	4,426,378
Translation difference		**440**	378,221
Cash and cash equivalent at Dec		**4,693,068**	**6,408,986**

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 64 Broad Street, PO Box 10-292, 1000 Monrovia 10, Liberia King Building.

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 money market activities.

2. Significant account policies

2.1 Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) 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 (2002).

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$ 157.1 million** for the year ended December 31, 2020 and, as at this date the accumulated income surplus is **L$420 million** and Statutory Reserve stands at **L$ 324.1 million.**

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

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.

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
New and amended standards not yet adopted by the Bank

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective.

These include the following Standards and Interpretations that may have an impact on future financial statements.

Standard/ Interpretation	**Effective date**
IFRS 17, Insurance Contract	1 January 2023

IFRS 9 (2014) Financial Instruments

Changes in accounting policies

The Bank has initially adopted IFRS 9 (see "a" on page 23) . A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Bank's financial statements.

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

(a). IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The requirements of IFRS 9 represent a significant change from IAS 39. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

As a result of the adoption of IFRS 9, the Bank has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require separate presentation in the statement of comprehensive income of interest revenue calculated using the effective interest method. Previously, the Bank disclosed this amount in the notes to the financial statements.

The key changes to the Bank's accounting policies resulting from its adoption of IFRS 9 are summarized below.

Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. For an explanation of how the Bank classifies financial assets under IFRS 9, see Note 7.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. For an explanation of how the Bank classifies financial liabilities under IFRS 9, see Note 2.3.3

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments.

Under IFRS 9, credit losses are recognized earlier than under IAS 39. For an explanation of how the Bank applies the impairment requirements of IFRS 9, see Note 2.3.1

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.

Notes to the financial statements *(continued)*

Significant accounting policies (continued)

Changes in accounting policies and interpretations adopted by the Bank continued

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively.

Offsetting financial instruments

Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis.
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Bank or the counterparty.

Income and expenses are presented on a net basis only when permitted under IFRS or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

2.3.1 Financial Risk Management

2.3.2 Credit risk measurement

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.

Expected Credit Loss impairment model

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.

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

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.

• 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.

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

• 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
.
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.

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

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.

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.

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

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.

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.

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

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.
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.

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

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.

2.3.3 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.

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

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

At December 31, 2020	**Stage 1 L$'000'**	**Stage 2 L$'000'**	**Stage 3 L$'000'**	**Total L$'000'**
Loans and advance to customers	5,828,692	499,400	4,690,397	11,018,490
Gross carry amount	5,943,009	504,791	6,045,612	12,493,412
Loss Allowance	(114,316)	(5,391)	(1,355,214)	(1,474,922)
Carrying Amount	**5,828,692**	**499,400**	**4,690,397**	**11,018,490**

At December 31, 2019	**Stage 1 L$'000'**	**Stage 2 L$'000'**	**Stage 3 L$'000'**	**Total L$'000'**
Loans and advance to customers	6,976,994	330,823	6,111,338	13,419,155
Gross carry amount	7,032,643	597,343	7,154,058	14,784,045
Loss Allowance	(55,649)	(266,520)	(1,042,720)	(1,364,890)
Carrying Amount	**6,976,994**	**330,823**	**6,111,338**	**13,419,155**

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

Loan and Advances are summarized as follows:

At December 31, 2020	**Loan to individual L$'000'**	**Loans to non-individual L$'000'**	**Total L$'000'**
Loan and advances to customers	757,218	5,185,790	5,943,009
Stage 1 - 12 months ECL	**757,218**	**5,185,790**	**5,943,009**
Loan and advances to customers	12,645	492,146	504,791
Stage 2 - Lifetime ECL not credit	**12,645**	**492,146**	**504,791**
Loan and advances to customers	400,533	5,645,079	6,045,612
Stage 3 - Non- performing loans	**400,533**	**5,645,079**	**6,045,612**
Total gross loans and advances	**1,170,396**	**11,323,016**	**12,493,412**

The impairment allowance on loans is further analyzed as follows:

At December 31, 2020	**Loan to individual L$'000'**	**Loans to non-individual L$'000'**	**Total L$'000'**
Loan and advances to customers	15,929	98,387	114,316
Stage 1 - 12 months ECL	**15,929**	**98,387**	**114,316**
Loan and advances to customers	328	5,063	5,391
Stage 2 - Lifetime ECL not credit	**328**	**5,063**	**5,391**
Loan and advances to customers	58,299	1,296,916	1,355,215
Stage 3 - Non- performing loans	**58,298**	**1,296,916**	**1,355,214**
Total allowances	**74,556**	**1,400,366**	**1,474,922**

Notes to the financial statements *(continued)*

At December 31, 2019	Loan to individual L$’000’	Loans to non-individual L$’000’	Total L$’000’
Loan and advances to customers	1,365,161	5,667,482	7,032,643
Stage 1 - 12 months ECL	**1,365,161**	**5,667,482**	**7,032,643**
Loan and advances to customers	35,965	561,379	597,344
Stage 2 - Lifetime ECL not credit	**35,965**	**561,379**	**597,344**
Loan and advances to customers	109,699	7,044,359	7,154,058
Stage 3 - Non- performing loans	**109,699**	**7,044,359**	**7,154,058**
Total gross loans and advances	**1,510,824**	**13,273,221**	**14,784,045**

The impairment allowance on loans is further analyzed as follows:

At December 31, 2019	Loan to individual L$’000’	Loans to non-individual L$’000’	Total L$’000’
Loan and advances to customers	28,082	27,568	55,649
Stage 1 - 12 months ECL	**28,082**	**27,568**	**55,649**
Loan and advances to customers	985	265,535	266,520
Stage 2 - Lifetime ECL not credit	**985**	**265,535**	**266,520**
Loan and advances to customers	51,565	991,155	1,042,720
Stage 3 - Non- performing loans	**51,565**	**991,155**	**1,042,720**
Total allowances	**80,632**	**1,284,258**	**1,364,890**

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

At December 31, 2020	Gross Loans L$'000'	Collateral L$'000'
Against Stage 1 Loans and Advances	5,943,009	24,145,868
Against Stage 2 Loans and Advances	504,791	1,031,088
Against Stage 3 Loans and Advances	6,045,612	14,070,383
	12,493,412	**39,247,339**

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

At December 31, 2020	Term loan L$'000'	Overdraft	Total L$'000'
Against Stage 1 Loan and Advances			
Property	18,879,797	-	18,879,797
Others	5,266,071	-	5,266,071
	24,145,868	**-**	**24,145,868**
Against Stage 2 Loans and Advances			
Property	584,078	-	584,078
Others	447,010	-	447,010
	1,031,088	**-**	**1,031,088**
Against Stage 3 Loans and Advances			
Property	11,228,958	-	11,228,958
Others	2,841,425	-	2,841,425
	14,070,383	**-**	**14,070,383**

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

2.3.3.1 Performance profile of loans and advances per CBL prudential guidelines is as follow (In thousands of Liberian dollars**)**
2020

Status	Total count	% Total count	Value, L$'000'	% Total value	Provision amount L$'000'	% Total provision
Current	1480	62%	11,379,131	91%	727,647	49%
Total current	**1480**	**62%**	**11,379,131**	**91%**	**727,647**	**49%**
Total performing	**1480**	**62%**	**11,379,131**	**91%**	**727,647**	**49%**
Substandard	70	3%	226,317	2%	66,735	5%
Doubtful	26	1%	526,085	4%	326,390	22%
Loss	797	34%	361,878	3%	361,878	24%
Total NPL	**893**	**38%**	**1,114,280**	**8.92%**	**755,003**	**51%**
Total Performing & NPL	**2373**	**100%**	**12,493,411**	**100%**	**1,482,650**	**100%**

2.3.3.2 Performance profile of loans and advances per CBL prudential guidelines continued (In thousands of Liberian dollars**)**

2019

Status	Total count	% Total count	Value, L$'000'	% Total value	Provision amount L$'000'	% Total provision
Current	1821	79%	13,509,329	91%	673,170	49%
Total current	**1821**	**79%**	**13,509,329**	**91%**	**673,170**	**49%**
Total performing	**1821**	**79%**	**13,509,329**	**91%**	**673,170**	**49%**
Substandard	56	2%	562,658	4%	101,517	7%
Doubtful	19	1%	479,733	3%	357,878	26%
Loss	406	18%	232,324	2%	232,324	17%
Total NPL	**481**	**21%**	**1,274,715**	**8.62%**	**691,720**	**51%**
Total Performing & NPL	**2302**	**100%**	**14,784,045**	**100%**	**1,364,889**	**100%**

Notes to the financial statements *(continued)*

2.3.3.3 Sensitivity Analysis of impairment using CBL provisions

2020

IFRS Classification	IFRS Provision L$'000'	CBL Classification	CBL Provision L$'000'
Stage 1	114,316	Current	85,838
Stage 2	5,391	Olem	641,809
Stage 3	1,355,215	Sub-standard	66,735
		Doubtful	326,390
		Loss	361,878
	1,474,922		**1,482,650**

2019

IFRS Classification	IFRS Provision L$'000'	CBL Classification	CBL Provision L$'000'
Stage 1	55,649	Current	673,170
Stage 2	266,520	Olem	-
Stage 3	1,042,720	Sub-standard	101,517
		Doubtful	357,878
		Loss	232,324
	1,364,890		**1,364,890**

Notes to the financial statements *(continued)*

2.3.3.3 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, 2020 LRD'000'	December 31, 2019 LRD'000'
IFRS provision recognized in the statement of profit or loss and other comprehensive income	277,579	382,763
Provision based on Central Bank of Liberia's guideline	280,602	341,487
Difference between IFRS and CBL Provision	**(3,022)**	**41,276**
Profit as per the statement of profit or loss and comprehensive income before the recognition of CBL provision	157,093	222,934
Profit/ Loss if CBL provision was recognized	**154,071**	**264,211**
Total equity attributable to the owners of the Bank based on IFRS	3,167,053	2,932,129
Total equity attributable to the owners of the Bank based on CBL	**3,164,031**	**2,973,405**

Notes to the financial statements *(continued)*

Significant accounting policies (continued)

(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.

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.

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

Amendments to IFRS 3-Business Combination

IFRS 3 (Business Combinations) outlines the accounting when an acquirer obtains control of a business (e.g an acquisition or a merger) .In October 2018 after the post implementation review of IFRS 2, the IASB issued an amendment to IFRS 3, which centers majority on the definition of a Business

The Standard provides that to be considered a business an acquired set of activities must include, at minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The standard also added an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This amendment does not have any impact on the Bank.

Amendment to IAS 1 and IAS 8

In October 2018, the IASB issued the definition of material'. The amendments are intended to clarify, modify and ensure that the definition of 'material is consistent across all IFRS. In IAS 1 (Presentation of Financial Statements) and IAS 8 (Accounting Policies Changes in Accounting Estimates and Errors), the revised definition of material is quoted below:

"Information is material if omitting, misstating or obscuring if could reasonably be expected to influence decisions that the primary users of general purpose financial statement make based on those financial statements, which provide financial information about a specific reporting entity".

The amendments laid emphasis on five (5) ways material information can be obscured=red.
These included:

- If the language regarding a material item, transaction or other event is vague or unclear:
- If information regarding a material item, transaction or other event is scattered in different places in the financial statements:
- If dissimilar items, transactions or other events are inappropriately aggregated:
- If similar items, transaction or other events are inappropriately disaggregated: and
- If material information is hidden by immaterial information to the extent that it becomes unclear what information is material?
  The Bank has taken into consideration the new definition in the preparation of its financial statement.

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

Amendment to IFRS 16- Leases: COVID-19-Related Rent Concessions

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID 19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. Lessees that make this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

- The Change in lease payments results in revised consideration for the lease that is substantially the same as, or less than ,the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- There is no substantive change to other terms and conditions of the lease.

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.

New and amended standards not yet adopted by the Bank

Annual Improvements to IFRS Standards 2015 – 2019 Cycle

The International Accounting Standards Board issued 'Annual Improvements to IFRS Standards 2015 – 2017 Cycle' in December 2017. These are minor amendments affecting IFRS 11, 'Joint arrangements', IAS 12, 'Income taxes', and IAS 23, 'Borrowing costs'.

Amended Standard	**The amendments clarify that:**
FRS 11 *Joint Arrangements*	Bank does not re-measure its previously held interest in a joint operation when it obtains joint control of the business.
IAS 12 *Income Taxes*	A Bank accounts for all income tax consequences of dividend payments in the same way.
IAS 23 *Borrowing Costs*	A Bank treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The amendments are effective from 1 January 2019, with early application permitted.

Clarifying measurement of previously held interest in obtaining control over a joint operation under IFRS 3.

The amendments clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at of the acquisition date. The amendments are effective for business combinations with acquisition date on or after the beginning of annual periods beginning on or after 1 January 2019. Earlier application is permitted.

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

Clarifying measurement of previously held interest in obtaining joint control over a joint operation under IFRS 11

The amendments clarified that the party obtaining joint control of a business that is a joint operation should not re-measure its previously held interest in the joint operation. The amendments are effective for transactions resulting in obtaining joint control on or after the beginning of annual periods beginning on or after 1 January 2019 and is not expected to have a significant impact on the Bank.

ncome tax consequences under IAS 12 of payments on financial instruments classified as equity

The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits were recognized. These requirements apply to all income tax consequences of dividends.

Previously, it was unclear whether the income tax consequences of dividends should be recognized in profit or loss, or in equity, and the scope of the existing guidance was ambiguous. The IASB Board noted that the amendments do not suggest that an entity recognizes in profit or loss the income tax consequences of all payments on financial instruments classified as equity. Rather, the tax consequences are recognized in profit or loss only when an entity determines payments on such instruments are distributions of profits (that is, dividends). An entity may need to apply judgment in making this determination. These amendments should be applied for annual periods beginning on or after 1 January 2019 to the income tax consequences of dividends recognized on or after the beginning of the earliest comparative period are not expected to have a significant impact on the Bank.

Borrowing costs eligible for capitalization under IAS 23

The amendments clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. These amendments should be applied prospectively for borrowing costs incurred on or after the beginning of annual periods beginning on or after 1 January 2019 is not expected to have a significant impact on the Bank.

As the costs of retrospective application might outweigh the benefits, the changes are applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.

(15). IFRS 15 Revenue from contracts with customers

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized.

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

IFRS 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty programmes
.
The new standard introduces comprehensive guidance on identifying separate components, which applies to all types of revenue-generating transactions. This could result in goods or services being unbundled or bundled more frequently than under current practice.

However, in most cases, a 'traditional' construction contract relating to a single asset or a combination of assets that are closely inter-related or interdependent, will meet the conditions to be a single performance obligation –and so treating the whole contract as the unit of account is likely to continue.

Additionally, contracts are currently accounted for under the stage-of-completion method in accordance with IAS 11 whenever they meet the definition of a construction contract. By contrast, the new standard uses new concepts that entities need to apply to the specific facts and circumstances of individual Performance obligations.

This could result in different assessment outcomes –and therefore, significant differences in the timing of revenue recognition – compared with current practice.

The core principle of the new standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The new standard results in enhanced disclosures about revenue, provides guidance for transactions that were not previously addressed comprehensively and improves guidance for multiple-element arrangements. This standard was effective for annualperiods beginning on or after 1 January 2018.

Notes to the financial statements *(continued)*

IFRS 16 - Leases

The Bank has adopted IFRS 16 Leases retrospectively from January 1, 2019 , as permitted under the specific transition provisions in the standard.

The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on January 1, 2020. The Bank has used the simplified retrospective' approach hence there is no impact on the income statement as at the transition date. The new accounting policies are disclosed in Notes **2.6**

IFRS 16 affected primarily the accounting by lessees and resulted in the recognition of almost all leases on the balance sheet. The standard removed the current distinction between operating and financing leases and required recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts.

An optional exemption exists for short-term and low-value leases. The statements of profit or loss is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense is replaced with interest and depreciation, so key metrics like EBITDA changed.

Operating cash flows is higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest continues to be presented as operating cash flows.

On adoption of IFRS 16, the Bank recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2020 was 5% for United States Dollar denominated lease liabilities. No leases were previously classified as finance lease by the Bank.

Practical expedients applied

In applying IFRS 16 for the first time, the Bank has used the following practical expedients permitted by the standard:

• applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
• relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at January 1, 2020;
• accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2020 as short-term leases;

Notes to the financial statements *(continued)*

- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Bank has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Bank relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

Measurements of lease liabilities 2020	**"L$000"**
Operating lease commitments disclosed as at December 31, 2019	**97,345**
Discounted using the lessee's incremental borrowing rate	**123,419**
Add: Additional finance lease liabilities recognized to 1 January 2020	**10,781**
Less: Low - value leases not recognized as a liability	**-**
Total lease liability recognized as at December 31, 2020	**231,545**
Of which are:	
Current lease liabilities	**32,000**
Non-current lease liabilities	**199,545**
	231,545

Measurement of right of use assets

Re-Look Balances

The right-of use assets is measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at December 31, 2020

Adjustments recognized in the balance sheet on January 1, 2020

The change in accounting policy affected the following items in the balance sheet on January 1, 2020:

Description	**"L$000"**
Right-of-use assets - increase by	**341,240**
Prepayments - decrease by	**(69,534)**
Lease liabilities - increase by	**134,200**

Notes to the financial statements *(continued)*

IAS 19

This amendment was issued on February 7, 2018 and became effective January 1, 2019. It prescribes the accounting for all types of employee benefits except share-based payment, to which IFRS 2 applies. Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. IAS 19 requires an entity to recognize:

• the liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
• an expense when the entity consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits.

The amendments clarify that:
> on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and
> the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI).

The Bank has changed its accounting policy for leases where the Bank is the lessee. The new policy is described below and the impact of the change in Notes 2.6 and page 14.

Until December 31, 2018, leases of property and equipment where the Bank, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Bank will obtain ownership at the end of the lease term.
Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Bank as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Notes to the financial statements *(continued)*

The Bank leased various offices, branches and other premises under non-cancellable operating lease arrangements. The lease typically ran for a period of up to five years with an option to renew the lease after that date. The lease rentals were paid in advance and amortized on a straight -line basis over the lease period. The outstanding balance was accounted for as a prepayment in other assets. Lease payments are increased every five years to reflect market rentals.

The Bank's leasing activities and how these are accounted for under IFRS 16

The Bank's leasing activities are similar to those described above. Rental contracts are typically made for fixed periods of 5 years but may have extension options as described below.
Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

From January 1 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank.

Assets and liabilities arising from a lease are initially measured on a present value basis.
Lease liabilities include the net present value of the following lease payments:

fixed payments (including in-substance fixed payments), less any lease incentives receivable;
Variable lease payment that are based on a rate, initially measured as at the commencement date;

Amounts expected to be payable by the Bank under residual value guarantees;
The exercise price of a purchase option if the Bank is reasonably certain to exercise that option; and Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Bank, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Bank, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and

Notes to the financial statements *(continued)*

Makes adjustments specific to the lease, eg term, country, currency and security, Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

The amount of the initial measurement of lease liability
Any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use buildings held by the Bank under IFRS 16 are not revalued.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise residential premises for management.

Extension and termination options are included in a number of property and equipment leases across the Bank. These are used to maximize operational flexibility in terms of managing the assets used in the Bank's operations. The majority of extension and termination options held are exercisable only by the Bank and not by the respective lessor.

Summary of Other Changes to IFRS
The following new or amended standards are not expected to have a significant impact of the Bank's financial statements

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 Share-Based Payment) (effective for annual periods beginning on or after 1 January 2018)
Annual Improvements to IFRS Standards 2015-2015 Cycle (effective for annual periods beginning on or after 1 January 2018) See above.

IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Considerations* (effective for annual periods beginning on or after 1 January 2018)

IFRS 17 *Insurance contracts* (effective for annual periods beginning on or after 1 January 2021)
IAS 40 (Amendments) *Transfers of Investment Property* (effective for annual periods beginning on or after 1 January 2018)

IFRIC 23 – Uncertainty over Income Tax Treatments effective for annual periods beginning on or after 1 January 2019.

Notes to the financial statements *(continued)*

IFRIC 23 – Uncertainty over Income Tax Treatments

This standard which became effective January 1 2019, clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over tax treatments under IAS 12. The Bank has considered the guidance included within the interpretation and concluded that the prescribed approach does not have a material impact on the Bank.

2.4. Foreign currency translation
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$164.22 to US$1.00 as at December 31, 2020 and the Statement of Profit or Loss and Other Comprehensive Income was L$161.55 to US$1.00. (2019: L$187.92 to US$1.00 and L$186.59 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.

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.

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.

2.5b Revenue recognition
Commitment fees in relation to facilities, where drawdown is not probable, are recognized over the term of the commitment.

Net trading income
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.

2.6 Leases
Leases are divided into finance leases and operating leases. This standard has been replaced with IFRS 16. The Bank did not adopt IFRS 16 Leases retrospectively from January 1, 2019 and has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard.

The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on January 1, 2019.

IFRS 16 affected primarily the accounting by lessees and resulted in the recognition of almost all leases on the balance sheet. The standard removed the current distinction between operating and financing leases and required recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts.

An optional exemption exists for short-term and low-value leases. The statements of profit or loss is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense is replaced with interest and depreciation, so key metrics like EBITDA changed.

Notes to the financial statements *(continued)*

Operating cash flows is higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest continues to be presented as operating cash flows.

On adoption of IFRS 16, the Bank will recognize lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities should be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2020. The weighted average lessee's incremental borrowing rate that should have been applied to the lease liabilities on January 1, 2020 is 5% for United States Dollar denominated lease liabilities. No leases were previously classified as finance lease by the Bank.

2.6b 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.

2.6c 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.

2.7 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.

2.7b 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.

Notes to the financial statements *(continued)*

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.

2.8. Financial assets

Classification
The Bank classifies its financial assets into loans and receivables and held to maturity category. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

2.8b Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Bank's loans and receivables comprise cash and cash equivalents and loans and advances to customers and other assets. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are carried at amortised cost less any impairment.

2.8c Held-to-maturity financial assets

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank's management has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale.

Held-to-maturity investments are carried at amortised cost using the effective interest method. Any sale or reclassification of a significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for- sale, and prevent the Bank from classifying investment securities as held-to maturity for the current and the following two financial years. Held-to-maturity includes treasury bills.

However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:
Sales or reclassification that are so close to maturity that changes on the market rate of interest would not have a significant effect on the financial asset's fair value.
Sales or reclassification after the Bank has collected substantially all the asset's original principal.
Sales or reclassification attributable to non-recurring isolated events beyond the Bank's control that could not have been reasonably anticipated.

Notes to the financial statements *(continued)*

2.8d 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.

Loans and receivables and held to maturity investments are subsequently carried at amortised cost using the effective interest method.

2.8e 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.

2.8f 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)*

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.

The amount of impairment loss for financial assets carried at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

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

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

The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any difference between loss estimates and actual loss experience.

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

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

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. The provision is not in line with the IFRS 9 Expected credit loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account.

The amount of the reversal is recognised in the income statement under impairment charge for credit losses.

2.9 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.

2.10 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

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

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.

2.11 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. 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.

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

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.

2.12 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.

2.13 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. 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	16.67%
Motor vehicles	33.33%
Software	10%
Computer equipment	16.67%
Right of use assets	various rates based on the lease term

Notes to the financial statements *(continued)*

2.14 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.

2.15 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.

Notes to the financial statements *(continued)*

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.

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

2.17 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 at "stated capital" in equity.

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%.

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

2.18 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.

3.0 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.

3.1 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.

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

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.

3.2 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)*

4. Financial risk management
4.1 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.

4.2 Measurement of financial assets and liabilities

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

	Financial Assets:	
December 31, 2020	**Held to Maturity L$'000'**	**Loan and advances L$'000'**
Cash and cash equivalents		6,347,149
Held to maturity financial assets	1,864,167	-
Loan and advances		11,018,490
Other assets		2,503,987
	1,864,167	**19,869,626**

Notes to the financial statements continued

	Financial liabilities: Other financial liability L$'000'
Deposits from customers	16,540,814
Lease liabilities - Operating lease	231,545
Other liabilities	496,836
	17,269,195

December 31, 2019	Held to Maturity L$'000'	Financial Assets: Loan and advances L$'000'
Cash and cash equivalents		8,204,352
Held to maturity financial assets	2,198,755	
Loan and advances		13,419,155
Other assets		1,176,551
	2,198,755	**22,800,058**

	Financial liabilities: Other financial liability L$'000'
Deposits from customers	15,474,727
Lease liabilities - Operating lease	97,345
Other liabilities	455,611
	16,027,683

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

4.3 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, 2020 and December 31, 2019, 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)

4.3b Credit risk

Credit concentrations

The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at December 31, 2020 and December 31, 2019 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, 2020	Loans and advances to customers L$'000'	Held to maturity financial assets L$'000"	Other assets L$'000'	Cash balances with foreign bank L$'000'	Cash and bank balances L$'000'
Trade, Hotel and Restaurants	5,767,735	-	-	-	-
Service	1,230,665	-	-	-	-
Personal	1,465,796	-	-	-	-
Trade and Commercial	-	-	2,503,988	-	-
Public sector		1,864,167	-	-	-
Construction	2,335,373	-	-	-	-
Financial services	-	-	-	2,032,840	4,314,309
Agriculture	732,585	-	-	-	-
Manufacturing	409,236	-	-	-	-
Mining and Quarrying	209,709	-	-	-	-
Transportation, Storage and Communication	133,675				
Other	217,638				
	12,493,411	**1,864,167**	**2,503,988**	**2,032,840**	**4,314,309**

Notes to the financial statements continued
Financial risk management continued

December 31, 2019	Loans and advances to customers L$'000'	Held to maturity financial assets L$'000"	Other assets L$'000'	Cash balances with foreign bank L$'000'	Cash and bank balances L$'000'
Trade, Hotel and Restaurants	7,222,893	-	-	-	-
Service	1,302,661	-	-	-	-
Personal	1,735,441	-	-	-	-
Trade and Commercial	-	-	1,176,551	-	-
Public sector		2,198,755	-	-	-
Construction	2,405,000	-	-	-	-
Financial services	-	-	-	2,823,792	5,380,560
Agriculture	940,164	-	-	-	-
Manufacturing	558,874	-	-	-	-
Mining and Quarrying		-	-	-	-
Transportation, Storage and Communication	431,840				
Other	187,171				
	14,784,045	**2,198,755**	**1,176,551**	**2,823,792**	**5,380,560**

c. Loans and advances

Credit quality of loans and advances is summarized as follows:

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.

	2020 L$'000'	2019 L$'000'
Neither past due or impair	8,583,815	10,218,909
The Bank's rating for its customers is shown below:		
Group 1: Customers with no history of default:	2,795,316	3,290,420
Group 2: Customers with past history of default:	1,114,281	1,274,716
	3,909,597	**4,565,136**

Notes to the financial statements continued

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

	2020 L$'000'	2019 L$'000'
Past due up to 90 days	226,317	562,658
Past due by 90 - 180 days	526,085	479,733
Past due more	361,878	232,324
	1,114,280	**1,274,715**

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, 2020 and December 31, 2019.

	Bank balances L$'000'	Treasury bill L$'000'	Total L$'000'
December 31, 2020'			
AAA	2,032,840	1,864,167	3,897,007
December 31, 2019'			
AAA	2,823,792	2,198,755	5,022,547

4.4 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. Cash Moblization (CMU) 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. CMU 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.

	0-30	31-90	91 - 180	181 - 365	December 31, 2020 L$'000'
Financial liabilities					
Deposits from customers	2,567,582	8,954,984	4,821,915	196,333	16,540,814
Account payables	-	784,528	-	-	784,528
Borrowings	-	-	-	1,915,900	1,915,900
Other liabilities	-	496,836	-	-	496,836
Total financial liabilities	**2,567,582**	**10,236,348**	**4,821,915**	**2,112,233**	**19,738,078**

	0-30	31-90	91 - 180	181 - 365	December 31, 2019 L$'000'
Financial liabilities					
Deposits from customers	917,895	1,835,790	3,671,580	9,049,462	15,474,727
Account payables	148,983	297,966	595,932	784,543	1,827,424
Borrowings	245,140	490,281	980,561	3,299,426	5,015,408
Other liabilities	15,724	31,448	62,896	345,542	455,611
Total financial liabilities	**1,327,742**	**2,655,485**	**5,310,969**	**13,478,973**	**22,773,169**

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

4.4.1 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 2020:

	2020 L$'000'	2019 L$'000'
Cash and cash equivalent	4,348,119	4,894,756
Current Account with Foreign Bank	2,032,879	2,467,663
Held to maturity financial assets	1,885,464	1,746,677
Total Liquid Assets	**8,266,462**	**9,109,096**
Deposits from Customers	16,912,361	13,523,094
Other designated liabilities	-	810,608
Total deposits and other designated liabilities	**16,912,361**	**14,333,702**
Net Working Capital	**(8,645,899)**	**(5,224,605)**
Current Ratios	**0.49**	**0.64**

4.4.2 Analysis of the Bank Liquidation Ratios' Performance

(a) Liquidity

The current and quick ratios performed better in 2019 as compare to 2020, mainly as a result of significant amount of the current assets that comprised of current portion of the liquid cash and balances with central bank other than mandatory reserve deposit and current account with Foreign Bank.

Finally, the key reason is due to a significant increment in deposits from customers. 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.

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$(8,645,899) for 2020 is higher than the result of L$(5,224,605) for 2019. This is attributed to the increase in deposits from customers. The bank's liquidity ratio as of December 31, 2020 was 49% (2019: 64%), which exceeds the regulatory requirement of 15%.

4.4.2b 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.

	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	December 31, 2020 L$'000'
Assets					
Cash and short term funds	-	-	-	4,314,309	4,314,309
Cash balances with foreign bank	2,032,840	-	-	-	2,032,840
Held to maturity	1,864,167	-	-	-	1,864,167
Loan and advances to customers	-	-	11,018,490	-	11,018,490
Other Assets	-	-	-	2,503,987	2,503,987
Total financial assets	**3,897,007**	**-**	**11,018,490**	**6,818,296**	**21,733,793**
Liabilities					
Deposits from customers	-	2,567,582	13,973,232	-	16,540,814
Account payables	-	-	-	784,528	784,528
Lease liabilities - operating lease	-	-	-	231,545	231,545
Borrowings	-	-	1,915,900	-	1,915,900
Other liabilities	-	-	-	496,836	496,836
Total financial liabilities	**-**	**2,567,582**	**15,889,132**	**1,512,909**	**19,969,623**
Total interest rate repricing gap	**3,897,007**	**(2,567,582)**	**(4,870,642)**	**5,305,387**	**1,764,170**

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

	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	December 31, 2019 L$'000'
Assets					
Cash and short term funds	-	-	-	5,380,560	5,380,560
Cash balances with foreign bank	2,823,792	-	-	-	2,823,792
Held to maturity	2,198,755	-	-	-	2,198,755
Loan and advances to customers	-	-	13,419,155	-	13,419,155
Other Assets	-	-	-	1,176,551	1,176,551
Total financial assets	**5,022,547**	**-**	**13,419,155**	**6,557,111**	**24,998,813**
Liabilities					
Deposits from customers	-	6,943,696	8,531,031	-	15,474,727
Account payables	-	-	-	1,827,424	1,827,424
Lease liabilities - operating lease	-	-	-	97,345	97,345
Borrowings	-	-	5,015,408	-	5,015,408
Other liabilities	-	-	-	455,611	455,611
Total financial liabilities	**-**	**6,943,696**	**13,546,439**	**2,380,380**	**22,870,516**
Total interest rate repricing gap	**5,022,547**	**(6,943,696)**	**(127,284)**	**4,176,731**	**2,128,298**

4.5 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, 2020	**December 31, 2019**
	L$’000’	**L$’000’**
Effect of 5% increase in US$	**(10,418)**	(14,255)
Effect of 5% decrease in US$	**10,418**	14,255

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 10.4 million (2019: 14.25 million) or decrease 10.4 million (2019 L$ 14.25 million).

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

4.6 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.

	December 31, 2020		December 31, 2019	
	Carrying amount L$'00'	Fair value L$'00'	Carrying amount L$'00'	Fair value L$'00'
Financial Assets				
Cash and short term funds	6,347,149	6,347,149	8,204,352	8,204,352
Held to maturity	1,864,167	1,864,167	2,198,755	2,198,755
Loan and advances to customers	11,018,490	11,018,490	13,419,155	13,419,155
Total financial assets	**19,229,806**	**19,229,806**	**23,822,262**	**23,822,262**
Financial liabilities				
Deposits from customers	16,540,814	16,540,814	15,474,727	15,474,727
Account payables	784,528	784,528	1,827,424	1,827,424
Borrowings	1,915,900	1,915,900	5,015,408	5,015,408
Other liabilities	496,836	496,836	455,610	455,610
Total financial liabilities	**19,738,078**	**19,738,078**	**22,773,169**	**22,773,169**

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) Held to maturity: financial assets

Treasury bills represent short term instruments issued by the Central Bank of Liberia and GOL. The fair value of treasury bills are 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
4.7 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.

4.8 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, 2020 L$'000'	December 31, 2019 L$'000'
Issue capital	705,486	705,486
Share Premium	57,713	57,713
Statutory Reserve	324,294	342,035
Translation reserve and Retained Earnings	2,360,175	2,293,176
Deduction from tier 1(one) Capital		
Pre-operating expenses	(177,196)	-
Total qualifying Tier	**3,270,472**	**3,398,410**
Tier 2 Capital		
Adjusted Capital Base	**3,270,472**	**3,398,410**

	Amount	Weighted %	December 31, 2020 L$'000'	Amount	Weighted %	December 31, 2019 L$'000'
Eligible past due exposure	199,696	50%	99,848	143,425	50%	71,713
Retail exposures	2,575,277	75%	1,931,458	2,465,677	75%	1,849,258
Eligible claims on corporates and other exposures	11,926,196	100%	11,926,196	13,083,119	100%	13,083,119
Off-balance sheet	829,912	50%	414,956	1,451,951	50%	725,976
Total	**15,531,081**		**14,372,458**	**17,144,172**		**15,730,065**
Capital Adequacy Ratios			**22.76%**			**21.60%**
Regulatory Capital Adequacy			10%			10%
Surplus/ (Deficit)			12.76%			11.60%

Notes to the financial statements continued

	Amounts are expressed in Liberian Dollars	December 31, 2020 L$'000'	December 31, 2019 L$'000'
5.1	**Cash and cash equivalent**		
	Cash on Hand	737,829	3,456,397
	Balance with Central Bank of Liberia other than mandatory reserve	3,576,480	1,924,163
		4,314,309	**5,380,560**
5.2	Cash balances with foreign bank	2,032,840	2,823,792
		6,347,149	**8,204,352**
	Mandatory reserve deposits	(1,654,081)	(1,795,366)
	Cash and cash equivalent at December 31,	**4,693,068**	**6,408,986**

Included in the balances with the Central Bank of Liberia above is an amount of L$1,654,081 (2019: 1,795,366) 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.	**Held to maturity financial assets**		
	Treasury bill - CBL	450,000	-
	GOL Bond	1,414,167	1,998,755
	Placements	-	200,000
		1,864,167	**2,198,755**
7.	**Loan and advances to customers**		
	Stage 1: 12 months ECL	5,943,009	7,032,643
	Stage 2: Life Time ECL not Credit Impaired	504,791	597,343
	Stage 3: Life Time ECL Credit Impaired	6,045,612	7,154,059
	Gross amount	**12,493,412**	**14,784,045**
	Stage 1: 12 months ECL	114,316	55,649
	Stage 2: Life Time ECL not Credit Impaired	5,391	266,520
	Stage 3: Life Time ECL Credit Impaired	1,355,215	1,042,721
	Total impairments	**1,474,922**	**1,364,890**
	Carrying amount	**11,018,490**	**13,419,155**

Notes to the financial statements continued

	Amounts are expressed in Liberian Dollars	December 31, 2020 L$'000'	December 31, 2019 L$'000'
7.1	**Loan and advances to customers**		
	Gross loan and advances to customers	5,943,009	7,032,643
	Less: Allowance for impairment	(114,316)	(55,649)
	Current	**5,828,693**	**6,976,994**
	Non-current	**5,189,797**	**6,442,161**
7.2	**Loan loss provision**		
	At January 1, 2020	1,364,890	1,367,804
	Effect of translations	(167,547)	(385,677)
	Restated balance at January 1	**1,197,343**	**982,127**
	Charge for the year	277,579	382,763
	At December 31,	**1,474,922**	**1,364,890**
	12 - month ECL	114,316	55,649
	Lifetime ECL not credit impaired	5,391	266,520
	Lifetime ECL credit impaired	1,355,215	1,042,720
		1,474,922	**1,364,890**

Notes to the financial statements continued

8. Property, plant & equipment

Description	Land	Leasehold properties and improvement	Building	Household furniture and equipment	Office furniture and fixture	Office equipment	Other machinery and equipment	Vehicle	Total L$'000'
At 1 January 2019	89,831	258,181	-	2,061	36,329	171,829	147,117	33,520	738,868
Addition during the period	-	208,300	114,687	-	10,966	28,515	56,685	13,154	432,306
Adjustments	-	(127,593)	-	-					(127,593)
At 31- December-2019	**89,831**	**338,888**	**114,687**	**2,061**	**47,295**	**200,344**	**203,802**	**46,674**	**1,043,581**
At 1 January 2020	89,831	338,888	114,687	2,061	47,295	200,344	203,802	46,674	1,043,581
Addition during the period	-	210,178	32,310	-	57	73,633	3,651	-	319,828
Disposal/ Transferred	(73,163)	(87,302)	87,302						(73,163)
Exchange rate effect		6,278	11,567	(1,892)	35,197	139,510	(67,568)	46,530	169,623
	16,668	**468,042**	**245,866**	**169**	**82,549**	**413,487**	**139,885**	**93,204**	**1,459,869**
Depreciation									
At 1 January 2019	-	34,650	-	2,004	27,400	141,461	41,463	21,232	268,208
Adjustments	-	-	-	-	-	(56,707)	56,707		-
Charge for the year	-	23,279	2,278	22	8,597	30,738	14,318	8,240	87,472
At 31- December-2019	**-**	**57,929**	**2,278**	**2,026**	**35,997**	**115,492**	**112,488**	**29,472**	**355,680**
At 1 January 2020	-	57,929	2,278	2,026	35,997	115,492	112,488	29,472	355,680
Charge for the year	-	13,042	4,837		6,891	35,283	6,096	6,310	72,460
Exchange rate effect	**-**	**26,948**	**(193)**	**57,217**	**15,890**	**128,141**	**(64,739)**	**50,648**	213,912
At 31- December-2020	**-**	**97,919**	**6,922**	**59,243**	**58,778**	**278,916**	**53,845**	**86,430**	**642,052**
Carrying amount - 2020	**16,668**	**370,123**	**238,944**	**(59,074)**	**23,771**	**134,571**	**86,040**	**6,774**	**817,817**
Carrying amount - 2019	**89,831**	**280,959**	**112,409**	**35**	**11,298**	**84,852**	**91,315**	**17,202**	**687,902**

Notes to the financial statements continued

Amounts are expressed in Liberian Dollars		December 31, 2020 L$'000'	December 31, 2019 L$'000'
9.	**Intangible Assets**		
	Cost:		
	Balance at the start of the period	20,432	71,582
	Addition during the period	5,910	1,882
	Exchange rate effect	186,922	-
	Disposal		(53,032)
	Balance as at end of the period	**213,264**	**20,432**
	Accumulated amortization		
	Balance at the start of the period	8,079	50,688
	Charge for the period	16,850	10,422
	Exchange rate effect	34,951	-
	Release on disposal	-	(53,032)
		59,880	**8,078**
	Net book value at 31 December 2020	**153,384**	**12,354**
	Net book value at 31 December 2019	**12,354**	**20,894**
10.	**Right of Use - Assets**		
	Cost		
	Balance at the start of the period	120,474	120,474
	Addition during the period	387,459	-
	Exchange rate effect	-	-
	Balance as at end of the period	**507,933**	**120,474**
	Accumulated depreciation - on ROU		
	Balance at the start of the period	24,444	-
	Charge for the period	48,847	24,444
	Exchange rate effect	(2,628)	
	Balance as at end of the period	**70,663**	**24,444**
	Balance as at end of the period	**437,270**	**96,030**

Notes to the financial statements continued

Amounts are expressed in Liberian Dollars	December 31, 2020 L$'000'	December 31, 2019 L$'000'
11.1 Income tax expense		
Current income tax	**61,689**	**76,430**

11.2 Current income tax

December 31, 2020	Balance as at Jan 1,	Payments during the period	Charge for the year	Balance at December 31,
Assessment up to 2019	8,559	-	-	8,559
	-	(34,209)	44,280	10,071
	8,559	**(34,209)**	**44,280**	**18,630**

Recognized in the income statements

December 31, 2019	Balance as at Jan1,	Payments during the period	Charge for the year	Balance at December 31,
Assessment up to 2018	26,608			26,608
Payment during the year		(94,479)	76,430	(18,048)
	26,608	**(94,479)**	**76,430**	**8,559**

Current tax expenses:		
Current year	**44,280**	**56,482**
Deferred tax expense		
Origination and reversal of temporary difference	18,129	19,949
	62,409	**76,430**

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

Amounts are expressed in Liberian Dollars	December 31, 2020 L$'000'	December 31, 2019 L$'000'
Reconciliation of the effective tax rate		
Profit before income tax	**218,782**	**299,365**
Income tax on profit before tax	54,695	56,482
Tax adjustment prior year difference	(4,354)	
Tax impact on temporary difference		
Property, plant and equipment	7,602	19,949
Tax incentives	3,745	-
Total income tax expense in Income statement	**61,689**	**76,430**

11.3 Deferred Tax Assets and liabilities

Recognized Deferred Tax Assets and Liabilities

	2020			2019		
	Asset	Liability	Net	Asset	Liability	Net
Property plant and equipment	(41,279)	-	(41,279)	(72,665)		(72,665)
Right of use asset/Leased liability		51,384	51,384	(372)		(372)
Adjustment Recon with Signed Account	(7,782)		(7,782)		56,932	56,932
Other in sign account Defered tax			-			-
Unrealised Exchange loss/gain	(15,364)		(15,364)			-
	(64,425)	**51,384**	**(13,041)**	**(73,038)**	**56,932**	**(16,105)**

Movement in temporary differences during the year - 2020	**Opening Balance**	**Recognized in profit and loss**	**Recognized in equity**	**Closing balance**
Property plant and equipment	(72,665)	31,386	-	(41,279)
Right of use asset	(372)	51,756		51,384
Adjustment Recon with Signed Account	56,932	(65,013)	-	(8,081)
Other in sign account Deferred tax	-	-	-	-
Unrealized Exchange loss/gain	-	-	-	-
	(16,105)	**(18,129)**	**-**	**(20,24)**

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

Amounts are expressed in Liberian Dollars	December 31, 2020 L$'000'	December 31, 2019 L$'000'

Movement in temporary differences during the year - 2019	Opening Balance	Recognized in profit and loss	Recognized in equity	Closing balance
Property plant and equipment	(56,102)	(16,563)	-	(72,665)
Right of use asset		(372)	-	(372)
Adjustment Recon with Signed Account	-	56,932	-	56,932
Prior Years Adj. Deferred Tax	-	-	-	-
Unrealized Exchange loss/gain	-	-	-	-
	(56,102)	**39,997**	**-**	**(16,105)**

12.1 Other assets

	2020	2019
Staff and sundry debtors	2,053	463
Prepaid staff benefit	9,328	13,270
Account receivable- Insurance Company of Africa	8,186	15,214
Prepayment	53,473	149,131
Other receivables (**see note 12.2**)	2,430,947	998,473
	2,503,987	**1,176,551**

12.2 Included in the amount for other assets in the financial position as at December 31, 2020 are other receivables detail shown below:

	2020	2019
Transfer related services -accounts receivables	226,942	302,998
MTN/ Orange Mobile Money Receivable	313,998	17,908
CBL & LRA trnx Receivables	368,084	-
Clearing amounts receivable	855,532	-
Interest receivable - interbank placement	1,139	6,193
Interest receivables – reclassified	261,552	-
Miscellaneous account receivables	403,700	671,374
	2,430,947	**998,473**

Notes to the financial statements continued

	Amounts are expressed in Liberian Dollars	December 31, 2020 L$'000'	December 31, 2019 L$'000'
13	**Deposit from Customers**		
	Saving	2,567,582	6,943,696
	Demand deposit	13,776,899	8,435,928
	Time deposit	196,333	95,103
		16,540,814	**15,474,727**
	Current	16,344,481	15,379,625
	Non-current	196,333	95,102
14	**Account payables**		
	Manager's cheques	12,657	1,827,424
	Draft & Transfer	287,592	-
	Interest payable	11,513	-
	Other payable	472,767	-
		784,528	**1,827,424**
15	**Lease Liabilities**		
	Lease liabilities	231,545	97,345
		231,545	**97,345**
	Current	32,000	13,453
	Non-current	199,545	83,892
		231,545	**97,345**
16	**Borrowings**		
	Due to LBDI	-	318,202
	Due to OPIC	1,642,200	3,755,256
	Due to Ghana International Bank	273,700	941,950
		1,915,900	**5,015,408**

The Bank entered into an agreement with the Overseas Private Investment Corporation (OPIC) on March 14, 2017 for the amount of US$20,000,000 for five years.

The Bank entered into an agreement with the Ghana International Bank (GHIB) on November 4, 2019 for the amount of US$5,000,000 for eighteen months at an interest rate of 5%.

Notes to the financial statements continued

	Amounts are expressed in Liberian Dollars	December 31, 2020 L$'000'	December 31, 2019 L$'000'
17	**Other Liabilities**		
	Accrued expense and others	335,241	1,531
	Deferred revenue	161,595	895
	Contingent liability	-	453,186
		496,836	**455,612**
18	**Stated capital**		
	At 1 January	705,486	705,486
		705,486	**705,486**
19	**Interest Income**		
	Loan and advances to customers:		
	Term loan	1,456,444	2,017,830
		1,456,444	**2,017,830**
20	**Interest expense**		
	Saving accounts	109,396	114,375
	Time deposits	8,603	55,090
	CBL – Placement	347	-
		118,346	**169,465**
21	**Impairment loss on financial assets**		
	Increase/(decrease) in stage 1 impairment on loans - see note 7	272,133	121,991
	Increase/(decrease) in stage 2 impairment on loans - see note 7	5,446	260,772
	Increase/(decrease) in stage 3 impairment on loans - see note 7	-	-
		277,579	**382,763**
22	**Fees and Commission Income**		
	Fees from transfers	419,246	449,268
		419,246	**449,268**

Notes to the financial statements continued

	Amounts are expressed in Liberian Dollars	December 31, 2020 L$'000'	December 31, 2019 L$'000'
23	**Other Operating Income**		
	Fee income on customer deposit	162,389	188,875
	Treasury Bill	67,255	
	Interest from GOL	60,284	
	Currency trading income	17,825	19,198
	Miscellaneous	60,341	72,980
		368,094	**281,053**
24	**Personnel cost**		
	Staff cost	385,685	480,544
	Social security contributions	7,944	9,791
	Provident fund contribution	15,633	19,665
	Other staff related expense	101,277	79,085
		510,539	**589,087**
25	**Occupancy and other property cost**		
	Utilities	74,552	72,454
	Lease and rental expense	15,840	60,360
	Repairs and maintenance - Building and others	51,651	67,649
	Security Guard Service	63,161	79,550
	Repairs and maintenance - Vehicle	9,390	13,463
	Insurance	98,312	96,362
	Software maintenance	24,218	28,871
		337,125	**418,708**
26	**Depreciation and Amortization**		
	Depreciation (Note 8)	72,460	87,472
	Depreciation on ROU	48,847	24,444
	Amortization of Intangible assets (Note 9)	16,850	10,422
		138,157	**122,338**
27	**Finance cost**		
	Interest expense on lease liabilities	10,781	4,348
	Interest expense – OPIC/ DFC	161,691	-
	Interest expense - GHIB	33,364	239,400
		205,836	**243,747**

Amounts are expressed in Liberian Dollars	December 31, 2020 L$'000'	December 31, 2019 L$'000'
28 Other operating expense		
Consultancy	4,340	1,914
Professional service	36,336	41,484
License and taxes	11,910	12,909
Office expense	85,654	118,800
Scholarship and donation	8,620	15,434
Foreign travel	7,591	46,729
Local transportation	4,893	7,011
Board expense	15,632	28,889
Miscellaneous expense	242,585	230,090
Money gram	19,859	19,416
	437,420	**522,676**

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, 2020	Parent, entities and associates of Parent L$'000'	Key management personnel (and close family member L$'000'	Total L$'000'
Loan outstanding at 1 January	-	16,422	16,422
Loan repayments during the year	-	5,419	5,419
Loans outstanding at 31 December 2020	-	**11,003**	**11,003**
Period ended December 31, 2019			
Loans outstanding at 1 January	-	-	-
Loan repayments during the year	-	-	-
Loans outstanding at 31 December 2020	-	-	-

b) Key management compensation

Key management has been determined as members of the Executive Committee (EXCO) 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, 2020 L$'000	December 31, 2019 L$'000'
Salaries and other short term employment benefits	**44,465**	78,022
Post-employment benefits	**4,418**	3,823
Termination benefits	-	-
	48,883	**81,845**

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, 2020	December 31 2019
Executive directors	1	1
Management	11	9
Non-management	228	209
Compensation for the above staff: LRD'000'		
Executive directors	41,034	41,034
Management	103,392	83,037
Non-management	253,795	300,806
	-	-

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, 2020**	**December 31, 2019**
300,000 – 2,00,000	202	180
2,000,001 – 2,800,000	15	18
2,800,001 – 3,500,000	5	6
3,500,001 - 4,000,000	1	1
4,000,001 - 5,500,000	4	3
5,500,001 - 6,500,000	-	1
6,500,001 - 7,800,000	4	4
7,800,001 - 9,000,000	2	1
9,000,001 – and above	7	5
	-	-

31. Directors' emoluments

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

	December 31, 2020 L$'000'	December 31, 2019 L$'000'
Fees and sitting allowances	**11,035**	11,958
Other director expenses	**4,597**	13,054
	-	-

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, 2020	December 31, 2019
3,400,001 above	-	-
	-	-

32. Commitments

a) Capital commitments

The Bank did not have any capital commitment as at December 31, 2020.

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, 2020 was L$829,925 Million.

33. Subsequent events

Late in 2019, news first emerged from China about the Corona Virus (COVID -19). The situation at year end was that a limited number of cases of an unknown virus had been reported to the World Health Organization. In the first few months 2020 the virus had spread globally and its negative impact has gained momentum. The Bank considers this outbreak to be a non-adjusting post statement of financial position event. While this is still an evolving situation at the time of issuing these annual financial statements, to date there has been no discernible impact on the Bank's revenue or supply chain, however the future effects cannot be predicted. The Bank will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

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, 2020 are presented on pages 17 to 20 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, 2020

In Thousands of United States Dollars	Notes	December 31, 2020 US$'000'	December 31, 2019 US$'000'
Assets			
Cash and cash equivalents	5	**38,650**	43,659
Held to maturity financial assets	6	**11,352**	11,700
Loans and advances to customer	7	**67,096**	71,409
Property, plant and equipment	8	**4,980**	5,505
Intangible assets	9	**934**	339
Right of Use asset	10	**2,663**	510
Deferred tax assets	11.3	**79**	192
Other assets	12	**15,247**	6,261
Total Assets		**141,002**	**139,574**
Liabilities			
Deposits from customers	13	**100,724**	82,347
Account payables	14	**4,777**	9,724
Lease liabilities - operating lease	15	**1,410**	518
Current income tax liabilities	11.2	**137**	75
Borrowings	16	**11,667**	26,689
Other liabilities	17	**2,997**	2,424
Total liabilities		**121,712**	**121,778**
Equity			
Stated capital	18	**12,338**	12,338
Share premium		**1,009**	1,009
Statutory reserve		**2,718**	2,475
Income surplus		**3,177**	1,976
Foreign currency translation reserve		**48**	(2)
Total equity		**19,290**	**17,796**
Total equity and liabilities		**141,002**	**139,574**

The notes on pages 96 to 124 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, 2020 US$'000'	December 31, 2019 US$'000'
Interest Income	19	**9,015**	10,814
Interest expense	20	**(733)**	(2,191)
Net Interest Income		**8,282**	**8,623**
Net impairment credit on financial assets	21	**(1,718)**	(2,051)
Net interest income after loan impairment charges		**6,564**	**6,572**
Fees and commission income	22	**2,595**	2,408
Other Operating Income	23	**2,279**	1,506
Net Operating Income		**11,438**	**10,485**
Personnel expense	24	**(3,160)**	(3,156)
Occupancy and other property cost	25	**(2,087)**	(2,244)
Depreciation and Amortization	26	**(855)**	(656)
Finance cost	27	**(1,275)**	(23)
Other operating expense	28	**(2,708)**	(2,801)
Profit before income tax		**1,354**	**1,603**
Income tax expense	11	**(382)**	(410)
Profit after income tax		**972**	**1,194**
Other comprehensive income			
Foreign translation difference		**50**	(2)
Total comprehensive income for the year		**1,022**	**1,192**

The notes on pages 96 to 124 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

In Thousands of 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, 2019	**12,338**	**1,009**	**2,176**	**1,689**	**-**	**17,212**
Profit for the year			-	896		896
Dividend declared				(569)		(569)
Statutory reserves			298			299
Translation difference				(40)	(2)	(42)
Balance as 31 December 2019	**12,338**	**1,009**	**2,475**	**1,976**	**(2)**	**17,796**
Balance as at January 1, 2020	**12,338**	**1,009**	**2,475**	**1,976**	**(2)**	**17,796**
Profit for the year	-	-	243	729	-	972
Dividend declared	-	-	-	-	-	-
Prior period adjustment	-	-	-	472	-	472
Translation difference	-	-	-	-	50	50
Balance as 31 December 2020	**12,338**	**1,009**	**2,718**	**3,177**	**48**	**19,290**

The notes on pages 96 to 124 are an integral part of these financial statements

STATEMENT OF CASH FLOWS

In thousands of United States Dollars	Notes	December, 31 2020 US$'000'	December, 31 2019 US$'000'
Cash flow from operating activities:			
Profit before taxations		**1,354**	1,604
Adjustment for:			
Depreciation and Amortization	26	**855**	656
Loss on the sale of PPE		**210**	-
Impairment on Loan and Advances	21	**1,718**	2,051
Net Interest income		**(8,283)**	(8,623)
Cash flow from operations before working capital change		**(4,146)**	**(4,312)**
Changes in Loan and Advances		**2,595**	1,331
Changes in Mandatory Reserve Deposits	5.2	**(518)**	448
Changes in Trading Assets	6	**348**	(29)
Changes in Other Assets	12	**(8,986)**	1,223
Changes in deposits to Customers	13	**18,378**	782
Changes in Accounts payable	14	**(4,947)**	(3,431)
Changes in Other Liabilities	17	**573**	264
Cash generated by/ (utilized in) operating activities		**3,297**	**(3,724)**
Interest received	19	**9,015**	10,814
Interest paid	20	**(733)**	(2,191)
Income tax paid	11.2	**(208)**	(397)
Net Cash flows from operating activities		**11,371**	**4,502**
Cash flows from Investing Activities			
Purchase of property plant & equipment	8	**(1,550)**	(2,300)
Adjustment in PPE		**713**	679
Sale proceed from sale of PPE		**700**	-
Purchase of Intangible Assets	9	**(700)**	(10)
Right of Use Assets	10	**(2,452)**	(641)
Net cash generated from/ (used in) Investing Activities		**(3,289)**	**(2,272)**
Cash flows from Financing Activities			
Repayment of long term debt	16	**(15,022)**	4,906
IFRS 16 Lease liability	15	**892**	(518)
Other adjustment to equity		**471**	(40)
Payments of dividends		**-**	(569)
Net cash generated from financing activities		**(13,659)**	**3,779**
Net increase in cash and cash equivalent		**(5,577)**	**6,009**
Cash and cash equivalent as at January 1	5.2	**34,105**	28,095
Translation difference		**50**	(2)
Cash and cash equivalent at Dec	**5.2**	**28,578**	**34,105**

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, 2020	Stage 1 US$'000'	Stage 2 US$'000'	Stage 3 US$'000'	Total US$'000'
Loan and advances to customers	35,493	3,041	28,562	67,096
				-
Gross carrying amount	36,189	3,074	36,814	76,077
Loss Allowance	(696)	(33)	(8,252)	(8,981)
	35,493	**3,041**	**28,562**	**67,096**

December 31, 2019	Stage 1	Stage 2	Stage 3	Total
Loan and advances to customers	26,370	7,318	37,721	71,409
				-
Gross carrying amount	27,535	7,867	43,270	78,672
Loss Allowance	(1,165)	(549)	(5,549)	(7,263)
	26,370	**7,318**	**37,721**	**71,409**

Notes to the financial statements
Significant accounting policies continued

At December 31, 2020	Loan to individual US$'000'	Loans to non-individual US$'000'	Total US$'000'
Loan and advances to customers	4,611	31,578	36,189
Stage 1 - 12 months ECL	**4,611**	**31,578**	**36,189**
Loan and advances to customers	77	2,997	3,074
Stage 2 - Lifetime ECL not credit	**77**	**2,997**	**3,074**
Loan and advances to customers	2,439	34,375	36,814
Stage 3 - Non- performing loans	**2,439**	**34,375**	**36,814**
Total gross loans and advances	**7,127**	**68,950**	**76,077**

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

At December 31, 2020	Loan to individual US$'000'	Loans to non-individual US$'000'	Total US$'000'
Loan and advances to customers	97	599	696
Stage 1 - 12 months ECL	**97**	**599**	**696**
Loan and advances to customers	2	31	33
Stage 2 - Lifetime ECL not credit	**2**	**31**	**33**
Loan and advances to customers	355	7,897	8,252
Stage 3 - Non- performing loans	**355**	**7,897**	**8,252**
Total allowances	**454**	**8,527**	**8,981**

Notes to the financial statements
Significant accounting policies continued

Loan and advances are summarized as follows:

At December 31, 2019	Loan to individual US$'000'	Loans to non-individual US$'000'	Total US$'000'
Loan and advances to customers	8,313	19,222	27,535
Stage 1 - 12 months ECL	**8,313**	**19,222**	**27,535**
Loan and advances to customers	219	7,648	7,867
Stage 2 - Lifetime ECL not credit	**219**	**7,648**	**7,867**
Loan and advances to customers	668	42,602	43,270
Stage 3 - Non- performing loans	**668**	**42,602**	**43,270**
Total gross loans and advances	**9,200**	**69,473**	**78,672**

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

At December 31, 2019	Loan to individual US$'000'	Loans to non-individual US$'000'	Total US$'000'
Loan and advances to customers	171	994	1,165
Stage 1 - 12 months ECL	**171**	**994**	**1,165**
Loan and advances to customers	6	543	549
Stage 2 - Lifetime ECL not credit	**6**	**543**	**549**
Loan and advances to customers	314	5,234	5,549
Stage 3 - Non- performing loans	**314**	**5,234**	**5,549**
Total allowances	**491**	**6,772**	**7,263**

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

At December 31, 2020	Gross Loans US$'000'	Collateral US$'000'
Against Stage 1 Loans and Advances	36,189	147,034
Against Stage 2 Loans and Advances	3,074	6,279
Against Stage 3 Loans and Advances	36,814	85,680
	76,077	**238,993**

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

At December 31, 2020	Term loan US$'000'	Overdraft US$'000'	Total US$'000'
Against Stage 1 Loan and Advances			
Property	114,966	-	114,966
Others	32,068	-	32,068
	147,034	**-**	**147,034**
Against Stage 2 Loans and Advances			
Property	3,557	-	3,557
Others	2,722	-	2,722
	6,279	**-**	**6,279**
Against Stage 3 Loans and Advances			
Property	68,378	-	68,378
Others	17,303	-	17,303
	85,680	**-**	**85,681**

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)

2020

Status	Total count	% Total count	Value US$'000'	% Total value	Provision amount US$'000'	% Total provision
Current	1480	62%	69,292	91%	4,432	49%
Total current	**1480**	**62%**	**69,292**	**91%**	**4,432**	**49%**
Total performing	**1480**	**62%**	**69,292**	**91%**	**4,432**	**49%**
Substandard	70	3%	1,378	2%	406	5%
Doubtful	26	1%	3,204	4%	1,988	22%
Loss	797	34%	2,203	3%	2,202	24%
Total NPL	**893**	**38%**	**6,785**	**8.92%**	**4,596**	**51%**
Total Performing & NPL	**2373**	**100%**	**76,077**	**100%**	**9,028**	**100%**

2019

Status	Total count	% Total count	Value US$'000'	% Total value	Provision amount US$'000'	% Total provision
Current	1821	79%	71,889	91%	3,476	49%
Total current	**1821**	**79%**	**71,889**	**91%**	**3,476**	**49%**
Total performing	**1821**	**79%**	**71,889**	**91%**	**3,476**	**49%**
Substandard	56	2%	2,994	4%	540	8%
Doubtful	19	1%	2,553	3%	1,790	25%
Loss	406	18%	1,236	2%	1,236	18%
Total NPL	**481**	**21%**	**6,783**	**8.62%**	**3,566**	**51%**
Total Performing & NPL	**2302**	**100%**	**78,672**	**100%**	**7,042**	**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

2020

IFRS Classification	IFRS Provision US$'000'	CBL Classification	CBL Provision US$'000'
Stage 1	696	Current	523
Stage 2	33	Olem	3,908
Stage 3	8,252	Sub-standard	406
		Doubtful	1,988
		Loss	2,203
	8,981		**9,028**

2019

IFRS Classification	IFRS Provision US$'000'	CBL Classification	CBL Provision US$'000'
Stage 1	1,165	Current	3,476
Stage 2	549	Olem	-
Stage 3	5,549	Sub-standard	540
		Doubtful	1,790
		Loss	1,236
	7,263		**7,042**

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, 2020	**Held to Maturity US$'000'**	**Loan and advances US$'000'**
Cash and cash equivalents	-	26,272
Cash balances with foreign bank	-	12,378
Held to maturity financial assets	11,352	-
Loan and advances	-	67,096
Other assets	-	15,248
	11,352	**120,995**

	Financial Liabilities: Other financial liabilities US$'000'
Deposits from customers	100,724
Lease liabilities - operating lease	1,410
Other liabilities	2,998
	105,132

	Financial Assets	
December 31, 2019	**Held to Maturity US$'000'**	**Loan and advances US$'000'**
Cash and cash equivalents	-	28,632
Cash balances with foreign bank	-	15,027
Held to maturity financial assets	11,700	-
Loan and advances	-	71,409
Other assets	-	6,261
	11,700	**121,329**

	Financial Liabilities: Other financial liabilities
Deposits from customers	82,346
Lease liabilities - operating lease	518
Other liabilities	2,424
	85,288

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, 2020 and December 31, 2019 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, 2020	Loans and advances to customers US$'000'	Held to maturity financial assets US$'000'	Other assets US$'000'	Cash balances with foreign bank US$'000'	Cash and bank balances US$'000'
Trade, Hotel and Restaurants	35,122	-	-	-	-
Service	7,494	-	-	-	-
Personal	8,871	-	-	-	-
Trade and Commercial	-	-	15,247	-	-
Public sector	-	11,352	-	-	-
Construction	14,221	-	-	-	-
Financial services	-	-	-	12,378	26,272
Agriculture	4,461	-	-	-	-
Manufacturing	2,492	-	-	-	-
Mining and Quarrying	1,277	-	-	-	-
Transportation, Storage and Communication	814				
Other	1,325				
	76,077	**11,352**	**15,247**	**12,378**	**26,272**

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, 2019	Loans and advances to customers US$'000'	Held to maturity financial assets US$'000'	Other assets US$'000'	Cash balances with foreign bank US$'000'	Cash and bank balances US$'000'
Trade, Hotel and Restaurants	38,436	-	-	-	-
Service	6,932	-	-	-	-
Personal	9,235	-	-	-	-
Trade and Commercial	-	-	6,261	-	-
Public sector	-	11,700	-	-	-
Construction	12,798	-	-	-	-
Financial services	-	-	-	15,027	28,632
Agriculture	5,003	-	-	-	-
Manufacturing	2,974	-	-	-	-
Mining and Quarrying					
Transportation, Storage and Communication	2,298				
Other	996	-	-	-	-
	78,672	**11,700**	**6,261**	**15,027**	**28,632**

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, 2020 US$'000'	December 31, 2019 US$'000'
Neither past due or impair	65,384	58,268
The Bank's rating for its customer is shown below:		
Group 1: Customers with no history of default:	3,908	13,327
Group 2: Customers with past history of default:	6,785	6,783
	10,693	**20,110**

Loans and advances to customers past due non impaired:

	December 31, 2020 US$’000'	December 31, 2020 US$'000'
Past due up to 90 days	1,378	2,036
Past due by 90 - 180 days	3,204	1,950
Past due more	2,203	2,797
	6,785	**6,783**

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, 2020 and December 31, 2019:

	Bank balances US$'000'	Treasury bill US$'000'	Total US$'000'
December 31, 2020'			
AAA	38,650	11,352	50,002
December 31, 2019'			
AAA	43,659	11,700	55,359

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, 2020 US$'000'
Financial liabilities					
Deposits from customers	15,635	50,336	33,557	1,196	100,724
Account payables	-	4,777	-	-	4,777
Borrowings	-	-	-	11,667	11,667
Other liabilities	-	2,997	-	-	2,997
Total financial liabilities	**15,635**	**58,110**	**33,557**	**12,863**	**120,165**

	0-30	31-90	91 - 180	181 - 365	December 31, 2019 US$'000'
Financial liabilities					
Deposits from customers	44,891	22,170	14,780	506	82,346
Account payables	-	9,724	-	-	9,724
Borrowings			26,689		26,689
Other liabilities		2,424			2,424
Total financial liabilities	**44,891**	**34,318**	**41,469**	**506**	**121,183**

Notes to the financial statements
Financial Risk Management continued
Liquidity risk 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.

As at December 31, 2020	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total US$'000'
Assets					
Cash and short term funds	-	-	-	26,272	26,272
Cash balances with foreign bank	12,379	-	-	-	12,379
Held to maturity	11,352	-	-	-	11,352
Loan and advances to customers	-	-	67,096	-	67,096
Other Assets	-	-	-	15,248	15,248
Total financial assets	**23,731**	**-**	**67,096**	**41,520**	**132,347**
Liabilities					
Deposits from customers	-	15,635	83,893	1,196	100,724
Account payables	-	-	-	4,777	4,777
Lease liabilities - operating lease	-	-	-	1,410	1,410
Borrowings	-	-	11,667	-	11,667
Other liabilities	-	-	-	2,358	2,358
Total financial liabilities	**-**	**15,635**	**95,560**	**9,741**	**120,936**
Total interest rate repricing gap	**23,731**	**(15,635)**	**(28,464)**	**31,779**	**11,411**

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

Interest rate risk

As at December 31, 2019	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total US$'000'
Assets					
Cash and short term funds	-	-	-	28,632	28,632
Cash balances with foreign bank	15,027	-	-	-	15,027
Held to maturity	11,700	-	-	-	11,700
Loan and advances to customers	-	-	71,409	-	71,409
Other Assets	-	-	-	6,261	6,261
Total financial assets	**26,727**	**-**	**71,409**	**34,893**	**133,029**
Liabilities					
Deposits from customers	-	44,891	36,950	506	82,347
Account payables	-	-	-	9,724	9,724
Lease liabilities - operating lease	-	-	-	518	518
Borrowings	-	-	26,689	-	26,689
Other liabilities	-	-	-	2,424	2,424
Total financial liabilities	**-**	**44,891**	**63,639**	**13,172**	**121,703**
Total interest rate repricing gap	**26,727**	**(44,891)**	**7,770**	**21,721**	**11,327**

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.

	December 31, 2020'		December 31, 2019'	
	Carrying amount US$'000'	Fair value US$'000'	Carrying amount US$'000'	Fair value US$'000'
Financial Assets				
Cash and short term funds	38,650	38,650	43,659	43,659
Held to maturity	11,352	11,352	11,700	11,700
Loan and advances to customers	67,096	67,096	71,409	71,409
Total financial assets	**117,098**	**117,098**	**126,768**	**126,768**
Financial liabilities				
Deposits from customers	100,724	100,724	82,346	82,346
Account payables	4,777	4,777	9,724	9,724
Borrowings	11,667	11,667	26,689	26,689
Other liabilities	2,998	2,998	2,424	2,424
Total financial liabilities	**120,166**	**120,166**	**121,183**	**121,183**

Notes to the financial statements

	In Thousands of United States Dollars	December 31, 2020 US$'000'	December 31, 2019 US$'000'
5.1	**Cash and cash equivalent**		
	Cash on Hand	4,493	18,393
	Balance with Central Bank of Liberia other than mandatory reserve	21,779	10,239
		26,272	**28,632**
5.2	Cash balances with foreign bank	12,378	15,027
		38,650	**43,659**
	Mandatory Reserve Deposits	(10,072)	(9,554)
		28,578	**34,105**

Included in the balances with Central Bank of Liberia above is an amount of US$10,072 (2019: US$9,554) 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.	**Held to maturity financial assets**		
	Treasury bill - CBL	2,741	-
	GOL Bond	8,611	10,636
	Placements	-	1,064
		11,352	**11,700**
7.	**Loan and advances to customers**		
	Stage 1: 12 months ECL	36,189	27,535
	Stage 2: Life Time ECL not Credit Impaired	3,074	7,867
	Stage 3: Life Time ECL Credit Impaired	36,814	43,270
	Gross amount	**76,077**	**78,672**
	Stage 1: 12 months ECL	696	1,165
	Stage 2: Life Time ECL not Credit Impaired	33	549
	Stage 3: Life Time ECL Credit Impaired	8,252	5,549
	Total impairments	**8,981**	**7,263**
	Carrying amount	**67,096**	**71,409**

Notes to the financial statements continued

	In Thousands of United States Dollars	December 31, 2020 US$'000'	December 31, 2019 US$'000'
7.1	Gross loan and advances	36,189	27,535
	Allowance for impairment	696	1,165
	Current	**35,493**	**26,370**
	Non-current	**31,603**	**45,039**
7.2	**Loan loss provision**		
	At January 1, 2020	7,263	3,899
	Opening IFRS 9 adjustment	-	1,312
	Restated balance at January 1	7,263	5,212
	Charge for the year	1,718	2,051
	At December 31,	**8,981**	**7,263**
	12 - month ECL	35,493	26,370
	Lifetime ECL not credit impaired	3,041	7,318
	Lifetime ECL credit impaired	28,562	37,721
		67,096	71,409

Notes to the financial statements continued

8. Property, plant and equipment

In Thousands of United States Dollars

Description	Land	Leasehold properties and improvement	Building	Household furniture and equipment	Office furniture and fixture	Office equipment	Other machinery and equipment	Vehicle	Total US$
At 1 January 2019	1,012	2,236	-	1.03	444	1,910	1,365	498	7,466
Addition during the period	-	1,108	610	-	58	152	302	70	2,300
Adjustments	-	(679)	-	-					(679)
At 31- December-2019	**1,012**	**2,665**	**610**	**1.03**	**502**	**2,062**	**1,667**	**568**	**9,087**
At 1 January 2020	1,012	2,665	610	1.03	502	2,062	1,667	568	9,087
Addition during the period	-	871	200	-	0.4	456	23	-	1,550
Disposal	(910)	(687)	687	-	-	-	-	-	(910)
Adjustments/ reclassification	-	-	-	-	-	-	(837)	-	(837)
	102	**2,850**	**1,497**	**1.03**	**503**	**2,518**	**853**	**568**	**8,890**
Depreciation									
At 1 January 2019	-	487	-	0.66	269	1,392	521	443	3,113
Charge for the year	-	125	12	0.12	46	165	77	44	469
Adjustments/ reclassification	-	-	-	-	-	(302)	302	-	-
At 31- December-2019	**-**	**612**	**12**	**0.78**	**315**	**1,255**	**900**	**487**	**3,582**
At 1 January 2020	-	612	12	0.78	315	1,255	900	487	3,582
Charge for the year	-	81	30	-	43	218	38	39	449
Adjustments/ reclassification	**-**	**(96)**		**0.12**	**(0.1)**	**225**	**(249)**	**-**	(120)
At 31- December-2020	**-**	**596**	**42**	**0.89**	**358**	**1,698**	**689**	**526**	**3,910**
Carrying amount - 2020	**102**	**2,254**	**1,455**	**0.14**	**145**	**819**	**164**	**41**	**4,980**
Carrying amount - 2019	**1,012**	**2,054**	**598**	**0.25**	**187**	**807**	**767**	**80**	**5,505**

Notes to the financial statements continued

In Thousands of United States Dollars		December 31, 2020 US$'000'	December 31, 2019 US$'000'
9.	**Intangible Assets**		
	Cost:		
	Balance at the start of the period	599	926
	Addition during the period	700	10
	Disposal	-	(337)
	Balance as at end of the period	**1,299**	**599**
	Accumulated amortization		
	Balance at the start of the period	260	541
	Charge for the period	104	56
	Release on disposal		(337)
		365	**260**
	Net book value at 31 December	**934**	**339**
10.	**Right of Use - Assets**		
	Cost		
	Balance at the start of the period	641	641
	Addition during the period	2,452	-
	Balance as at end of the period	**3,093**	**641**
	Accumulated depreciation - on ROU		
	Balance at the start of the period	131	-
	Charge for the period	302	131
	Adjustments	(3)	
	Release on disposal		-
	Balance as at end of the period	**430**	**131**
	Balance as at end of the period	**2,663**	**510**

Notes to the financial statements continued

In Thousands of United States Dollars	December 31, 2020 US$'000'	December 31, 2019 US$'000'

11.1 Income tax expense

Current income tax	**382**	**410**

11.2 Current income tax

December 31, 2020'	Balance 1 January	Payments during the year	Charge for the year	Balance at December 31,
Year of assessment - Up to 2019	75			75
		(208)	270	62
	75	**(208)**	**270**	**137**

December 31, 2019'	Balance at 1 January	Payments during the year	Charge for the year	Balance at December
Year of assessment - Up to 2018	169			169
		(397)	303	(94)
	169	**(397)**	**303**	**75**

Recognized in the income statements

11.2 Income tax expense		
Current income tax	**270**	**303**
Deferred tax expense		
Origination and reversal of temporary difference	112	107
	382	**410**

Notes to the financial statements continued

Income tax expense continued

In Thousands of United States Dollars	December 31, 2020 US$'000'	December 31, 2019 US$'000'
Reconciliation of effective tax rate		
Profit before income tax	**1,354**	**1,603**
Income tax on profit before tax	339	303
Tax adjustment prior year diff.	(27)	
Tax impact of permanent difference:		
Non-deductible expense	47	107
Tax incentive	23	-
Total Income tax expense in Income statement	**382**	**410**

11.3 Deferred Tax Assets and Liabilities

Recognized Deferred Tax Assets and Liabilities

	2020			2019		
	Asset	Liability	Net	Asset	Liability	Net
Property plant and equipment	(196)		(196)	(387)		(387)
Right of use asset/Leased liability	-	313	313	-	(2)	(2)
Adjustment Recon with Signed Account	(197)		(197)	197	-	197
Other in sign account Deferred tax						-
Unrealized Exchange loss/gain	-		-			-
	(393)	**313**	**(79)**	**(190)**	**(2)**	**(192)**

Movement in temporary differences during the year - 2020	Opening Balance	Recognized in the profit and loss	Recognized in equity	Closing balance
Property plant and equipment	(387)	191	-	(196)
Right of use asset	(2)	315		313
Adjustment Recon with Signed Account	197	(394)	-	(197)
Other in sign account Deferred tax				-
Unrealized Exchange loss/gain	-	-		
	(192)	**112**	**-**	**(79)**

Notes to the financial statements continued

Income tax expense continued

In Thousands of United States Dollars	December 31, 2020 US'000'	December 31, 2019 US'000'

Movement in temporary differences during the year - 2019	Opening Balance	Recognized in the profit and loss	Recognized in equity	Closing balance
Property plant and equipment	(299)	(88)	-	(387)
Right of use asset		(2)	-	(2)
Adjustment Recon with Signed Account	-	197		197
Prior Years Adj. Deferred Tax		-		
Unrealized Exchange loss/gain		-		
	(299)	**107**	**-**	**(192)**

12.	**Other assets**		
	Staff and sundry debtors	13	2
	Prepaid staff benefit	57	71
	Account receivable- Insurance Company of Africa	50	81
	Prepayment	326	794
	Other Account receivable	14,801	5,313
		15,247	**6,261**
13.	**Deposit from Customers**		
	Saving	15,635	44,891
	Demand deposit	83,893	36,950
	Time deposit	1,196	505
		100,724	**82,346**
	Current	99,528	81,841
	Non-current	1,196	505
		100,724	**82,346**

Notes to the financial statements continued

In Thousands of United States Dollars		December 31, 2020 US'000'	December 31, 2019 US'000'
14.	**Account payables**		
	Manager's cheques	77	3,302
	Draft & Transfer	1,751	1,508
	Interest payable	70	6
	Other payable	2,879	4,908
		4,777	**9,724**
15.	**Lease Liabilities**		
	Lease Liabilities	1,410	518
		1,410	**518**
	Current	457	154
	Non-current	953	364
		1,410	**518**
16.	**Borrowing cost**		
	Due to LBDI	-	1,689
	Due to OPIC	10,000	20,000
	Due to Ghana International Bank	1,667	5,000
		11,667	**26,689**

The Bank entered into an agreement with the Overseas Private Investment Corporation (OPIC) on March 14, 2017 for the amount of US$20,000,000 for five years.

The Bank entered into an agreement with the Ghana International Bank (GHIB) on November 4, 2019 for the amount of US$5,000,000 for eighteen months at an interest rate of 5%.

Notes to the financial statements continued

In Thousands of United States Dollars		December 31, 2020 US$'000'	December 31, 2019 US$'000'
17.	**Other Liabilities**		
	Accrued expense and others	2,013	1,529
	Deferred revenue	984	895
		2,997	**2,424**
18.	**Stated capital**		
	At 1 January	12,338	12,338
		12,338	**12,338**
19.	**Interest Income**		
	Loan and advances to customers:		
	Term loan	9,015	10,814
		9,015	**10,814**
20.	**Interest expense**		
	Saving accounts	677	613
	Time deposits	53	269
	CBL - Placement	3	1,309
		733	**2,191**
21.	**Impairment loss on financial assets**		
	Increase/(decrease) in stage 1 impairment on loans - see note 7	469	654
	Increase/(decrease) in stage 2 impairment on loans - see note 7	516	73
	Increase/(decrease) in stage 3 impairment on loans - see note 7	(2,703)	1,324
		(1,718)	**2,051**

Notes to the financial statements continued

In Thousands of United States Dollars		December 31, 2020 US$'000'	December 31, 2019 US$'000'
22.	**Fees and Commission Income**		
	Fees from transfers	2,595	2,408
		2,595	**2,408**
23.	**Other Operating Income**		
	Fee income on customer deposit	1,005	1,012
	Treasury bill	416	
	Interest from GOL Bond	373	
	Currency trading income	110	103
	Miscellaneous	375	391
		2,279	**1,506**
24.	**Personnel cost**		
	Staff cost	2,387	2,575
	Social security contributions	49	52
	Provident fund contribution	97	105
	Other staff related expense	627	424
		3,160	**3,156**
25.	**Occupancy and other property cost**		
	Utilities	461	535
	Lease and rental expense	98	177
	Repairs and maintenance - Building and others	320	363
	Security Guard Service	391	426
	Repairs and maintenance - Vehicle	58	72
	Insurance	609	516
	Software maintenance	150	155
		2,087	**2,244**
26.	**Depreciation and Amortization**		
	Depreciation (Note 8)	449	469
	Depreciation on ROU	302	131
	Amortization of Intangible assets (Note 9)	104	56
		855	**656**
27.	**Finance cost**		
	Interest expense on lease liabilities	67	23
	Interest expense – OPIC/DFC	1,001	-
	Interest expense – GHIB	207	-
		1,275	**23**

Notes to the financial statements continued

In Thousands of United States Dollars	December 31, 2020 US$'000'	December 31, 2019 US$'000'
28. Other operating expense		
Consultancy	27	10
Professional service	225	222
License and taxes	74	69
Office expense	530	637
Scholarship and donation	53	83
Foreign travel	47	250
Local transportation	30	38
Board expense	97	155
Miscellaneous expense	1,502	1,233
Money gram	123	104
	2,708	**2,801**

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, 2020	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 2020	-	100	100
Loan repayments during the year	-	33	33
Loans outstanding at 31 December 2020	-	67	67
Period ended December 31, 2019			
Loans outstanding at 1 January	-	-	-
Loan repayments during the year	-	-	-
Loans outstanding at 31 December 2019	-	-	-

b) Key management compensation

Key management has been determined as members of the Executive Committee (EXCO) 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, 2020 US'000'	December 31, 2019 US'000'
Salaries and other short term employment benefits	**275**	415
Post-employment benefits	**27**	20
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, 2020	December 31, 2019
Executive directors	1	1
Management	11	9
Non-management	228	209
	-	-
Compensation for the above staff:		
Executive directors	254	254
Management	640	514
Non-management	1,571	1,862
	-	-

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, 2020**	**December 31, 2019**
1,857 – 12,380	202	180
12,381 – 17,332	15	18
17,333 – 21,665	5	6
21,666 - 24,760	1	1
24,760 - 34,045	4	3
34,046 - 40,235	0	1
40,236 - 48,282	4	4
48,283 - 55,710	2	1
55,711 – and above	7	5
	-	-

31. Directors' emoluments

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

	December 31, 2020 US$'	December 31, 2019 US$
Fees and sitting allowances	**68,307**	74,019
Other director expenses	**28,455**	80,802
	-	-

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, 2020	December 31, 2019
US$21,046 above	-	-
	-	-

32. Commitments

a) Capital commitments

The Bank did not have any capital commitment as at December 31, 2020.

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, 2020 was **US$5,053 million.**

33. Subsequent events

Late in 2019, news first emerged from China about the Corona Virus (COVID -19). The situation at year end was that a limited number of cases of an unknown virus had been reported to the World Health Organization. In the first few months 2020 the virus had spread globally and its negative impact has gained momentum. The Bank considers this outbreak to be a non-adjusting post statement of financial position event. While this is still an evolving situation at the time of issuing these annual financial statements, to date there has been no discernible impact on the Bank’s revenue or supply chain, however the future effects cannot be predicted. The Bank will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

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.