INTERNATIONAL BANK (LIBERIA) LIMITED

Financial Statements and Auditor's Report
For the year ended December 31, 2023

TRUST RELIABILITY EXCELLENCE CUSTOMER SERVICE INTEGRITY TEAMWORK

International Bank (Liberia) Limited

IBLL VISION:

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

IBLL Mission:

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

IBLL Values:

Trust

Reliability

Excellence

Customer Service

Integrity

Team Work

International Bank (Liberia) Limited Tubman Boulevard, Between 11th and 12th Streets, Monrovia, Liberia 231 887317435 www.ibliberia.com

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TABLE OF CONTENTS

CORPORATE INFORMATION

Board of Directors:	Pa Macoumba Njie	Chairman
	Stephen D. Cashin	Director
	Njilan Senghore	Director
	Ohemaa Ofori-Atta	Director
	Abigail Thelma Urey- Miller	Director
	Henry F. Saamoi	CEO/ Executive Director

Corporate Secretary Cllr. Abraham Eldine

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

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

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

Auditor:
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 four (4) committees through which the Board of Directors discharges its functions: Audit Committee, Credit Committee, ALCO & Finance Committee and Risk Management, Compliance & Governance Committee. There are additional three (3) non-statutory committee established by the Board for additional oversight responsibilities. Those three (3) Committee are: Infrastructure & Technology Committee, Human Resource & Remuneration Committee and Corporate & Transfer Service Committee.

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

Board of Directors

The seven (7) member Board of Directors of International Bank (Liberia) Limited with six (6) currently sitting is composed of a non-executive Chairman, with 1 Executive Director and 5 non-executive directors, each bringing diverse but rich experience, with enviable records of achievement in their various fields of endeavor. The Directors possess the requisite skills and experience, integrity and business acumen to bring independent judgment to bear on Board deliberations for the good of the Bank.

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

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

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

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

Corporate Governance Report (continued)

Statutory Committees

Risk Management, Compliance & Governance Committee

The Board's Risk Management, Compliance & Governance 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. The Committee also oversees Corporate Compliance Programs. The committee also reviews significant findings, observations or issues from any examination by regulatory authorities or agencies, and monitor, as appropriate, management's remediation or corrective actions. The Committee, in consultation with the Board Chair develop and implement a process for reviewing and evaluating the Board's performance and effectiveness. The Board may be evaluated as a whole and as the Committee determines, on an individual director basis.

In addition to the above functions, the Committee oversees the general corporate matters and practices of the Bank, including articles of incorporation and bylaws, matters arising from stockholders' meetings (including review of any stockholder proposals), and the Bank's Code of Conduct and internal policies as the Committee deems appropriate.

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

ALCO & Finance Committee

The Board Finance and ALCO Committee shall support the full Board in meeting its objectives with respect to all matters pertaining to the Assets & Liabilities of the Bank. The committee shall define the risk tolerance limit of the bank as it relates to the asset composition of the bank, including its loan assets, investments and trading position.

The committee reviews all ALCO report from the management team, review pending significant treasury and/or asset/liability management decisions, evaluate investment proposals while making recommendations to the full board for subsequent approval, advises the board as to whether the bank is in compliance with relevant statutory regulation requirements governing assets and liabilities, evaluates the bank's financial performance and approves the bank's operational budget.
The committee presents report to the board at its quarterly meetings.

Audit Committee

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

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.

Corporate Governance Report (continued)

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

Non- statutory Committee

Credit Committee

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

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

Human Resource & Remuneration Committee

The Board Human Resource (HR) and Remuneration Committee is charged with the responsibility of providing guidance on the Human Resource Management of the Bank. Its primary responsibility includes advising and monitoring the Bank's human resource strategies and policies, compensation, performance and reward systems, training and retention strategies, and all related issues of importance that directly affect IBLL's ability to recruit, develop and retain highly qualified personnel needed to achieve the Bank's vision, mission and mandate. The committee reviews, recommend and monitors policies that provide for the efficient management of IBLL's personnel, in compliance with all applicable legislation and/or regulations.

The committee also reviews the bank's succession plan for all critical and key positions and review development plans, talent retention and career development for potential successors.

Infrastructure & Technology Committee

The Board Infrastructure & Technology Committee supports the full Board in meeting its' objectives with respect to all matters pertaining to the implantation of the Information Technology functions of IBLL. This committee reviews the Annual IT Budget of the bank in alignment to the Bank's strategic plan, Reviews the actual performance of the IT sector of the bank against budget projections, review purchase and disposal of Information Technology asset, Review IT Contracts in keeping with the bank's IT Policy, Evaluate IT investment proposals, review IT strategies, policies and procedures, identify key IT risks and make recommendations to the full board. Additionally, this committee seeks to foster best practices while promoting an ethical and professional Information Technology culture throughout the Bank.

Corporate Governance Report (continued)

Corporate, Operations & Transfer Services Committee

The Board Corporate, Operations & Transfer Services Committee is responsible for the review of all Corporate, Operations and Transfer Services related matters. This committee reviews the banks strategies as it relates to servicing corporate clients, developing, approving and implementation of new banking products, expanding the bank operations and transfer services.

Management Committees

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

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

Management Credit Committee

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

Shareholder structure of the Bank

The Bank's Shareholders as at December 31, 2023 are as follows:

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

REPORT OF THE BOARD OF DIRECTORS

The directors have the pleasure in submitting their report to the shareholders together with the financial statements for the year ended December 31, 2023.

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, 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements. The notes to the financial statements include a summary of Material accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS Accounting Standards) the requirements of the New Financial Institutions Act (FIA) of 1999, the Prudential Regulations of the Central Bank of Liberia (CBL) and in the manner required by the Liberia Business Corporation Act of the Association of Laws of Liberia Revised (2020).

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

Principal activity

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

Going Concern

The Bank reported a profit after tax for the year ended December 31, 2023. The directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe business will not be a going concern in the year ahead. Accordingly, the financial statements are prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitment will occur in the ordinary course of business.

Share capital

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

Directors

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

Review of operations

The results for the year ended December 31, 2023 and the state of the Bank's affairs are set out in the financial statements.

Report of the Board of Directors Continued

Auditor

The auditor, 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, 2023 were approved by the board of directors on April 25, 2024 and signed on its behalf by:

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Pa Macoumba Njie

Chairman

Board of Directors

Crowe Liberia, LLC
Bible House, 2nd & 3rd Floors
Tubman Boulevard
11 Street, Sinkor
1000 Monrovia, 10 Liberia
Main +231 (0)881115927
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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, 2023, 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 Material accounting policies and other explanatory notes as set out on pages 23 to 88.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Bank as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards the requirements of the New Financial Institutions Act of 1999 and as required by the Liberia Business Corporation Act of the Association of Laws of Liberia Revised (2020).

Basis for Opinion

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

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

Independent Auditor’s Report (Continued)

Key audit matter(s)

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

<table>
<tr><th>Key audit matter(s)</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Impairment of loans and advance</td></tr>
<tr><td>
The Bank recognizes impairment allowance on its financial assets, using the expected credit loss (ECL) methodology, in line with the requirements of IFRS 9. The expected credit loss provision on loans and advances is as follows;
<table>
<tr><th>Financial statement line item</th><th>Gross amount L$’000</th><th>Impairment L$’000</th></tr>
<tr><td>Loans and advances</td><td>19,947,442</td><td>1,672,372</td></tr>
</table>
We considered the ECL assessment of loans and advances to be a matter of most significance to our current year audit as this requires significant judgement in applying the methodology used in determining the following estimates:

Significant increase in credit risk (SICR) focusing on both the qualitative and quantitative criteria used by the Bank.
credit risk (SICR) focusing on both the qualitative and quantitative criteria used by the Bank.
Definition of default and credit impaired assets.
Probability of Default (PD): the likelihood that borrowers will be unable to meet their debt obligations over a particular time horizon
Loss given default(LGD): percentage exposure at risk that is not expected to be recovered in an event of default.
Exposure at default (EAD): amount

</td><td>
Our procedures included, among the others

We obtained an understanding of controls over the loans origination, monitoring and provisioning process. We tested selected key controls focusing on:

the completeness and accuracy of the data used as inputs to the models including the transfer of data between source systems and the impairment models;
periodic monitoring of credit facilities
periodic analysis of outcome o impairment provisioning against Bank specific and macro-economic conditions.

We tested the appropriateness of management’s assumptions including challenging management’s determination of:

Significant increase in credit risk (SICR) by checking that a Life time ECL is computed and recognized when credit risk has increase significantly (Stage 2), Life time ECL is computed and recognized on impaired facilities (Stage 3) and 12-month ECL is computed and recognized if otherwise
Probability of Default (PD)
Effective Interest Rate (EIR)
Loss given default, and
Exposure at default

We checked that the definition of default and credit-impaired assets is consistent with IFRS 9.
</td></tr>
</table>

expected to be owe the Bank at the time of default. • Forward-looking economic information and scenario used in the model. • Classification of loans into stages, as well as in estimating the key assumptions applied on the recoverability of loan balances. The accounting policies, critical estimates and judgements and impairment charge are set out on pages 72- 74 to the financial statements for further information.	We tested the appropriateness of the staging of loans in the ECL model by independently determining the staging of selected loans based on customer's repayment history, compliance to loan covenants and other qualitative factors We evaluated the appropriateness of management's basis used in the determination of exposure at defaults including the contractual cash flows, outstanding loan balance, loan repayment type, loan tenor and effective interest rates We assessed the reasonableness of forward-looking information used in the impairment calculations by challenging the multiple economic scenarios used and the weighting applied We assessed the completeness and accuracy of data used in the ECL model including the use of collaterals. We re-performed the calculation of impairment allowance for loans and advances using the Bank's impairment model and We tested the appropriateness of disclosures set out in the financial statements.
Revenue recognition of interest and commission income	
Interest income and fee and commission Income for the year amounts to **L$1.93billion** and **L$624million** are presented in detail in Notes 19 and 22 respectively. 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	Our procedures included, among the others • tests on the operating effectiveness of controls relating to loan asset classification by testing the classification of a sample of high value loan assets from the banking application to underlying supporting documents obtained from the credit department. (Credit report, credit recommendation on classification and loan portfolio). • substantive test of detail on fees and commission incomes by assessing the amortization schedule with information held from prior periods,

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 aggressive methods for fees and commission incomes amortization; This would usually lead to revenue and profit being recognized too early. Management determination of interest income relies extensively on the Bank's computer information system. A malfunctioning of the banking application, inappropriate input of data and/or lack of timely update of data could lead to extensive and long running misstatement of revenue. See Note 19 and 22 to the financial statements for further information.	testing loan assets period to underlying supporting information (customer credit files) and performing re-computation of fees and commission incomes amortization schedule • 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 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. • assessment of the basis for the effective interest rate of interest income on loan determination, including automatic controls in the Bank's IT systems.
IFRS 16-Leases	
The Bank recognized right-of-use (ROU) assets and lease liabilities with carrying values as at December 31 2023 totaling **L$677 million** and **L$719million** respectively. The disclosures required by the standard for these balances are contained in note 2.3.to the financial statements. A number of judgments have been applied and estimates made in determining the impact of the standard. Significant judgment is required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The significant judgements included the following: • Assessment of lease term, the depreciation of the ROU asset, • Impact of lease modifications • The appropriate incremental borrowing rates (IBR) to use in discounting the lease liabilities; • Identifying ROU assets that have	Our procedures include, among the others Through our discussions with management and review of IFRS 16, we understood the bank's process in identifying lease contracts, or contracts which contained leases. For a sample of leases, we performed the following procedures: • Inspected the lease contracts and evaluated management's identification of relevant lease terms to determine whether the leases were accounted for in terms of the standard • 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.

The adjustments arising from applying IFRS 16 are material, and disclosure of impact is a key focus area in our audit.	ROU assets and lease liabilities. • 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, • We recalculated the lease liabilities and ROU assets based on the underlying contractual terms; • We reviewed the impairment indicator tests for ROU assets to ensure all ROU assets with impairment indicator were assessed for impairment in line with IAS 36 • Assessed whether the disclosures within the financial statements are appropriate in line with the IFRS 16 requirements

Other information

The directors are responsible for the other information. The other information comprises the Report of the Directors but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, in the manner required by the New Financial Institutions Act (FIA) of 1999, the Prudential Regulations of the Central Bank of Liberia (CBL), the Liberia Business Corporation Act of the Association of Laws of Liberia Revised (2020) and for such internal control as directors determines is necessary to enable the preparation of the financial statements that is 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 objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This risk of not detecting a material misstatement resulting from fraud is high than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

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

accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern

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

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

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

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

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.

Report on Other Legal and Regulatory Requirements

In accordance with section 24 of the New Financial Institutions Act of 1999, Sections 12(1), 15(2), 16(4) of the Central Bank of Liberia's Regulation No CBL/RSD/008/2017, and the Registered Business Company Law Revised (2020), We confirm that:

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

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

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

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

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

Crowe Liberia, LLC
Monrovia, Liberia
APRIL 25, 2024

STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	Notes	December 31, 2023 L$'000	December 31, 2022 L$'000
Assets:			
Cash and cash equivalents	5	**12,720,749**	7,221,827
Financial assets	6	**3,785,772**	2,187,020
Loans and advances to customer	7	**18,275,070**	14,956,282
Property, plant and equipment	8	**659,345**	740,477
Intangible assets	9	**130,805**	124,263
Right of Use asset	10	**677,385**	719,512
Other assets	12	**2,079,275**	1,514,310
Total Assets		**38,328,401**	27,463,691
Liabilities:			
Deposits from customers	13	**28,299,888**	18,838,612
Account payables	14	**1,956,742**	1,264,500
Deferred Tax Liabilities	11.3	**41,284**	55,291
Lease liabilities	15	**187,817**	144,747
Current tax liabilities	11.2	**38,689**	24,200
Borrowings	16	**3,875,085**	3,658,355
Other liabilities	17	**213,664**	383,696
Total liabilities		**34,613,169**	24,369,401
Equity:			
Stated capital	18	**705,486**	705,486
Share premium		**57,713**	57,713
Statutory reserve		**571,921**	495,356
Income surplus		**948,291**	750,639
Foreign currency translation reserve		**1,431,821**	1,085,096
Total equity		**3,715,232**	3,094,290
Total equity and liabilities		**38,328,401**	27,463,691

These financial statements were approved by the Directors on April 25, 2024 and were signed on its behalf by:

Pa Macoumba Njie
Chairman
Board of Directors

Henry F. Saamoi
Chief Executive Officer (CEO)

The notes on pages 23 to 88 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**December 31, 2023 L$'000**	December 31, 2022 L$'000
Interest Income	19	**1,928,650**	1,534,104
Interest expense	20	**(215,710)**	(170,343)
Net Interest Income		**1,712,940**	1,363,761
Net impairment credit on financial assets	21	**(367,705)**	(233,784)
Net interest income after loan impairment charges		**1,345,235**	1,129,977
Fees and commission income	22	**624,131**	438,611
Other Operating Income	23	**620,643**	447,767
Net Operating Income		**2,590,009**	2,016,355
Personnel expense	24	**(575,767)**	(487,058)
Occupancy and other property cost	25	**(540,060)**	(456,177)
Depreciation and Amortization	26	**(173,529)**	(151,174)
Finance cost	27	**(274,247)**	(154,456)
Other operating expense	28	**(629,563)**	(480,257)
Profit before income tax		**396,843**	287,231
Income tax expense	11.1	**(90,583)**	(65,262)
Profit after income tax		**306,260**	221,969
Other comprehensive income			
Effect of foreign translation		**605,188**	24,190
Total comprehensive income for the year		**911,448**	246,159

The notes on pages 23 to 88 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share Capital L$'000	Share Premium L$'000	Statutory Reserves L$'000	Income surplus L$'000	Foreign currency translation reserve L$'000	Total L$'000
Balance as at January 1, 2023	**705,486**	**57,713**	**495,356**	**750,639**	**1,085,096**	**3,094,290**
Profit for the year	**-**	**-**	**76,565**	**229,696**	**-**	**306,261**
Dividend declared	**-**	**-**	**-**	**(109,330)**	**-**	**(109,330)**
Prior period adjustments (**Note 29**)	**-**	**-**	**-**	**77,286**		**77,286**
Translation difference	**-**	**-**	**-**	**-**	**346,725**	**346,725**
Balance as 31 December 2023	**705,486**	**57,713**	**571,921**	**948,291**	**1,431,821**	**3,715,232**
Balance as at January 1, 2022	705,486	57,713	439,864	637,191	1,060,906	2,901,160
Profit for the year	-	-	55,492	166,476	-	221,968
Dividend declared	-	-	-	(76,318)	-	(76,318)
Prior period adjustment	-	-	-	23,290		23,290
Effect of foreign translation	-	-	-	-	24,190	24,190
Balance as 31 December 2022	705,486	57,713	495,356	750,639	1,085,096	3,094,290

The notes on pages 23 to 88 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Notes	December 31, 2023 L$'000'	December 31, 2022 L$'000'
Cash flows from operating activities:			
Profit before taxations		**396,843**	287,233
Adjustment for:		**-**	
Depreciation and Amortization	8	**173,529**	151,174
Loss (gain) on the sale of PPE		**(448)**	
Interest expense		**274,247**	154,456
Impairment on Loan and Advances	7	**367,705**	233,784
Net Interest income		**(1,712,939)**	(1,363,761)
Cash flows from operations before working capital change		**(501,063)**	**(537,114)**
Changes in Loan and Advances		**(3,686,494)**	(4,667,188)
Changes in Mandatory Reserve Deposits		**(2,361,135)**	290,902
Changes in Trading Assets		**(1,598,752)**	(97,123)
Changes in Other Assets		**(564,965)**	715,296
Changes in deposits to Customers		**9,461,276**	1,560,048
Changes in Accounts payable		**692,241**	621,079
Changes in Other Liabilities		**(105,211)**	(24,533)
Cash generated by/ (utilized in) operating activities		**1,335,897**	**(2,138,633)**
Interest received	19	**1,928,650**	1,534,104
Interest paid	20	**(215,710)**	(170,343)
Income tax expense	11.2	**(64,337)**	(14,751)
Net Cash flows from operating activities		**2,984,500**	**(789,623)**
Cash flows from Investing Activities			
Purchase of property plant & equipment	8	**(42,509)**	(142,019)
Acquisition of Intangible	9	**(31,262)**	
Adjustment in PPE & intangible		**32,297**	(20,816)
Sale proceed from sale of PPE		**448**	
Right of Use Assets	10	**(15,337)**	(98,243)
Net cash generated from/ (used in) Investing Acctivities		**(56,363)**	**(261,078)**
Cash flows from Financing Activities			
Repayment of long term debt		**216,730**	2,786,195
Lease liability		**43,070**	86,041
Cash payments for the interest portion of lease liabilities	27	**(7,144)**	(6,241)
Interest paid on the long - term borrowing	27	**(267,102)**	(148,215)
Dividend declared		**(109,330)**	(76,318)
Other adjustment to equity		**(13,299)**	21,470
Net cash generated from financing activities		**(137,074)**	**2,662,932**
Net increase in cash and cash equivalent		**2,791,062**	**1,612,230**
Cash and cash equivalent as at January 1		**5,337,976**	3,701,556
Foreign currency translation reserve		**346,725**	24,190
Cash and cash equivalent at Dec 31, 2023	**5.2**	**8,475,763**	**5,337,976**

The notes on pages 23 to 88 are an integral part of these financial statements.

Notes to the financial statements

1. General Information

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

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

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

2. Material account policies

2.1 Statement of compliance

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

2.2 Basis of preparation

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

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

The Bank reported a profit after tax of **L$306.2million** for the year ended December 31, 2023 (December 31, 2022: L$221.9million) and, as at this date the accumulated income surplus is **L$750.6million** and Statutory Reserve stands at **L$571.9million.**

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

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

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

2.3 Changes in accounting policies and disclosures
Changes in IFRS Accounting Standards *adopted by the Bank*
(i) New and amended standards adopted by the Bank
In the current year, the Bank has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IAS 1 and IFRS Practice Statement 2 regarding disclosures on accounting policies

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments have had an impact on the Bank's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Bank's financial statements.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts (IFRS 17) is effective for reporting periods beginning on or after 1 January 2023. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.
Other than the exceptions outlined below, the Bank has not identified contracts that result in the transfer of significant insurance risk, and therefore it has concluded that IFRS 17 does not have a material impact on the financial statements for the year ended 31 December 2023.

Notes to the financial statements *(continued)*
Material accounting policies (continued)
Changes in* IFRS Accounting Standards *adopted by the Bank (continued)

As part of this determination, the Bank assessed credit cards and similar products that include insurance coverage. IFRS 17 excludes from its scope credit card contracts (and other similar contracts that provide credit or payment arrangements) that meet the definition of an insurance contract if, and only if, the entity does not reflect an assessment of the insurance risk associated with an individual customer in setting the price of the contract with that customer. The Bank has determined that insurance risk associated with an individual customer has not been assessed in setting the price of the contracts as these products are offered at the same price to all applicants, and therefore they are exempt from IFRS 17.

For loan contracts that meet the definition of an insurance contract, but limit the compensation for insured events to the amount otherwise required to settle the policyholder's obligation created by the contract, e.g., a loan with waiver on death, there is a choice to apply either IFRS 9 or IFRS 17 to such contracts. This choice is made at a portfolio level and is irrevocable. The Bank has made an irrevocable choice to apply IFRS 9 to each portfolio of these products

Definition of Accounting Estimates - Amendments to IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.
The amendments had no impact on the Bank's financial statements**.**

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.
The amendments had no impact on the Bank's financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

Notes to the financial statements *(continued)*
Material accounting policies (continued)
Changes in* IFRS Accounting Standards *adopted by the Bank (continued)

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.
The amendments had no impact on the Bank's financial statements as the Bank is not in scope of the Pillar Two model rules as its revenue is less than the required threshold.

Standards issued but not yet effective
At the date of authorization of these financial statements, the Bank has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IAS 21	Lack of exchangeability
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below

Lease liabilities in sale and leaseback transactions- IFRS 16
Accordingly, in March 2021, the IFRS Board issued amendments to IFRS 16 that supplement the requirements for the accounting treatment of sale and leaseback transactions, and the revised examples in the standard illustrate how to apply the Board's new guidance.

a) The introduced amendment requires the seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. Accordingly, the amendments, among others: define the proportion of the previous carrying amount of an asset under a sale-leaseback as a comparison of the present value of the expected lease payments discounted using a discount rate with the fair value of the asset sold
b) define the components of the lease payment that should be included in the measurement of the lease liability arising from a sale-leaseback
c) clarify how right-of-use assets should be measured after initial recognition (subsequent measurement in accordance with paragraphs 29-35 of IFRS 16, and therefore consistent with the measurement of right-of-use assets not included in a sale or leaseback transaction) and how to measure the lease liability.

The amendment does not change the general rules on sale and leaseback under IFRS 16, therefore it is expected to affect only a limited number of entities in the market.
The amendment is effective for annual periods beginning after January 1, 2024 with early application permitted.

Notes to the financial statements *(continued)*
Material accounting policies (continued)
Changes in* IFRS Accounting Standards *adopted by the Bank (continued)

Classification of liabilities as current and non-current- IAS 1
In October 2022, the IFRS Board issued further amendments to IAS 1, which address the issue of classification of liabilities in relation to which the entity is obliged to meet specific contractual requirements, i.e. covenants. This change was also a response to stakeholders' concerns regarding the classification of such liabilities as current or non-current.
These changes will also come into effect in 2024.
The amended IAS 1 provides that liabilities are classified as current or non-current depending on the rights existing at the end of the reporting period. Neither the entity's expectations nor events after the reporting date (for example, covenant waivers or breaches) affect the classification. Liabilities are classified as non-current if the entity has a significant right to defer settlement of the liability for at least 12 months from the end of the reporting period.
The amended guidelines specify that the assessment should be made as at the balance sheet date on the basis of the rights held by the entity, and it should not be taken into account whether the entity will exercise these rights.
The right to defer exists only if the entity meets all relevant conditions at the reporting date.
As a consequence of the amendments to the standard, it was clarified that the covenants of loan agreements, which the entity must comply with only after the balance sheet date, will not affect the classification of liabilities as non-current or current as at the reporting date. However, covenants that an entity must meet at or before the balance sheet date would affect the classification of liabilities as current or non-current, even if that condition is assessed only after the entity's balance sheet date. The amendment to the standard also clarifies what is meant by the phrase "settlement" of the liability. "Settlement" is defined as settling a liability with cash, other economic resources or the entity's own equity instruments.
The amendment is effective for annual periods beginning after January 1, 2024 with early application permitted.

Non-current Liabilities with Covenants- IAS 1
The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants. The amendment is effective for annual periods beginning after January 1, 2024 with early application permitted.

Notes to the financial statements *(continued)*
Material accounting policies (continued)
Changes in* IFRS Accounting Standards *adopted by the Bank (continued)

Supplier finance arrangements IAS 7/IFRS 7
In May 2023, the IFRS Board published amendments to IAS 7 and IFRS 7 requiring the disclosure of certain information about supplier finance arrangements (also called "reverse factoring").
The amendments respond to investors that said they urgently need more information about reverse factoring agreements, to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.
To meet investor's needs, the IFRS Board introduced new requirements into the accounting standards to ensure that the new disclosures provide information about:

a) the terms and conditions of supplier finance arrangement
b) the carrying amount of financial liabilities that are part of supplier finance arrangements and the line items in which those liabilities are presented
c) the carrying amount of the financial liabilities for which suppliers have already received payment from the finance provider
d) the range of payment due dates for both the financial liabilities that are part of supplier finance arrangements, and comparable trade payables that are not part of such arrangements
e) non-cash changes in the carrying amount of financial liabilities
f) access to supplier finance arrangements facilities and concentration of liquidity risk with the finance providers

Entities will be required to aggregate the information they provide about the arrangements. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information when the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.
All entities that use supplier finance arrangements in their operations will be required to provide the new disclosures, provided they are material.

The amendment is effective for annual periods beginning after January 1, 2024 with early application permitted.

Lack of exchangeability IAS 21
IAS 21 sets out the exchange rate that an entity uses when it reports foreign currency transactions in the functional currency or translates the results of a foreign operation in a different currency.
Until now, IAS 21 set out the exchange rate to use when exchangeability between two currencies is temporarily lacking, but not what to do when lack of exchangeability is not temporary. Furthermore, assessing exchangeability between two currencies requires the analysis of various factors; such as the time frame of the exchange, the ability to obtain the other currency, markets or exchange mechanisms, the purpose of obtaining the other currency, and the ability to obtain only limited amounts of the other currency.
Therefore, in August 2023, the IFRS Board published amendments to IAS 21, which are intended to help entities to determine whether a given currency is exchangeable into another currency and to determine the spot exchange rate when exchangeability is lacking.

Notes to the financial statements *(continued)*
Material accounting policies (continued)
Changes in* IFRS Accounting Standards *adopted by the Bank (continued)

The objective in estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions The amendments to IAS 21 are a response to numerous comments from the users of financial statements who raised concerns about diversity in practice in accounting for a lack of exchangeability between currencies. The amendment is effective for annual periods beginning after January 1, 2025 with early application permitted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture- IFRS 10/IAS 28

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurements of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the Bank's financial statements in future periods should such transactions arise.

2023 Annual Improvements to the IFRSs [ED]

At its February 2023 meeting, the International Accounting Standards Board (IASB) discussed several proposed amendments that will be included in the next Annual Improvements to IFRS Accounting Standards cycle, as follows:

Amended Standard	**The amendments**
IAS 7 Statement of Cash Flows	amend paragraph 37 of IAS 7 to replace the term 'cost method' with 'at cost'
IFRS 9 Financial Instruments	- Hedge accounting by a first-time adopter. This amendment seeks to (a) paragraphs B5–B6 of IFRS 1 to add cross-references to paragraph 6.4.1 of IFRS 9; (b) paragraph B6 of IFRS 1 to replace the word 'conditions' with 'qualifying criteria'
IFRS 9 Financial Instruments	This amendment seeks to revise the wording in paragraph 5.1.3 of IFRS 9 and to delete the reference to 'transaction price' and the associated references to IFRS 15 from Appendix A
IFRS 7 Financial Instruments: Disclosures	Credit risk disclosures (Illustrative examples accompanying IFRS 7)

Notes to the financial statements *(continued)*
Material accounting policies (continued)
Changes in* IFRS Accounting Standards *adopted by the Bank (continued

Amended Standard	The amendments
IFRS 7 Financial Instruments: Disclosures	This amendment seeks to (a) to paragraph IG1 of IFRS 7 to add a statement that the implementation guidance accompanying IFRS 7 does not illustrate all the requirements in IFRS 7; and (b) an amendment to paragraph IG20B of IFRS 7 to simplify the wording

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

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

2.4. Foreign currency translation

a. Functional and presentation currency

The financial statements are presented in Liberian Dollars, which is one of Liberia's functional currencies and the mandatory presentational currency. The other functional currency is the United States dollar. The financial information presented in Liberian Dollars has been rounded to the nearest thousand except as otherwise indicated. The closing rate used for the Statement of Financial Position was L$188.5 to US$1.00 as at December 31, 2023 and the average rate used for the Statement of Profit or Loss and Other Comprehensive Income was L$174.96 to US$1.00. (2022: L$154.49 to US$1.00 and L$152.92 to US$1.00 respectively).

b. Transactions and balances

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

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

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

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

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

2.5 Revenue Recognition
Interest income

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, it 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)*
Material accounting policies (continued)

Fees are included in the calculation of the effective interest rate to the extent that they can be considered to be an integral part of the effective interest rate.
Interest income on all trading assets are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets in net interest income and commission on loan and advances.

2.6a Revenue recognition

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

2.6b *Fees and commission income*

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

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

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

2.8 Leases

Bank as a lessee

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

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

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

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

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

The Bank presents right-of-use assets as a separate class under Assets. The Bank presents lease liability in other liabilities in the statement of financial position. The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate. The weighted average lessee's incremental borrowing rate that has been applied to the lease liabilities on December 31, 2023 is 5.46%.
The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Bank has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options.
The assessment of whether the Bank is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

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

2.9 Income taxation

Current income tax

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

Deferred income tax

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

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

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

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

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

2.10 Financial assets

Classification

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

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

Classification and subsequent measurement of financial assets depend on:

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

Notes to the financial statements *(continued)*
Material accounting policies (continued)
Financial assets (*continued)*

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

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

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

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

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

Notes to the financial statements *(continued)*
Material accounting policies (continued)
Financial assets (*continued)*

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

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

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

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

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

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

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

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

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

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

2.10d *Recognition and measurement*

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

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

2.10e *Offsetting of financial instruments*

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

2.10f *Impairment of financial assets*

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

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

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

Notes to the financial statements *(continued)*
Material accounting policies (continued)
Financial assets (*continued)*

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

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

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

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

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

Expected Credit Loss impairment model

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

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

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

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

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

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

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

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

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

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

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

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

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

• EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

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

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

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

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

Macroeconomic factors

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

Assessment of significant increase in credit risk (SICR)

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

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

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

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

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

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

Definition of default and credit impaired financial assets
At each reporting date, the Bank assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:

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

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

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

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

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

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

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

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

The Bank presents a combined loss allowance for both components;

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

Write-off

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

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

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

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

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

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

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

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

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

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

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

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

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

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

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

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

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

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

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

At December 31, 2023	**Stage 1 L$'000**	**Stage 2 L$'000**	**Stage 3 L$'000**	**Total L$'000**
Loan and advances to customers	**16,002,851**	**1,447,593**	**824,626**	**18,275,070**
Gross carrying amount	**16,353,838**	**1,988,399**	**1,605,205**	**19,947,442**
Loss Allowance	**(350,987)**	**(540806)**	**(780,579)**	**(1,672,372)**
	16,002,851	**1,447,593**	**824,626**	**18,272,070**
At December 31, 2022				
Loans and advances to customers	13,179,078	953,358	823,846	14,956,282
Gross carry amount	13,416,838	1,432,277	1,151,486	16,000,601
Loss Allowance	(237,760)	(478,919)	(327,640)	(1,044,319)
Carrying Amount	13,179,078	953,358	823,846	14,956,282

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

Loan and Advances are summarized as follows:

At December 31, 2023	Loan to individual L$'000	Loans to non-individual L$'000	Total L$'000
Loan and advances to customers	2,057,145	14,296,693	16,353,838
Stage 1 - 12 months ECL	2,057,145	14,296,693	16,353,838
Loan and advances to customers	59,457	1,928,943	1,988,400
Stage 2 - Lifetime ECL not credit	59,457	1,928,943	1,988,400
Loan and advances to customers	270,553	1,334,651	1,605,204
Stage 3 - Non- performing loans	270,553	1,334,651	1,605,204
Total gross loans and advances	2,387,155	17,560,287	19,947,442

The impairment allowance on loans is further analyzed as follows:

At December 31, 2023	Loan to individual L$'000	Loans to non-individual L$'000	Total L$'000
Loan and advances to customers	72,781	278,206	350,987
Stage 1 - 12 months ECL	72,781	278,206	350,987
Loan and advances to customers	6,789	534,017	540,806
Stage 2 - Lifetime ECL not credit	6,789	534,017	540,806
Loan and advances to customers	372,506	408,073	780,579
Stage 3 - Non- performing loans	372,506	408,073	780,579
Total impairment allowance on loans	452,072	1,220,296	1,672,372

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

Loan and Advances are summarized as follows:

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

The impairment allowance on loans is further analyzed as follows:

At December 31, 2022	Loan to individual	Loans to non-individual	Total L$'000
Loan and advances to customers	26,418	211,342	237,760
Stage 1 - 12 months ECL	26,418	211,342	237,760
Loan and advances to customers	2,781	476,138	478,919
Stage 2 - Lifetime ECL not credit	2,781	476,138	478,919
Loan and advances to customers	49,591	278,049	327,640
Stage 3 - Non- performing loans	49,591	278,049	327,640
Total impairment allowance on loans	78,790	965,529	1,044,319

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

At December 31, 2023	**Gross Loans L$'000**	**Collateral L$'000**
Against Stage 1 Loans and Advances	**16,353,838**	**47,796,060**
Against Stage 2 Loans and Advances	**1,988,399**	**2,919,300**
Against Stage 3 Loans and Advances	**1,605,205**	**3,357,939**
	19,947,442	**54,073,299**

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

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

At December 31, 2023	**Term loan L$'000**	**Overdraft**	**Total L$'000**
Against Stage 1 Loan and Advances			
Property	**33,464,959**	**-**	**33,464,959**
Others	**14,331,101**	**-**	**14,331,101**
	47,796,060	**-**	**47,796,060**
Against Stage 2 Loans and Advances			
Property	**1,961,572**	**-**	**1,961,572**
Others	**957,728**	**-**	**957,728**
	2,919,300	**-**	**2,919,300**
Against Stage 3 Loans and Advances			
Property	**2,541,192**	**-**	**2,541,192**
Others	**816,747**	**-**	**816,747**
	3,357,939	**-**	**3,357,939**

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

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

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

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

Performance profile of loans and advances per CBL prudential guidelines is as follow:
2023

Status	**Total count**	**% Total count**	**Value L$'000**	**% Total value**	**Provision amount L$'000**	**% of Total Provision**
Current	**1877**	**61%**	**18,152,172**	**91%**	**700,089**	**44%**
Total current	**1877**	**61%**	**18,152,172**	**91%**	**700,089**	**44%**
Total performing	**1877**	**61%**	**18,152,172**	**91%**	**700,089**	**44%**
Substandard	**68**	**2%**	**598,423**	**3%**	**279,734**	**18%**
Doubtful	**29**	**1%**	**797,898**	**4%**	**210,429**	**13%**
Loss	**1127**	**36%**	**398,949**	**2%**	**398,949**	**25%**
Total NPL	**1224**	**39%**	**1,795,270**	**9%**	**889,112**	**56%**
Total Performing & NPL	**3101**	**100%**	**19,947,442**	**100%**	**1,589,201**	**100%**

Performance profile of loans and advances per CBL prudential guidelines is as follow:
2022

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

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

Sensitivity Analysis of impairment using CBL provisions

December 31, 2023

IFRS Classification	**IFRS Provision L$'000**	**CBL Classification**	**CBL Provision L$'000**
Stage 1	**350,987**	**Current**	**700,089**
Stage 2	**540,806**	**Sub-standard**	**279,734**
Stage 3	**780,579**	**Doubtful**	**210,429**
		Loss	**398,949**
	1,672,372		**1,589,201**

December 31, 2022

IFRS Classification	IFRS Provision L$'000	CBL Classification	CBL Provision L$'000
Stage 1	237,760	Current	469,650
Stage 2	478,919	Sub-standard	178,899
Stage 3	327,640	Doubtful	221,384
		Loss	213,969
	1,044,319		1,083,902

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

Sensitivity Analysis of impairment using CBL provisions

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

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

	December 31, 2023 L$'000	December 31, 2022 L$'000
IFRS provision recognized in the statement of profit or loss and other comprehensive income	**367,705**	233,784
Provision based on Central Bank of Liberia's guideline	**(282,573)**	(275,809)
Difference between IFRS and CBL Provision	**85,132**	(42,025)
Profit as per the statement of profit or loss and comprehensive income before the recognition of CBL provision	**292,927**	193,901
Profit if CBL Provision was recognized	**378,059**	151,876
Total equity attributable to the owners of the Bank based on IFRS	**3,911,031**	3,084,054
Total equity attributable to the owners of the Bank based on CBL	**3,532,972**	2,932,178

(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 2.10 and Note 4 for further details on these estimates and judgments.

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

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

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

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

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

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

2.11 Financial liabilities

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

2.12 Fair value determination

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

2.13 De-recognition

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

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

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

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

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

2.14. Cash and cash equivalents

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

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

2.15 Property, Plant and Equipment

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

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

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

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

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

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

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

2.16 Intangible assets

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

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

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

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

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

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

2.17 Provisions

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

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

2.18 Employee benefits

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

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

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

2.19 Share capital

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

Ordinary shares
Ordinary shares are classified as "stated capital" in equity.

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

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

2.20 Earnings per share

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

3. Financial risk management

3.1 Introduction and overview of the Bank's Risk Management

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

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

Financial risk management

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

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

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

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

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

3.2 Measurement of financial assets and liabilities

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

	Financial Assets:	
December 31, 2023	**Investments L$'000**	**Loan and advances L$'000**
Cash and cash equivalents		**12,720,749**
Investments	**3,785,772**	**-**
Loan and advances		**18,275,070**
Other assets		**2,079,275**
	3,785,772	**33,075,094**

	Financial liabilities: Other financial liability L$'000
Deposits from customers	**28,299,888**
Lease liabilities - Operating lease	**187,817**
Other liabilities	**213,664**
	28,701,369

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

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

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

3.3 Credit risk

Management of credit risk

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

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

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

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

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

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

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

The Bank's maximum exposure to credit risk at December 31, 2023 and December 31, 2022, is represented by the net carrying amounts of its financial assets in the statement of financial position.

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

3.3b Credit risk

Credit concentrations

The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at December 31, 2023 and December 31, 2022 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, 2023	Loans and advances to customers L$'000	Investments L$'000	Other assets L$'000	Cash balances with foreign bank L$'000	Cash and bank balances L$'000
Trade, Hotel and Restaurants	**9,219,183**	**-**	**-**	**-**	**-**
Service	**1,908,232**	**-**	**-**	**-**	**-**
Personal	**2,292,730**	**-**	**-**	**-**	**-**
Trade and Commercial	**-**	**-**	**2,079,275**	**-**	**-**
Public sector	**-**	**3,785,772**	**-**	**-**	**-**
Construction	**2,682,132**	**-**	**-**	**-**	**-**
Financial services	**-**	**-**	**-**	**1,656,981**	**11,063,768**
Agriculture	**848,897**	**-**	**-**	**-**	**-**
Manufacturing	**1,304,102**	**-**	**-**	**-**	**-**
Mining and Quarrying	**309,398**	**-**	**-**	**-**	**-**
Transportation, Storage and Communication	**8,088**	**-**	**-**	**-**	**-**
Other	**1,374,680**	**-**	**-**	**-**	**-**
	19,947,442	**3,785,772**	**2,079,275**	**1,656,981**	**11,063,768**

Notes to the financial statements continued
Financial risk management continued

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

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

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.

	2023 L$'000	2022 L$'000
Neither past due nor impaired	**16,353,838**	13,416,839
The Bank's rating for its customers is shown below:		
Group 1: Customers with no history of default:	**1,988,399**	1,432,277
Group 2: Customers with past history of default:	**1,605,205**	1,060,162
	3,593,604	2,583,763

Notes to the financial statements continued
Financial risk management continued

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

	December 31, 2023 L$'000	December 31, 2022 L$'00
Past due up to 90 days	**376,500**	212,032
Past due by 90 - 180 days	**657,717**	500,396
Past due more	**570,988**	347,734
	1,605,205	1,060,162

iii. Credit quality of cash and cash equivalents

The credit quality of cash and cash equivalents and short-term investments that were neither past due nor impaired were assessed as at December 31, 2023 and December 31, 2022.

	Bank balances L$'000	Treasury bill L$'000	Total L$'000
December 31, 2023'			
AAA	**1,656,981**	**3,785,772**	**5,442,753**
December 31, 2022'			
AAA	1,440,679	2,187,020	3,627,699

3.4 Liquidity risk

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

a. Management of liquidity risk

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

Notes to the financial statements continued
Financial risk management continued

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

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

b. Management of liquidity risk

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

December 31, 2023	**0-30**	**31-90**	**91 - 180**	**181 - 365**	**December 31, 2023 Total**
Financial liabilities	**L$'000**	**L$'000**	**L$'000**	**L$'000**	**L$'000**
Deposits from customers	**1,131,989**	**4,244,957**	**7,357,926**	**15,565,016**	**28,299,888**
Account payables	**-**	**1,956,742**	**-**	**-**	**1,956,742**
Borrowings	**-**	**-**	**-**	**3,875,085**	**3,875,085**
Other liabilities	**-**	**213,664**	**-**	**-**	**213,664**
Total financial liabilities	**1,131,989**	**6,415,363**	**7,357,926**	**19,440,101**	**34,345,379**

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

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

3.4.1 Bank Liquidity

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

The following are the determinant of the bank liquidity position as at 31 December 2023:

3.4.2 Analysis of the Bank Liquidation Ratios' Performance

(a) Liquidity

The percentage of the bank's liquid assets of 0.41 in 2023 is less when compared to the total assets and short term liabilities in 2022 of 0.45. This is mainly as a result of increment in the deposit from customers' balance.

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

	December 31, 2023 L$'000	December 31, 2022 L$'000
Cash and cash equivalent	**6,818,783**	5,781,148
Current Account with Foreign Bank	**1,656,981**	1,440,679
Financial assets	**3,036,242**	1,300,102
Total Liquid Assets	**11,512,006**	8,521,929
Deposits from Customers	**28,299,888**	18,838,612
Total deposits and other designated liabilities	**28,299,888**	18,838,612
Net Working Capital	**(16,787,882)**	(10,316,683)
Current Ratios	**0.41**	0.45

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 December 31, 2023 amounted to **L$16.79billion**) is higher than the result of **L$10.32billion** at of December 31, 2022. This is attributed to the increase in balances with the Central Bank of Liberia than other mandatory reserves. The bank's liquidity ratio as of December 31, 2023 was 0.41 (2022: 0.45), which exceeds the regulatory requirement of 15%

3.4.2b Interest rate risk

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

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

December 31, 2023	**Upto1yr**	**1-5yrs**	**Over5yrs**	**Non-Interest bearing**	**December 31, 2023**
Assets	**L$'000**	**L$'000**	**L$'000**	**L$'000**	**L$'000**
Cash and bank balances	**-**	**-**	**-**	**11,063,768**	**11,063,768**
Cash balances with foreign bank	**1,656,981**	**-**	**-**	**-**	**1,656,981**
Investments	**3,785,772**	**-**	**-**	**-**	**3,785,772**
Loans and advances to customer	**-**	**-**	**18,275,070**	**-**	**18,275,070**
Other assets	**-**	**-**	**-**	**2,079,275**	**2,079,275**
	5,442,753	**-**	**18,275,070**	**13,143,043**	**36,860,866**
Liabilities					
Deposits from customers	**-**	**13,335,144**	**14,964,743**	**-**	**28,299,888**
Account payables	**-**	**-**	**-**	**1,956,742**	**1,956,742**
Lease liabilities - operating lease	**-**	**-**	**-**	**-**	**-**
Borrowings	**-**	**-**	**3,875,085**	**-**	**3,875,085**
Other liabilities	**-**	**-**	**-**	**213,664**	**213,664**
	-	**13,335,144**	**18,839,828**	**2,170,406**	**34,345,378**
Total Interest rate repricing gap	**5,442,753**	**(13,335,144)**	**(564,758)**	**10,972,637**	**2,515,488**

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

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

3.5 Market risk

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

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

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

b. *Measurement of market risk*

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

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

i. Foreign exchange risk

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

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

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

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

	December 31, 2023	December 31, 2022
	L$'000	L$'000
Effect of 5% increase in US$	(14,420)	(12,108)
Effect of 5% decrease in US$	14,420	12,108

ii. Interest risk

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

Based on the sensitivity analysis performed, the impact on profit of a 5% shift would be a maximum increase of **L$14.4 million (2023: L$14.4 million)** or decrease L$12.1 million (2022: L$12.1 million).

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

3.6 Financial value of financial assets and liabilities

a) Financial instruments not measured at fair value

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

	Carrying amount		**Fair value**	
	December 31, 2023 L$'000	December 31, 2022 L$'000	**December 31, 2023 L$'000**	December 31, 2022 L$'000
Financial assets				
Cash and cash equivalents	**12,720,749**	7,221,827	**12,720,749**	7,221,827
Financial assets	**3,785,772**	2,187,020	**3,785,772**	2,187,020
Loans and advances to customer	**18,275,070**	14,956,282	**18,275,070**	14,956,282
Total	**34,781,591**	24,365,129	**34,781,591**	24,365,129
Financial liabilities				
Deposits from customers	**28,299,888**	18,838,612	**28,299,888**	18,838,612
Account payables	**1,956,742**	1,264,500	**1,956,742**	1,264,500
Borrowings	**3,875,085**	3,658,355	**3,875,085**	3,658,355
Other liabilities	**213,664**	383,696	**213,664**	383,696
Total Liabilities	**34,345,379**	24,145,163	**34,345,379**	24,145,163

Valuation inputs

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

Quoted market prices – Level 1

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

Notes to the financial statements continued
Financial risk management continued

Valuation technique using observable inputs – Level 2

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

Valuation technique using significant unobservable inputs – Level 3

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

Fair value methods and assumptions

(i) Cash and bank balances

The carrying amount of these balances is their fair value.

(ii) Loans and advances

Loans and advances are carried at amortized cost net of provision for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

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

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

3.7 Capital management

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

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

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

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

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

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

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

3.8 Capital adequacy ratio

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

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

Tier 1 capital	December 31, 2023 L$'000	December 31, 2022 L$'000
Issue capital	**705,486**	**705,486**
Share premium	**57,713**	**57,713**
Statutory reserve	**571,921**	**495,356**
Retained earning	**948,291**	**750,639**
Effect of exchange rates	**1,752,770**	**-**
Intangible deduction from tier one(1) capital	**(130,805)**	**(124,263)**
Connected lending of Capital Nature	**(185,025)**	**-**
Total qualifying tier	**3,720,352**	**1,884,931**
Tier 2 capital		
Adjusted capital base	**3,720,352**	**1,884,931**

	Amount	Weight %	December 31, 2023 L$'000'	Amount	Weight %	December 31, 2022 L$'000'
Eligible past due exposure	312,343	50%	156,172	532,042	50%	266,021
Retained exposure	4,713,286	75%	3,534,964	2,682,028	75%	2,011,521
Eligible claim on corporation and other	13,075,131	100%	13,075,131	11,046,713	100%	11,046,713
Off balance items	1,198,048	50%	599,024	-		
	19,298,808		**17,365,291**	**14,260,783**		**13,324,255**
Capital Adequacy Ratios			**21.42%**			**14.10%**

The Bank’s CAR at **December 31,2023** stood at 21.42% (2022: 14.10%) resulting into a surplus of 11.42% of the minimum adequacy ratio of 10% required by the Central Bank of Liberia. Following the endorsement and approval of the bank financial statements in January 2023, the Central Bank of Liberia computed a substantially higher capital adequacy ratio of 23.18. The variance between the CBL and IBLL's capital adequacy ratio as of December 31, 2022, was primarily attributed to the treatment of the translation reserve, which was subsequently rectified.

Notes to the financial statements (*continued)*

4. Critical accounting estimates and judgments in applying accounting policies

4.1 Significant accounting judgements, estimates and assumptions

The Bank's IFRS financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of these IFRS financial statements.

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard.

Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Bank's results and financial situation due to their materiality.

4.2 Impairment charges on financial assets

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

The Bank has not started providing for impairment using the Expected credit loss base on IFRS 9 Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio, when scheduling its future cash flows.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. The use of historical loss experience is supplemented with significant management judgment to assess whether current economic and credit conditions are such that the actual level of inherent losses is likely to differ from that suggested by historical experience. In normal circumstances, historical experience provides objective and relevant information from which to assess inherent loss within each portfolio.

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

Notes to the financial statements *(continued)*

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

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

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

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

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

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

Notes to the financial statements *(continued)*

4.3 Fair value of financial instruments

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

Valuation of financial instruments

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

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

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

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

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

Notes to the financial statements continued

		December 31, 2023 L$'000	December 31, 2022 L$'000
5.1	**Cash and cash equivalent**		
	Cash on Hand	**2,105,618**	2,961,272
	Balance with Central Bank of Liberia other than mandatory reserve	**8,958,150**	2,819,876
		11,063,768	5,781,148
5.2	Cash balances with foreign bank	**1,656,981**	1,440,679
		12,720,749	7,221,827
	Mandatory reserve deposits	**(4,244,986)**	(1,883,851)
	Cash and cash equivalent at December 31,	**8,475,763**	5,337,976

Included in the balances with the Central Bank of Liberia above is an amount of **L$4.24billion at December 31,2023**, (**December 31,** 2022: L$1.88billion) for the Bank mandatory primary reserve deposits representing 15% of both the US$ and L$ 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.	**Financial assets**		
	Treasury bill – CBL	**1,633,446**	1,128,102
	GOL Bond	**811,626**	886,918
	Placement	**1,340,700**	172,000
		3,785,772	2,187,020
7.0	**Loan and advances to customers**		
	Stage 1: 12 months ECL	**16,353,838**	13,416,839
	Stage 2: Lifetime ECL not Credit Impaired	**1,988,399**	1,432,277
	Stage 3: Lifetime ECL Credit Impaired	**1,605,205**	1,151,485
	Gross amount	**19,947,442**	16,000,601
	Stage 1: 12 months ECL	**350,987**	237,760
	Stage 2: Lifetime ECL not Credit Impaired	**540,806**	478,919
	Stage 3: Lifetime ECL Credit Impaired	**780,579**	327,640
	Total impairments	**1,672,372**	1,044,319
	Carrying amount	**18,275,070**	14,956,282

Notes to the financial statements (continued)

		December 31, 2023 L$'000	December 31, 2022 L$'000
7.1	**Loan and advances to customers**		
	Gross loan and advances to customers	**16,353,838**	13,416,839
	Less: Allowance for impairment	**(350,987)**	(237,760)
	Current	**16,002,851**	13,179,079
	Non-current	**2,272,219**	1,777,203
7.2	**Loan loss provision**		
	At January 1,	**1,044,319**	1,269,272
	Charge for the year	**367,705**	233,784
	Loan written off	**-**	(527,618)
	Recovery	**1,885**	68,881
	Foreign exchange effect	**258,463**	-
	At December 31,	**1,672,372**	1,044,319
	12 - month ECL	**350,987**	237,760
	Lifetime ECL not credit impaired	**540,806**	478,919
	Lifetime ECL credit impaired	**780,579**	327,640
		1,672,372	1,044,319

Notes to the financial statements continued

8. Property, plant & equipment

Description	Land L$'000'	Leasehold properties and improvement L$'000'	Building L$'000'	Household furniture and equipment L$'000'	Office furniture and fixture L$'000'	Office equipment L$'000'	Other machinery and equipment L$'000'	Vehicle L$'000'	Total L$'000'
At 1 January 2023	43,826	391,973	188,557	-	122,233	424,944	97,539	117,201	1,386,273
Addition during the period		5,964	-	-	-	24,998	-	11,547	42,509
Transferred		(4,747)	400	-	(56,548)	53,651	(22,692)	-	(29,936)
Disposal		-	-	-	(22,887)	(177,996)	(15,464)	(30,054)	(246,401)
At 31- December-2023	**43,826**	**393,190**	**188,957**	**-**	**42,798**	**325,597**	**59,383**	**98,694**	**1,152,445**
At 1 January 2022	**43,826**	**367,427**	**188,557**	**150**	**106,770**	**388,321**	**84,574**	**87,150**	**1,266,773**
Addition during the period		46,917	-	-	15,464	36,623	12,964	30,051	142,019
Adjustment or reclassification		(22,371)	-	-	-	-	-	-	(22,371)
Disposal		-	-	(150)	-	-	-	-	(150)
At 31- December-2022	**43,826**	**391,973**	**188,557**	**-**	**122,233**	**424,944**	**97,539**	**117,201**	**1,386,272**
Depreciation									
At 1 January 2023	-	111,638	13,285	-	61,697	299,348	74,814	85,015	645,795
Charge for the year	-	16,544	4,171		5,135	42,501	6,533	16,873	91,757
Disposal		-			(23,572)	(176,064)	(17,119)	(30,182)	(246,937)
Transfer	-	13,312	53		(33,216)	42,535	(20,199)		2,484
At 31- December-2023	**-**	**141,494**	**17,509**	**-**	**10,043**	**208,320**	**44,028**	**71,706**	**493,100**
At 1 January 2022	**-**	**91,838**	**9,317**	**147**	**53,785**	**266,474**	**68,016**	**77,388**	566,965
Charge for the year	-	19,800	3,968		7,912	32,874	6,798	7,627	78,979
Adjustments/ reclassification		-	-	3	-	-	-	-	3
Disposal	**-**	**-**	-	**(150)**	**-**	**-**	**-**	**-**	(150)
At 31- December-2022	**-**	**111,638**	**13,285**	**-**	**61,697**	**299,348**	**74,814**	**85,015**	**645,795**
Carrying amount - 2023	**43,826**	**251,696**	**171,448**	**-**	**32,755**	**117,277**	**15,355**	**26,988**	**659,345**
Carrying amount - 2022	**43,826**	**280,335**	**175,272**	**-**	**60,536**	**125,596**	**22,725**	**32,186**	**740,477**

Notes to the financial statements (continued)

		December 31, 2023 L$'000	December 31, 2022 L$'000
9.	**Intangible Assets**		
	Cost:		
	Balance at the start of the period	**213,264**	213,264
	Addition during the period	**31,262**	-
	Disposal	**(14,734)**	
	Balance as at end of the period	**229,792**	213,264
	Accumulated amortization		
	Balance at the start of the period	**89,001**	70,549
	Charge for the period	**24,308**	18,452
	Exchange rate effect	**(14,322)**	-
		98,987	89,001
	Net book value	**130,805**	**124,263**
	Net book value	**124,263**	**142,715**
10.	**Right of Use – Assets**		
	Cost		
	Balance at the start of the period	**879,333**	786,368
	Addition during the period	**15,337**	98,243
	Modification on the lease property	**-**	(5,278)
	Balance as at end of the period	**894,670**	879,333
	Accumulated depreciation - on ROU		
	Balance at the start of the period	**159,821**	135,031
	Charge for the period	**57,464**	53,743
	Exchange rate effect	**-**	(28,953)
	Balance as at end of the period	**217,285**	159,821
	Balance as at end of the period	**677,385**	719,512

Notes to the financial statements (continued)

	December 31, 2023 L$'000	December 31, 2022 L$'000
11.1 Income tax expense		
Current income tax	**90,583**	65,292

11.2 Current income tax

December 31, 2023	Balance as at January 1,	Payments during the period	Charge for the year	Balance at December 31,
	L$'000	**L$'000**	**L$'000**	**L$'000**
Assessment up to 2022	**24,200**	**-**	**78,826**	**103,026**
Payment during the year	**-**	**(64,337)**	**-**	**(64,337)**
	24,200	**(64,337)**	**102,987**	**38,689**

December 31, 2022	Balance as at Jan1,	Payments during the period	Charge for the year	Balance at December 31,
	L$'000	L$'000	L$'000	L$'000
Assessment up to 2021	21,795	-	17,156	38,951
Payment during the year	-	(14,751)	-	(14,751)
	21,795	(14,751)	17,156	24,200

Recognized in the income statements

Current tax expenses:	**L$'000**	L$'000
Current year	**78,826**	17,156
Deferred tax expense		
Origination and reversal of temporary difference	**11,757**	48,106
	90,583	**65,262**

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

	December 31, 2023 L$'000	December 31, 2022 L$'000
Reconciliation of the effective tax rate		
Profit before income tax	**396,843**	287,231
Income tax on profit before tax	**99,211**	71,808
Net movement	**(9,871)**	42,708
Tax impact on temporary difference		
Property, plant and equipment	**(104)**	(72,832)
Non-deductible expense	**1,786**	28,181
Tax incentives	**(439)**	(4,573)
Total income tax expense in Income statement	**90,583**	65,292

11.3 Deferred Tax Assets and liabilities

Recognized Deferred Tax Assets and Liabilities

	2023			2022		
	Asset	**Liability**	**Net**	Asset	Liability	Net
	L$'000	**L$'000**	**L$'000**	L$'000	L$'000	L$'000
Property plant and equipment	**(99,678)**	**-**	**(99,678)**	-	62,849	62,849
Right of use asset/Leased liability		**140,962**	**140,962**	(7,558)	-	-
Intangible assets	**-**	**-**	**-**	-	-	(7,558)
	(99,678)	**140,962**	**41,284**	(7,558)	62,849	55,291

Movement in temporary differences during the year - 2023	**Opening Balance**	**Recognized in the profit and loss**	**Closing balance**
	L$'000	L$'000	L$'000
Property plant and equipment	**62,849**	**162,527**	**(99,678)**
Right of use asset	**(7,558)**	**148,520**	**140,962**
Intangible assets		**-**	**-**
	55,291	**7892**	**41,284**

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

Movement in temporary differences during the year - 2022	Opening Balance L$'000	Recognized in the profit and loss L$'000	Closing balance L$'000
Property plant and equipment	16,277	46,572	62,849
Right of use asset	(625)	625	-
Intangible assets		(7,558)	(7,558)
Unrealized Exchange loss/gain	12,868	(12,868)	-
	28,520	26,771	55,291

		December 31, 2023 L$'000	December 31, 2022 L$'000
12.1	**Other assets**		
	Staff and sundry debtors	**4,622**	4,257
	Prepaid staff benefit	**12,889**	12,104
	Prepayment	**86,270**	82,656
	Other receivables (**note 12.2**)	**1,975,494**	1,415,293
		2,079,275	1,514,310

12.2 Included in the amount for other assets in the financial position as at December 31, 2023 are other receivables detail shown below:

Transfer related services -accounts receivables	**108,347**	137,263
MTN/ Orange Mobile Money Receivable	**732,650**	468
CBL & LRA trnx Receivables	**-**	35,905
Clearing amounts receivable	**666,013**	648,194
Interest receivable - interbank placement	**18,648**	8,935
Interest receivables – reclassified	**252,103**	225,683
Miscellaneous account receivables	**197,734**	358,845
	1,975,494	1,415,293

Notes to the financial statements (continued)

		December 31, 2023 L$'000	December 31, 2022 L$'000
13	**Deposit from Customers**		
	Saving	**13,335,145**	3,047,354
	Demand deposit	**13,744,056**	15,090,939
	Time deposit	**1,220,687**	700,019
		28,299,888	18,838,612
	Current	**27,079,201**	18,138,283
	Non-current	**1,220,687**	700,319
14	**Account payables**		
	Manager's checks	**269,945**	142,056
	Draft & Transfer	**212,865**	191,487
	Interest payable	**11,407**	1,109
	Other payable	**1,462,525**	928,848
		1,956,742	1,264,500
15	**Lease Liabilities**		
	Lease liabilities	**187,817**	144,747
		187,817	144,747
	Current	**4,142**	6,305
	Non-current	**183,675**	138,442
		187,817	144,757
16	**Borrowings**		
	Due to OPIC	**3,770,000**	3,089,800
	Due to LBDI/ RPAL Stimulus	**105,085**	105,085
	Due to Ghana International Bank	-	463,470
		3,875,085	3,658,355

The Bank renewed its previous facility with the US International Development Finance Corporation (DFC)/OPIC for an amount of US$20 million to be repaid over a tenure of (8) years. The facility amount of US$6,000,000 maintained with the Ghana International Bank (GHIB) was fully liquidated during the period. The amounts reported are the outstanding balances of these facilities as the end of the year.

Notes to the financial statements (continued)

		December 31, 2023 L$'000	December 31, 2022 L$'000
17	**Other Liabilities**		
	Accrued expense and others	**38,518**	225,683
	Deferred revenue	**175,146**	158,013
		213,664	383,696
18	**Stated capital**		
	Ordinary share capital	**705,486**	705,486
		705,486	705,486
19	**Interest Income**		
	Loan and advances to customers:		
	Term loan	**1,928,650**	1,534,104
		1,928,650	1,534,104
20	**Interest expense**		
	Saving accounts	**174,686**	136,646
	Time deposits	**41,024**	33,697
		215,710	170,343
21	**Impairment loss on financial assets**		
	Increase/(decrease) in stage 1 impairment on loans - see note 7	**113,253**	237,769
	Increase/(decrease) in stage 2 impairment on loans - see note 7	**61,927**	478,919
	Increase/(decrease) in stage 3 impairment on loans - see note 7	**192,525**	(482,894)
		367,705	233,784
22	**Fees and Commission Income**		
	Fees from transfers	**624,131**	438,611
		624,131	438,611

Notes to the financial statements (continued)

		December 31, 2023 L$'000	December 31, 2022 L$'000
23	**Other Operating Income**		
	Fee income on customer deposit	**219,094**	196,740
	Treasury Bill	**262,666**	146,974
	Interest from GOL	**35,155**	39,508
	Currency trading income	**56,184**	28,554
	Miscellaneous	**47,544**	35,991
		620,643	447,767
24	**Personnel cost**		
	Staff cost	**451,323**	381,502
	Social security contributions	**27,726**	23,509
	Provident fund contribution	**18,982**	15,803
	Other staff related expense	**77,736**	66,244
		575,767	487,058
25	**Occupancy and other property cost**		
	Utilities	**141,016**	121,888
	Expenses on short term rent	**2,394**	-
	Repairs and maintenance - Building and others	**97,378**	79,122
	Security Guard Service	**68,421**	60,695
	Repairs and maintenance - Vehicle	**13,217**	10,643
	Insurance	**184,044**	158,974
	Software maintenance	**33,590**	24,855
		540,060	456,177
26	**Depreciation and Amortization**		
	Depreciation (Note 8)	**91,757**	78,979
	Depreciation on ROU	**57,464**	53,743
	Amortization of Intangible assets (Note 9)	**24,308**	18,452
		173,529	151,174
27	**Finance cost**		
	Interest expense on lease liabilities	**7,145**	6,241
	Interest expense - GHIB	**20,872**	38,762
	Interest expense – DFC/ DFC	**246,230**	109,453
		274,247	154,456

Notes to the financial statements (continued)

		December 31, 2023 L$'000	December 31, 2022 L$'000
28	**Other operating expense**		
	Consultancy	1,872	2,829
	Professional service	38,540	45,760
	License and taxes	67,036	12,382
	Office expense	144,814	109,127
	Scholarship and donation	14,857	10,834
	Foreign travel	24,430	18,690
	Local transportation	13,819	5,577
	Board expense	34,155	27,798
	Miscellaneous expense	273,746	231,657
	Money gram	16,294	15,603
		629,563	**480,257**
29	**Prior Period Adjustments**		
	MTN interest payments revisal – 2022	7,488	
	Correction of misstatement in accum.depr. charge	(1,660)	
	Revisal of penal interest, commitment fees – 2022	36,514	
	Opening bal. diff. in equity	34,944	
	Rectification of depreciation – error	-	(3,510)
	PPE Booked as Spare-parts	-	4,105
	Modification to the ROU Assets	-	16,519
	Revisal of MTN - Interest expense booked twice	-	6,176
	Overstatement of prepaid expenses	-	-
		77,286	23,290

Notes to the financial statements (continued)

30. Related party transactions

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

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

a) Loans and advances to related parties

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

December 31, 2023	Key management personnel (and close family member L$'000	Total L$'000
Loan outstanding at 1 January	**1,241**	1,241
Loan disbursed during the year	**-**	-
Loan repayments during the year	**(1,241)**	(1,241)
Loans outstanding at 31 December 2023	**-**	-
December 31, 2022		
Loan outstanding at 1 January	**4,534**	4,534
Loan disbursed during the year	**13,904**	13,904
Loan repayments during the year	**(17,197)**	(17,197)
Loans outstanding at 31 December 2022	**1,241**	1,241

b) Key management compensation

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

	December 31, 2023 L$'000	December 31, 2022 L$'000
Salaries and other short term employment benefits	75,023	43,874
Post-employment benefits	-	4,171
	75,023	48,046

Notes to the financial statements (continued)

31. Employees

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

	December 31, 2023	December 31 2022
Executive directors	**2**	2
Management	**11**	11
Non-management	**241**	235

Compensation for the above staff: LRD'000'		
Executive directors	**69,180**	37,871
Management	**111,969**	100,141
Non-management	**321,204**	360,833

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:

L$	**December 31, 2023**	December 31, 2022
300,000 – 2,00,000	**223**	206
2,000,001 – 2,800,000	**10**	14
2,800,001 – 3,500,000	**4**	6
3,500,001 - 4,000,000	**1**	5
4,000,001 - 5,500,000	**2**	3
5,500,001 - 6,500,000	**1**	3
6,500,001 - 7,800,000	**4**	5
7,800,001 - 9,000,000	**2**	3
9,000,001 – and above	**5**	1
	-	-

32. Directors' emoluments

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

	December 31, 2023 L$'000	December 31, 2022 L$'000'
Fees and sitting allowances	**34,443**	24,873
Other director expenses	**3,674**	3,089

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, 2023	December 31, 2022
3,400,001 above	**-**	-
	-	-

33. Commitments

a) Capital commitments

The Bank did not have any capital commitment as at December 31, 2023.

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, 2023 was L$**1,198**Million (2022: L$**786** million).

34. Subsequent events

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

Supplementary Data Brief

The financial statements for the year ended December 31, 2023 are presented on pages 19 to 22 in accordance with International Financial Reporting Standards (IFRS Accounting Standards) 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 (2020). 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, 2023

	Notes	December 31, 2023 US$'000	December 31, 2022 US$'000
Assets			
Cash and cash equivalents	5	67,484	46,746
Financial assets	6	20,084	14,156
Loans and advances to customer	7	96,950	96,810
Property, plant and equipment	8	4,577	5,066
Intangible assets	9	754	693
Right of Use asset	10	4,417	4,657
Other assets	12	11,031	9,802
Total Assets		**205,297**	**177,931**
Liabilities			
Deposits from customers	13	150,132	121,940
Account payables	14	10,381	8,185
Deferred Tax Liabilities	11.3	219	358
Lease liabilities	15	996	937
Current income tax liabilities	11.2	316	157
Borrowings	16	20,557	23,680
Other liabilities	17	1,983	2,484
Total liabilities		**184,584**	**157,740**
Equity			
Stated capital	18	12,338	12,338
Share premium		1,009	1,009
Statutory reserve		3,952	3,480
Income surplus		3,414	3,363
Foreign currency translation reserve		-	-
Total equity		**20,713**	**20,190**
Total equity and liabilities		**205,297**	**177,930**

These financial statements were approved by the Directors on April 25, 2024 and were signed on its behalf by:

Pa Macoumba Njie
Chairman
Board of Directors

Henry F. Saamoi
Chief Executive Officer (CEO)

The notes on pages 94 to 122 are an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	Notes	December 31, 2023 US$'000	December 31, 2022 US$'000
Interest Income	19	11,023	10,031
Interest expense	20	(1,233)	(1,114)
Net Interest Income		**9,790**	**8,918**
Net impairment credit on financial assets	21	(2,102)	(1,529)
Net interest income after loan impairment charges		**7,688**	**7,389**
Fees and commission income	22	3,567	2,868
Other Operating Income	23	3,548	2,928
Net Operating Income		**14,803**	**13,185**
Personnel expense	24	(3,291)	(3,185)
Occupancy and other property cost	25	(3,087)	(2,983)
Depreciation and Amortization	26	(991)	(989)
Finance cost	27	(1,568)	(1,011)
Other operating expense	28	(3,598)	(3,139)
Profit before income tax		**2,268**	**1,877**
Income tax expense	11.1	(379)	(427)
Profit after income tax		**1,889**	**1,450**
Other comprehensive income			
Foreign translation difference		-	-
Total comprehensive income for the year		**1,889**	**1,450**

The notes on pages 94 to 122 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

	Share capital US$'000	Share Premium US$'000	Statutory Reserves US$'000	Income surplus US$'000	Total US$'000
Balance as at January 1, 2023	**12,338**	**1,009**	**3,480**	**3,363**	**20,190**
Profit for the year	**-**	**-**	**472**	**1,417**	**1,889**
Dividend paid				**(580)**	**(580)**
Prior period adjustments (Note 29)	**-**	**-**	**-**	**(523)**	**(523)**
Translation difference	**-**	**-**	**-**	**(263)**	**(263)**
Balance as 31 December 2023	**12,338**	**1,009**	**3,952**	**3,414**	**20,713**
					-
Balance as at January 1, 2022	12,338	1,009	3,026	3,420	19,793
Profit for the year	-	-	454	996	1,450
Dividend paid				(494)	(494)
Prior period adjustment	-	-	-	(559)	(559)
Balance as 31 December 2022	12,338	1,009	3,480	3,363	20,190

The notes on pages 94 to 122 are an integral part of these financial statements

STATEMENT OF CASH FLOWS

	Notes	December 31, 2023 US$'000'	December 31, 2022 US$'000'
Cash flows from operating activities:			
Profit before taxations		**2,268**	1,877
Adjustment for:		**-**	-
Depreciation and Amortization	8	**991**	989
Loss (gain) on the sale of PPE		**(2)**	-
Interest expense	27	**1,567**	1,011
Impairment on Loan and Advances	20	**2,102**	1,529
Net Interest income		**(9,790)**	(8,918)
Cash flows from operations before working capital change		**(2,864)**	**(3,512)**
Changes in Loan and Advances		**(2,242)**	(25,947)
Changes in Mandatory Reserve Deposits		**(10,326)**	2,771
Changes in Trading Assets		**(5,927)**	221
Changes in Other Assets		**(1,229)**	5,536
Changes in deposits to Customers		**28,192**	3,073
Changes in Accounts payable		**2,196**	3,759
Changes in Other Liabilities		**(501)**	(325)
Cash generated by/ (utilized in) operating activities		**7,300**	**(14,425)**
Interest received	19	**11,023**	10,031
Interest paid	20	**(1,233)**	(1,114)
Income tax expense	11.1	**(359)**	(155)
Net cash flows from operating activities		**16,731**	**(5,662)**
Cash flows from Investing Activities			
Purchase of property plant & equipment	8	**(243)**	(929)
Acquisition of Intangible	9	**(200)**	168
Adjustment in PPE		**207**	-
Sale proceed from sale of PPE		**2**	-
Right of Use Assets	10	**(88)**	(636)
Net cash generated from/ (used in) Investing Activities		**(322)**	**(1,397)**
Cash flows from financing activities			
Repayment of long term debt		**(3,123)**	17,680
IFRS 16 Lease liability		**59**	533
Cash payments for the interest portion of lease liabilities	27	**(41)**	(41)
Interest paid on the long - term borrowing	27	**(1,527)**	(969)
Dividend declared		**(580)**	(494)
Other adjustment to equity		**(785)**	(559)
Net cash generated from financing activities		**(5,996)**	**16,150**
Net increase in cash and cash equivalent		**10,412**	**9,091**
Cash and cash equivalent as at January 1		**34,552**	25,461
Cash and cash equivalent at Dec	**5.2**	**44,964**	**34,552**

The notes on pages 94 to 122 are an integral part of these financial statements

Notes to the financial statements (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, 2023	Stage 1 US$'000	Stage 2 US$'000	Stage 3 US$'000	Total US$'000
Loans and advances to customers	**84,896**	**7,679**	**4,375**	**96,950**
Gross carrying amount	**86,758**	**10,549**	**8,516**	**105,822**
Loss Allowance	**(1,862)**	**(2,869)**	**(4,141)**	**(8,872)**
	84,896	**7,679**	**4,375**	**96,950**

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

Notes to the financial statements (continued)

At December 31, 2023	Loan to individual	Loans to non-individual	Total
	US$'000	US$'000	US$'000
Loan and advances to customers	10,943	75,815	86,758
Stage 1 - 12 months ECL	10,943	75,815	86,758
Loan and advances to customers	315	10,234	10,549
Stage 2 - Lifetime ECL not credit	315	10,234	10,549
Loan and advances to customers	1,435	7,080	8,515
Stage 3 - Non- performing loans	1,435	7,080	8,515
Total gross loans and advances	12,693	93,129	105,822

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

At December 31, 2023	Loan to individual	Loans to non-individual	Total US$
	US$'000	US$'000	US$'000
Loan and advances to customers	386	1,476	1,862
Stage 1 - 12 months ECL	386	1,476	1,862
Loan and advances to customers	36	2,833	2,869
Stage 2 - Lifetime ECL not credit	36	2,833	2,869
Loan and advances to customers	738	3,403	4,141
Stage 3 - Non- performing loans	738	3,403	4,141
Total allowances	1,160	7,712	8,872

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

Loan and advances are summarized as follows:

At December 31, 2022	Loan to individual	Loans to non-individual	Total US$
	US$'000	US$'000	US$'000
Loan and advances to customers	10,007	76,839	86,846
Stage 1 - 12 months ECL	10,007	76,839	86,846
Loan and advances to customers	252	9,019	9,271
Stage 2 - Lifetime ECL not credit	252	9,019	9,271
Loan and advances to customers	1,242	6,211	7,453
Stage 3 - Non- performing loans	1,242	6,211	7,453
Total gross loans and advances	11,501	92,069	103,570

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

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

At December 31, 2023	Gross Loans US$'000	Collateral US$'000
Against Stage 1 Loans and Advances	**86,758**	**255,921**
Against Stage 2 Loans and Advances	**10,549**	**14,292**
Against Stage 3 Loans and Advances	**8,515**	**16,600**
	105,822	**286,813**

At December 31, 2022	Gross Loans US$'000	Collateral US$'000
Against Stage 1 Loans and Advances	86,846	130,402
Against Stage 2 Loans and Advances	9,271	8,414
Against Stage 3 Loans and Advances	7,453	16,775
	103,570	155,591

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

At December 31, 2023	Term loan	Overdraft	Total
Against Stage 1 Loan and Advances	**US$'000**		**US$'000**
Property	**177,533**	**-**	**177,533**
Others	**78,388**	**-**	**78,388**
	255,921	**-**	**255,921**
Against Stage 2 Loans and Advances			
Property	**10,406**	**-**	**10,406**
Others	**3,886**	**-**	**3,886**
	14,292	**-**	**14,292**
Against Stage 3 Loans and Advances			
Property	**13,481**	**-**	**13,481**
Others	**3,119**	**-**	**3,119**
	16,600	**-**	**16,600**

Notes to the financial statements (continued)

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

At December 31, 2022	Term loan	Overdraft	Total US$
Against Stage 1 Loan and Advances	US$'000		US$'000
Property	90,560	-	90,560
Others	39,842	-	39,842
	130,402	-	130,402
Against Stage 2 Loans and Advances			
Property	7,013	-	7,013
Others	1,401	-	1,401
	8,414	-	8,414
Against Stage 3 Loans and Advances			
Property	11,697	-	11,697
Others	5,078	-	5,078
	16,775	-	16,775

Notes to the financial statements (continued)

33.2.1 Performance profile of loans and advances per CBL prudential guidelines is as follow:

December 31, 2023

Status	**Total count**	**% Total count**	**Value, US$'000**	**% Total value**	**Provision amount US$'000**	**% Total provision**
Current	**1877**	**61%**	**96,298**	**91%**	**3,714**	**44%**
Total current	**1877**	**61%**	**96,298**	**91%**	**3,714**	**44%**
Total performing	**1877**	**61%**	**96,298**	**91%**	**3,714**	**44%**
Substandard	**68**	**2%**	**3,175**	**3%**	**1,484**	**18%**
Doubtful	**29**	**1%**	**4,233**	**4%**	**816**	**10%**
Loss	**1127**	**36%**	**2116**	**2%**	**2,416**	**29%**
Total NPL	**1224**	**39%**	**9,524**	**9%**	**4716**	**56%**
Total Performing & NPL	**3101**	**100%**	**105,822**	**100%**	**8,430**	**100%**

December 31, 2022

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

Notes to the financial statements (continued)

3.3.2.3 Sensitivity Analysis of impairment using IFRS and CBL provisions

December 31, 2023

IFRS Classification	**IFRS Provision US$'000**	**CBL Classification**	**CBL US$'000**
Stage 1	**1,862**	**Current**	**3,714**
Stage 2	**2,869**	**Sub-standard**	**1,484**
Stage 3	**4,141**	**Doubtful**	**1,116**
		Loss	**2,116**
	8,872		**8,430**

December 31, 2022

IFRS Classification	IFRS Provision US$'000	CBL Classification	CBL Provision US$'000
Stage 1	1,539	Current	3,040
Stage 2	3,100	Sub-standard	1,158
Stage 3	2,121	Doubtful	1,433
		Loss	1,385
	6,760		7,016

Notes to the financial statements (continued)
Measurement of financial assets and liabilities

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

December 31, 2023	**Financial Assets** **Held to Maturity** **US$'000**	**Loan and advances** **US$'000**
Cash and cash equivalents	**-**	**58,694**
Cash balances with foreign bank	**-**	**8,790**
Investments	**20,084**	**-**
Loan and advances	**-**	**96,950**
Other assets	**-**	**11,031**
	20,084	**175,465**

	Financial Liabilities: Other financial liabilities **US$'000'**
Deposits from customers	**150,132**
Lease liabilities - operating lease	**-**
Other liabilities	**1,983**
	152,115

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

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

Notes to the financial statements (continued)
Measurement of financial assets and liabilities (continued)

Credit Risk

Credit concentrations
The Bank monitors concentration of credit risk by sector. An analysis of concentrations of credit risk at December 31, 2023 and December 31, 2022 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, 2023	Loans and advances to customers US$'000	Investment US$'000	Other assets US$'000	Cash balances with foreign bank US$'000	Cash and bank balances US$'000
Trade, Hotel and Restaurant	48,908	-	-	-	-
Service	10,123	-	-	-	-
Personal	12,699	-	-	-	-
Trade and Commercial	-	-	11,031	-	-
Public sector		20,084	-	-	-
Construction	14,229	-	-	-	-
Financial services	-	-	-	8,790	58,694
Agriculture	4,503	-	-	-	-
Manufacturing	6,918	-	-	-	-
Mining and Quarrying	898	-	-	-	-
Transportation, Storage and Communication	43				
Other	7,501				
	105,822	20,084	11,031	8,790	58,694

Notes to the financial statements (continued)
Financial Risk Management (continued)

Concentrations of risks financial assets with credit exposure

Industry

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

Notes to the financial statements (continued)
Financial Risk Management (continued)

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, 2023 US$'000	December 31, 2022 US$'000
Neither past due or impair	**86,758**	86,846
The Bank's rating for its customer is shown below:		
Group 1: Customers with no history of default:	**10,549**	9,271
Group 2: Customers with past history of default:	**8,515**	7,453
	19,064	16,724

Loans and advances to customers past due non impaired:

	December 31, 2023 US$'000	December 31, 2022 US$'000
Past due up to 90 days	**1,486**	1,669
Past due by 90 - 180 days	**2,228**	2,503
Past due more	**4,801**	3,281
	8,515	7,453

Notes to the financial statements
Financial Risk Management (continued)
Liquidity risk

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, 2023 and December 31, 2022:

	Bank balances US$'000	Treasury bill US$'000	Total US$'000
December 31, 2023'			
AAA	**58,694**	**20,084**	**78,778**
December 31, 2022'			
AAA	37,422	14,156	51,578

Notes to the financial statements (continued)
Financial Risk Management (continued)
Liquidity risk (continued)

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, 2023 Total**
Financial liabilities	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Deposits from customers	**6,005**	**22,520**	**39,034**	**82,573**	**150,132**
Account payables	**481**	**1,567**	**2,717**	**5,616**	**10,381**
Borrowings	**-**	**-**	**-**	**20,557**	**20,557**
Other liabilities	**-**	**1,983**	**-**	**-**	**1,983**
Total financial liabilities	**6,486**	**26,070**	**41,751**	**108,746**	**183,053**

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

Notes to the financial statements (continued)
Financial Risk Management (continued)

Interest rate risk

The primary components of market risk for the Bank result from interest rate risk and foreign exchange risk.
The table below summarizes International Bank's exposure to interest rate risk. It includes the Bank's financial instruments.

December 31, 2023	**Up to 1yr**	**1-5yrs**	**Over 5yrs**	**Non-Interest bearing**	**Total**
Assets	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Cash and bank balances	**-**	**-**	**-**	**58,694**	**58,694**
Cash balances with foreign bank	**8,790**	**-**	**-**	**-**	**8,790**
Investments	**20,084**	**-**	**-**	**-**	**20,084**
Loans and advances to customer	**-**	**-**	**96,950**	**-**	**96,950**
Other assets	**-**	**-**	**-**	**11,031**	**11,031**
	28,874	**-**	**96,959**	**69,725**	**195,549**
Deposits from customers	**-**	**143,656**	**6,476**	**-**	**150,132**
Account payables	**-**	**-**	**-**	**10,381**	**10,381**
Lease liabilities - operating lease	**-**	**-**	**996**	**-**	**996**
Borrowings	**-**	**-**	**20,557**	**-**	**20,557**
Other liabilities	**-**	**-**	**-**	**1,983**	**1,983**
	-	**143,656**	**28,029**	**12,364**	**184,049**
Total Interest rate repricing gap	**23,480**	**(19,725)**	**68,921**	**57,361**	**11,500**

December 31, 2022	Up to 1yr	1-5yrs	Over 5yrs	Non-Interest bearing	Total US$'000'
Assets					
Cash and bank balances	-	-	-	37,422	37,422
Cash balances with foreign bank	9,324	-	-	-	9,324
Investments	14,156	-	-	-	14,156
Loans and advances to customer	-	-	96,810	-	96,810
Other assets	-	-	-	9,803	9,803
	23,480	-	96,810	47,225	167,515
Deposits from customers		19,725	102,215	-	121,940
Account payables	-	-	-	8,185	8,185
Lease liabilities - operating lease	-	-	937	-	937
Borrowings	-	-	23,680	-	23,680
Other liabilities	-	-	-	2,483	2,483
	-	19,725	125,895	10,668	156,288
Total Interest rate repricing gap	23,480	(19,725)	(29,085)	36,557	11,227

Notes to the financial statements (continued)
Financial Risk Management (continued)

4.6 Financial value of financial assets and liabilities

(a). Financial instruments not measured at fair value

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

	Carrying amount		Fair value	
Financial assets	**December 31, 2023 U$'000**	December 31, 2022 U$'000	**December 31, 2023 U$'000**	December 31, 2022 U$'000
Cash and cash equivalents	**67,484**	46,746	**67,484**	46,746
Investments	**20,084**	14,156	**20,084**	14,156
Loans and advances to customer	**96,950**	96,810	**96,950**	96,810
Total	**184,518**	157,712	**184,518**	157,712
Financial liabilities				
Deposits from customers	**150,132**	121,940	**150,132**	121,940
Account payables	**10,381**	8,185	**10,381**	8,185
Borrowings	**20,557**	23,680	**20,557**	23,680
Other liabilities	**1,983**	2,483	**1,983**	2,483
Total Liabilities	**183,053**	156,288	**183,053**	156,288

Notes to the financial statements (continued)

	In Thousands of United States Dollars	December 31, 2023 US$'000	December 31, 2022 US$'000
5.1	**Cash and cash equivalent**		
	Cash on Hand	**11,170**	19,169
	Balance with Central Bank of Liberia other than mandatory reserve	**47,523**	18,253
		58,694	37,422
5.2	Cash balances with foreign bank	**8,790**	9,324
		67,484	46,746
	Mandatory Reserve Deposits	**(22,520)**	(12,194)
		44,964	34,552

Included in the balances with Central Bank of Liberia above is an amount of **US$22,520** (2022 US$12,194) for the Bank Mandatory primary Reserve Deposits representing 15% of both US$ and LR$ 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.	**Financial Assets**		
	Treasury bill – CBL	**8,665**	7,302
	GOL Bond	**4,306**	5,741
	Placements	**7,112**	1,113
		20,084	14,156
7.	**Loan and advances to customers**		
	Stage 1: 12 months ECL	**86,758**	86,846
	Stage 2: Life Time ECL not Credit Impaired	**10,549**	9,271
	Stage 3: Life Time ECL Credit Impaired	**8,516**	7,453
	Gross amount	**105,822**	103,570
	Stage 1: 12 months ECL	**1,862**	1,539
	Stage 2: Life Time ECL not Credit Impaired	**2,869**	3,100
	Stage 3: Life Time ECL Credit Impaired	**4,141**	2,121
	Total impairments	**8,872**	6,760
	Carrying amount	**96,950**	96,810

Notes to the financial statements (continued)

	In Thousands of United States Dollars	December 31, 2023 US$'000	December 31, 2022 US$'000
7.1	Gross loan and advances	**86,758**	86,846
	Allowance for impairment	**(1,862)**	(1,539)
	Current	**84,896**	85,307
	Non-current	**12,054**	11,503
7.2	**Loan loss provision**		
	At January 1,	**6,760**	8,732
	Charge for the year	**2,102**	1,529
	Loan written of	**-**	(3,777)
	Recovery	**10**	276
	At December 31,	**8,872**	6,760
	12 - month ECL	**84,896**	85,307
	Lifetime ECL not credit impaired	**7,679**	6,171
	Lifetime ECL credit impaired	**4,375**	5,332
		96,950	96,810

Notes to the financial statements (continued)

8. Property, plant and equipment

Description	Land US$'000'	Leasehold properties and improvement US$'000'	Building US$'000'	Household furniture and equipment US$'000'	Office furniture and fixture US$'000'	Office equipment US$'000'	Other machinery and equipment US$'000'	Vehicle US$'000'	Total US$'000'
At 1 January 2023	302	2,680	1,297	-	812	2,926	659	797	9,472
Addition during the period	-	34				143		66	243
Transferred	-	(41)	3		(361)	341	(134)		(193)
Disposal					(153)	(1,140)	(111)	(195)	(1,598)
At 31- December-2023	**302**	**2,674**	**1,300**	**-**	**298**	**2,270**	**415**	**669**	**7,925**
At 1 January 2022	302	2,528	1,297	1	735	2,680	583	600	8,725
Addition during the period	-	307	-	-	101	239	85	197	929
Transferred	-	-	-	-					-
Disposal	-			(1)					(1)
Adjustments/ reclassification	-	(155)	-	-	(24)	7	(9)	-	(181)
At 31- December-2022	**302**	**2,680**	**1,297**	**-**	**812**	**2,926**	**659**	**797**	**9,472**
Depreciation									
At 1 January 2023	-	684	90	-	438	2,108	504	582	4,407
Charge for the year	-	95	24	-	29	243	37	96	524
Disposal	-	-	-	-	(153)	(1,140)	(111)	(195)	(1,598)
Transferred		71	0.28	-	(215)	264	(105)	-	15
At 31- December-2023	**-**	**850**	**114**	**-**	**99**	**1,475**	**325**	**483**	**3,348**
At 1 January 2022	-	567	64	1	387	1,895	460	532	3,906
Charge for the year	-	129	26	-	52	215	44	50	516
Adjustments/ reclassification	**-**	**(12)**		**(1)**	**-**	**(2)**	**-**		(16)
At 31- December-2022	**-**	**684**	**90**	**-**	**438**	**2,108**	**504**	**582**	**4,407**
Carrying amount - 2023	**302**	**1,825**	**1,186**	**-**	**199**	**794**	**89**	**185**	**4,577**
Carrying amount - 2022	**302**	**1,996**	**1,207**	**-**	**373**	**818**	**155**	**215**	**5,066**

Notes to the financial statements (continued)

		December 31, 2023 US$'000	December 31, 2022 US$'000
9.	**Intangible Assets**		
	Cost:		
	Balance at the start of the period	**1,299**	1,299
	Addition during the period	**200**	-
	Disposal	**(93)**	
	Balance as at end of the period	**1,406**	1,299
	Accumulated amortization		
	Balance at the start of the period	**606**	487
	Charge for the period	**139**	121
	Disposal	**(93)**	(2)
		652	606
	Net book value at 31 December	**754**	693
10.	**Right of Use – Assets**		
	Cost		
	Balance at the start of the period	**5,692**	5,410
	Addition during the period	**88**	636
	Modification on the lease agreement	**-**	(354)
	Balance as at end of the period	**5,780**	5,692
	Accumulated depreciation - on ROU		
	Balance at the start of the period	**1,035**	929
	Charge for the period	**328**	351
	Adjustments	**-**	(245)
	Balance as at end of the period	**1,363**	1,035
	Balance as at end of the period	**4,417**	4,657

Notes to the financial statements (continued)

	December 31, 2023 US$'000	December 31, 2022 US$'000

11.1 Income tax expense

Current income tax	**379**	427

11.2 Current income tax

December 31, 2023	**Balance 1 January**	**Payments during the year**	**Charge for the year**	**Balance at December 31,**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Year of assessment - Up to 2022	**157**		**518**	**675**
		(359)	**-**	**(359)**
	157	**(359)**	**518**	**316**

December 31, 2022	**Balance 1 January**	**Payments during the year**	**Charge for the year**	**Balance at December**
	US$'000	US$'000	US$'000	US$'000
Year of assessment - Up to 2021	150		162	312
		(155)	-	(155)
	150	(155)	162	157

Recognized in the income statements

11.2	**Income tax expense**	**US$'000**	US$'000
	Current income tax	**518**	162
	Deferred tax expense		
	Origination and reversal of temporary difference	**(139)**	265
		379	427

Notes to the financial statements (continued)

Income tax expense (continued)

	December 31, 2023 US$'000'	December 31, 2022 US$'000'
Reconciliation of effective tax rate		
Profit before income tax	**2,268**	**1,877**
Income tax on profit before tax	**567**	470
Net movement in temporary difference	**(200)**	265
Tax adjustment prior year diff.	**-**	-
Tax impact of permanent difference:		
Impact on Proceed	**(1)**	(476)
Non-deductible expense	**10**	196
Tax incentive	**3**	(28)
Total Income tax expense in Income statement	**379**	427

11.3 Deferred Tax Assets and Liabilities

Recognized Deferred Tax Assets and Liabilities

	2023			2022		
	Asset	**Liability**	**Net**	**Asset**	**Liability**	**Net**
	US$'000	**US$'000**	**US$'000**	US$'000	US$'000	US$'000
Property plant and equipment	**(377)**	**-**	**(377)**	-	510	510
Right of use asset/Leased liability	**-**	**748**	**748**	-	-	-
Adjustment Recon with Signed Account	-		-	-	-	-
Intangible asset	**(152)**		**(152)**	**(152)**		(152)
	(529)	**748**	**219**	**(152)**	**510**	**358**

Movement in temporary differences during the year - 2023	**Opening Balance**	**Recognized in the profit and loss**	**Recognized in equity**	**Closing balance**
Property plant and equipment	**510**	**(887)**	**-**	**(377)**
Right of use asset	**-**	**748**		**748**
Intangible assets	**(152)**	**-**	**-**	**(152)**
	358	**(138)**	**-**	**219**

Notes to the financial statements (continued)

Income tax expense (continued)

Movement in temporary differences during the year - 2022	Opening Balance	Recognized in the profit and loss	Recognized in equity	Closing balance
	US$'000	US$'000	US$'000	US$'000
Property plant and equipment	200	310	-	510
Right of use asset	(4)	4		-
Adjustment Recon with Signed Account	-	(152)	-	(152)
	196	162	-	358

12. Other assets

Staff and sundry debtors	**25**	28
Prepaid staff benefit	**68**	78
Prepayment	**458**	535
Other Account receivable	**10,480**	9,162
	11,031	9,803

13. Deposit from Customers

Saving	**70,743**	19,725
Demand deposit	**72,913**	97,684
Time deposit	**6,476**	4,531
	150,132	121,940
Current	**143,656**	117,409
Non-current	**6,476**	4,531
	150,132	121,940

Notes to the financial statements (continued)

		December 31, 2023 US'000	December 31, 2022 US'000
14.	**Account payables**		
	Manager's cheques	**1,432**	**926**
	Draft & Transfer	**1,129**	**1,239**
	Interest payable	**61**	**7**
	Other payable	**7,759**	**6,013**
		10,381	**8,185**
15.	**Lease Liabilities**		
	Lease Liabilities	996	**937**
		996	**937**
	Current	**22**	**41**
	Non-current	**974**	**896**
		996	**937**
16.	**Borrowing cost**		
	Due to OPIC	**20,000**	**20,000**
	Due to LBDI/RPAL Stimulus	**557**	**680**
	Due to Ghana International Bank	**-**	**3,000**
		20,557	**23,680**

The Bank renewed its previous facility with the US International Development Finance Corporation (DFC)/OPIC for an amount of US$20 million to be repaid over a tenure of (8) years. The facility with Ghana International Bank (GHIB) was fully liquidated during the period under review. The amount reported are the outstanding balances of these facilities as the end of the year.

Notes to the financial statements (continued)

		December 31, 2023 US$'000	December 31, 2022 US$'000
17.	**Other Liabilities**		
	Accrued expense and others	**1,054**	1,461
	Deferred revenue	**929**	1,022
		1,983	2,483
18.	**Stated capital**		
	Ordinary share capital	**12,338**	12,338
		12,338	12,338
19.	**Interest Income**		
	Loan and advances to customers:		
	Term loan	**11,023**	10,031
		11,023	10,031
20.	**Interest expense**		
	Saving accounts	**998**	894
	Time deposits	**235**	220
		1,233	1,114
21.	**Impairment loss on financial assets**		
	Increase/(decrease) in stage 1 impairment on loans - see note 7	**323**	147
	Increase/(decrease) in stage 2 impairment on loans - see note 7	**(231)**	535
	Increase/(decrease) in stage 3 impairment on loans - see note 7	**2,010**	847
		2,102	1,529

Notes to the financial statements (continued)

		December 31, 2023 US$'000	December 31, 2022 US$'000
22.	**Fees and Commission Income**		
	Fees from transfers	**3,567**	2,868
		3,567	2,868
23.	**Other Operating Income**		
	Fee income on customer deposit	**1,252**	1,286
	Treasury bill	**1,501**	961
	Interest from GOL Bond	**201**	258
	Currency trading income	**321**	187
	Miscellaneous	**273**	236
		3,548	2,928
24.	**Personnel cost**		
	Staff cost	**2,580**	2,495
	Social security contributions	**158**	154
	Provident fund contribution	**108**	103
	Other staff related expense	**445**	433
		3,291	3,185
25.	**Occupancy and other property cost**		
	Utilities	**806**	797
	Expense on short terms rent	**14**	-
	Repairs and maintenance - Building and others	**556**	517
	Security Guard Service	**391**	397
	Repairs and maintenance - Vehicle	**76**	70
	Insurance	**1,052**	1,040
	Software maintenance	**192**	162
		3,087	2,983
26.	**Depreciation and Amortization**		
	Depreciation (Note 8)	**524**	517
	Depreciation on ROU	**328**	351
	Amortization of Intangible assets (Note 9)	**139**	121
		991	989
27.	**Finance cost**		
	Interest expense on lease liabilities	**41**	41
	Interest expense – GHIB	**119**	254
	Interest expense – DFC	**1,407**	716
		1,568	1,011

Notes to the financial statements (continued)

	December 31, 2023 US$'000	December 31, 2022 US$'000
28. Other operating expense		
Consultancy	**11**	19
Professional service	**220**	299
License and taxes	**383**	81
Office expense	**828**	714
Scholarship and donation	**85**	71
Foreign travel	**140**	122
Local transportation	**79**	36
Board expense	**195**	182
Miscellaneous expense	**1,564**	1,515
Money gram	**93**	102
	3,598	3,140

29. Prior period adjustments

	December 31, 2023 US$'000'	December 31, 2022 US$'000'
MTN interest payments - 2022	**40**	-
Reversal of overstatement of accum. depreciation	**(9)**	-
Reversal of penal interest, commitment fees - 2022	**194**	-
Opening bal. diff in equity	**(748)**	-
	(523)	**-**

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 Board. 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, 2023	**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 2022	-	**8**	**8**
Loan disbursement during the period	-	**-**	**-**
Loan repayments during the year	-	**(8)**	**(8)**
Loans outstanding at 31 December 2023	**-**	-	-
December 31, 2022			
Loan outstanding during the period 2022	-	**22**	**22**
Loan disbursement during the period	-	**90**	**90**
Loan repayments during the year	-	**(82)**	**(82)**
Loans outstanding at 31 December 2022	**-**	***8***	***8***

b) Key management compensation

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

	December 31, 2023 US'000'	December 31, 2022 US'000'
Salaries and other short term employment benefits	**398**	284
Post-employment benefits	**-**	27
Termination benefits	**-**	-
	-	

Notes to the financial statements (continued)

30. Employees

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

	December 31, 2023	December 31, 2022
Executive directors	**2**	1
Management	**11**	11
Non-management	**241**	234
Compensation for the above staff:		
Executive directors	**367**	264
Management	**592**	561
Non-management	**1,704**	1,823

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:

US$	**December 31, 2023**	December 31, 2022
1,857 – 12,380	**223**	209
12,381 – 17,332	**10**	14
17,333 – 21,665	**5**	6
21,666 - 24,760	**-**	5
24,760 - 34,045	**3**	3
34,046 - 40,235	**2**	3
40,236 - 48,282	**3**	5
48,283 - 55,710	**4**	3
55,711 – and above	**2**	1
	-	-

31. Directors' emoluments

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

	December 31, 2023 US$'000	December 31, 2022 US$'000
Fees and sitting allowances	**174**	161
Other director expenses	**21**	20
	-	-

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, 2023	December 31, 2022
US$21,046 above	**-**	-
	-	-

32. Commitments

a) Capital commitments

The Bank did not have any capital commitment as at December 31, 2023.

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, 2023 was US$**3.55 million (US$5.11 million, 2022)**

33. Subsequent events

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