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BANK OF SOUTH SUDAN

**REPORTS OF AUDITOR GENERAL & THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2021**



BANK OF SOUTH SUDAN

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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**BANK OF SOUTH SUDAN
GOVERNOR'S FOREWORD**



**Hon. Dr. James Alic Garang
Governor and Chairman
Board of Directors**

The year 2021 saw the global economy beginning to recover from the COVID – 19 shocks as progress with vaccination enabled several economies to re-open and containment measures to be more limited in scope.

However, the recovery remained uneven across sectors, as travel and personal contact services remained restricted. The recovery has also been an even across countries.

As in several other advanced economies, inflation rose significantly during the quarter of the year. In August 2021 the Governor approved a new monetary policy (inflation target) measure. Employment continues to benefit from ongoing normalization of economic activity in the context of a tight labour market and from COVID related support measures.

The current account balance is estimated to have remained in deficit. The hyperinflation indication shows some reductions in the rate. However, the Bank's latest economic projections show that economic activity levels are expected to continue recovering in 2022.

As in past years, the bank continues to participate in EAC, World Bank and IMF virtual meetings related to the Financial Sector. Financial stability issues and the general economic situation were discussed with IMF and World Bank.

In 2021, the Bank carried out further upgrades to its physical as well as IT infrastructure. As regards to virtual infrastructure, while upgrading cybersecurity capabilities. Looking ahead, the Bank will continue to monitor closely the economy and the financial systems and to disseminate its knowledge to the general public.

During the acute phase of the pandemic, Bank of South Sudan intervened on an unprecedented scale to keep financial markets liquid and to preserve the stability of the financial system. Monetary and fiscal policies had to cushion the economic blow. A global shock of this magnitude puts a premium on international cooperation.

On behalf of the Board, I would like to thank the Bank's staff for their continued effort and dedication, especially considering the various challenges created by the pandemic.

**Governor
Hon. Dr. James Alic Garang
Bank of South Sudan**

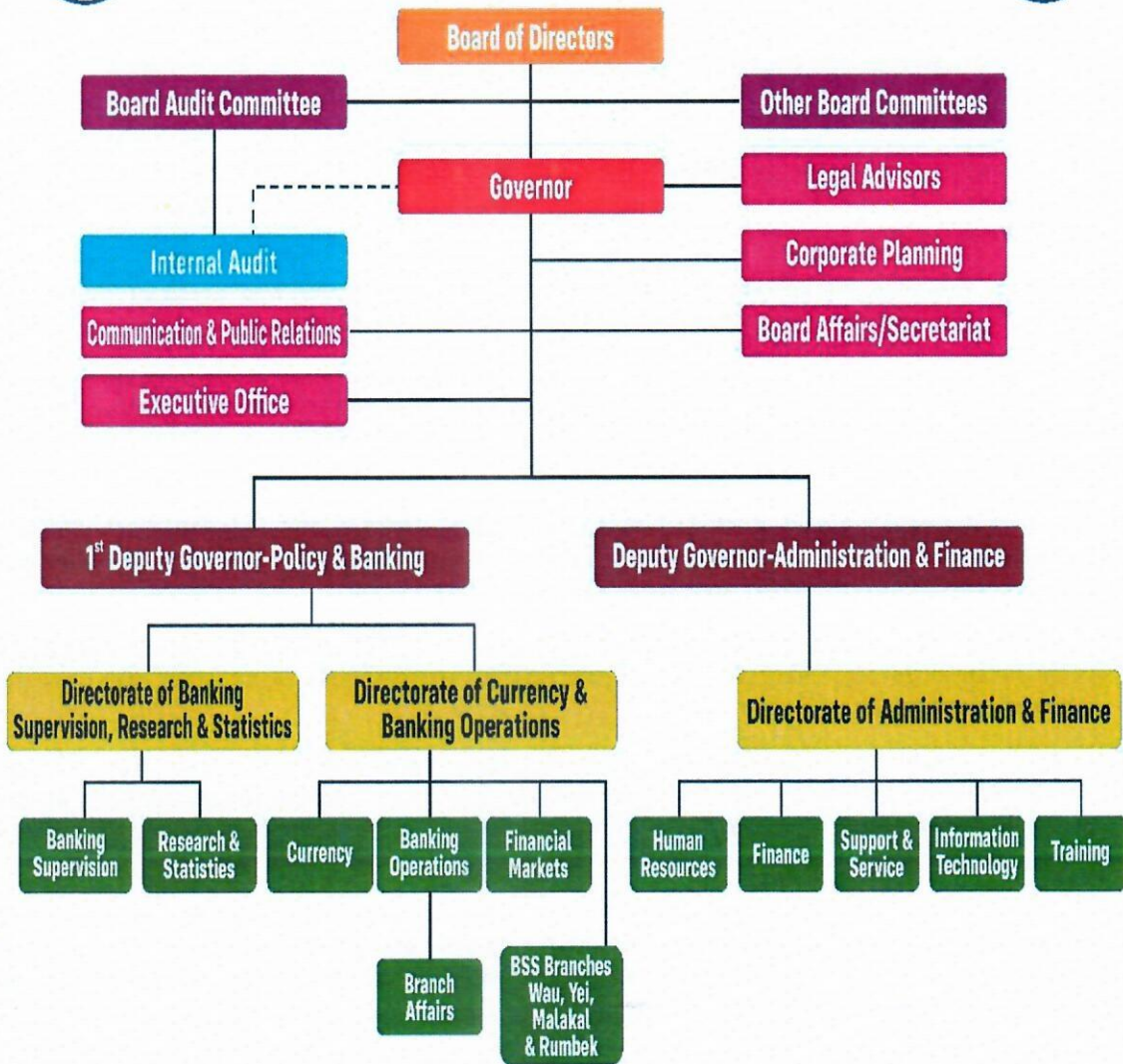




BANK OF SOUTH SUDAN



ORGANIZATIONAL STRUCTURE OF BANK OF SOUTH SUDAN





BANK OF SOUTH SUDAN

BOARD OF DIRECTORS



Hon. Dr. James Alic Garang
Governor, Chairman



Hon. Samuel Yanga Mikaya
1st Deputy Governor



Hon. Nyiel Gordon Kuol
2nd Deputy Governor



Hon. Dr Adil Atanasio Surur
Member of the Board



Hon. Weituy Louny Baboth
Member of the Board



Hon. Tabitha Eliaba Kenyi
Member of the Board



Hon. Wani Buyu
Member of the Board



BANK OF SOUTH SUDAN

A BRIDGED PROFILE OF BOARD OF DIRECTORS



Hon. Dr. James Alic Garang

Governor

Hon. James Alic Garang, the current Governor of the Bank of South Sudan, holds a PhD in Economics from the University of Massachusetts at Amherst, USA. His areas of interest include macroeconomics, development economics, financial development sector, and financial inclusion, especially the role of financial sector in expanding access frontier to Small and Medium-sized Enterprises. Dr. James is widely published in academic journals and has in the past participated in host of professional undertakings, including internships at the African Development Bank in Tunisia (2009-2010), as a lead evaluator on the Banking Sector during the "Comprehensive Evaluation of the Government of South Sudan, 2006-2010", a consultant with the World Bank (2013-2014), and a board member serving on several charitable organizations and academic affiliations as well as a former Ronald McNair Scholar, and a member of Omicron Delta Epsilon. He is also a founder of the Africa Center for Financial Inclusion, a co-founder of The Sudd Institute, a former Deputy Dean of Faculty of Economic & Social Studies at Upper Nile University (2014-2017), a Senior Economist with the Ebony Center for Strategic Studies (2014-2017), and a Senior Advisor to the Executive Director at the IMF Board in Washington, DC (2017-2023).



BANK OF SOUTH SUDAN

A BRIDGED PROFILE OF BOARD OF DIRORS



Hon. Samuel Yanga Mikaya
1st Deputy Governor for Policy and Banking:

Born in 1968, in a small town called Lainya, South Sudan.

Hon. Samuel holds a Bachelor of Accounting from the University of Juba, College of Social and Economic Studies. A post graduate diploma in Finance from the University of Juba, and a master's degree in Infrastructure Management from the University of Makerere, Uganda and Certificates from several institutions of learning.

His work journey started as Assistant Accountant with the Sudan Council of Churches in 1995

And progressed to Chief Accountant at the same organization after which he joined the World Vision in 2005 as Senior Accountant and redeployed as Internal Auditor in the World Vision

Khartoum Sudan Hon. Mikaya later joined the United Nation World Food Program as Senior Finance Officer NOB in Khartoum Regional Office in 2007. Hon. Mikaya later moved to South Sudan and joined the Human Right Commission establishment team as the Director General for Administration and Finance in 2009. In 2019 he joined the Bank of South Sudan as the Director General for Administration and Finance before he was assigned the current job in October 2023.

Hon, Samuel currently is a member of the Board of Trustees of the South Sudan Pension Fund and chairs the Investment Committee of the Board. He is also the Head of Finance in the local Parish Council supervising the investment projects of the Mission Church. He is the current President for South Sudan National Chapter of African Association for Public Administration and Management (AAPAM) a Regional Organization. He also supported the Nile theological College as a tutor of basic accounting and a consultant to the Hugh Pilkington Charitable Trust in Finance.



BANK OF SOUTH SUDAN
A BRIDGED PROFILE OF BOARD OF DIRECTORS



Hon. Nyiel Gordon Kuol

2nd Deputy Governor

Mrs. Nyiel is the 2nd Deputy Governor for Administration and Finance in the Central Bank of South Sudan (Boss). She serves on both the Board Human Resource Committee and the board audit committee.

Hon. Nyiel holds a Bachelor of Management and Accounting from the University of Wales, Bangor, United Kingdom, and a Master of Business Studies from the University of Limerick, Ireland.

Her work experience revolves around research in business-related fields and teaching in higher education, she is currently an assistant professor in the college of management science, at Dr Garang Memorial University and a part-time Assistant at the University of Juba, she worked previously as a researcher and coordinator for teaching evaluation services at the University of Limerick –Ireland, she also presides over a federation of business and professional women-South Sudan an association that assists women in finding employment or becoming self-employed.

Previously, Hon. Nyiel was a non-Executive board member of Directors in Kenya commercial bank (KCB) where she chaired the board Risk committee, and the board Human Resource committee, she was a member of the board audit committee, finance committee, procurement committee, and strategy committee.

She also serves as a senior advisor in the chamber of women entrepreneurs, chamber of commerce –South Sudan, she is also serving as a board member in the following institutions:

concern for women and children, office of the first lady in office of the president; South Sudan China friendship association; juba University enterprise, and South Sudan philosophical society.



BANK OF SOUTH SUDAN

A BRIDGED PROFILE OF BOARD OF DIRECTORS



Hon. Wani Buyu Dyori

Board member

Born on 01/01/1954 in Terekeka, Mr. Wani holds MSc in population, from the Michigan

University Ann Arbor; United States of America 1983-1984 and B-com at Zagazig University in Egypt 1971-1974.

Attended many trainings in Kenya institute of administration -Kenya, pan African Institute

for Development Zambia, Management Development in Khartoum –Sudan, and the

University of Michigan in the United States

Currently a member of the board of Directors, Central Bank of South Sudan,



BANK OF SOUTH SUDAN

A BRIDGED PROFILE OF BOARD OF DIRECTORS



Hon. Adil Athanasiou Surur

Board Member

Born on 1/1/1960, Raga and currently, undersecretary, ministry of higher education, science & Technology, Mr. Adil holds MSc in population statistics –from the University of Gezira and a Ph.D., in population statistics, University of Gezira.

He serves in different places academic and non-academic, Part time and external examination supervisor at the University of Khartoum, Gezira, Ahfad, and police academy, and Secretary-General of Sudanese Demographics Association, Former Minister of Education in Western Bahr El Ghazal State, as well as chairperson of national dialogue in Bahr El Ghazal Region, chairperson in 5th Sudanese population and housing census, 2008, and Secretary General of western Bahr El Ghazal population committee, and a member of the current Board of Directors of the Central Bank of South Sudan.



BANK OF SOUTH SUDAN

A BRIDGED PROFILE OF BOARD OF DIRECTORS



Hon. Weituy Luony Babouth

Board Member

Mr. Luony holds master's degree in Economic Development and policy Analysis from University of Juba, Post Graduate Diploma in strategic studies – Institute for peace, development and security studies and bachelor's degree in science and education physics from Alaxendria

University.

Mr. Luony is an experienced person from long working with different institutions including: government, international organizations, and high-profile oil companies, he had previously been a director of Taxation, Director of Commerce and Supply, Director General of the Ministry of Finance, Inventory Accountant, Senior Program Support.

Furthermore, Mr. Weituy had been serving as state Minister of Finance, Trade, and Industry –Unity State-2013-2015 Minister of Physical Infrastructure and Urban-Unity State-2015-2015. He has also served as Manager of contract, procurement and logistics at the Greater Pioneer Operations Company from May 2012 – July 2013 and Director General at the Ministry of Finance, Trade and Industry in Unity State from May 2003 to Feb 2011.



BANK OF SOUTH SUDAN

A BRIDGED PROFILE OF BOARD OF DIRECTORS



Hon. Dr. Tabitha Eliaba Kenyi

Board Member

Born in Khartoum – Sudan, a former Director of Centre for Human Resource Development and Continual Education –University of Juba.

Dr Kenyi has been an active member of civil society organizations, faith-based organizations, and youth organizations she worked as coordinator of the South Sudan Women Leaders Coalition (2012-2013) under the umbrella Group at All Saint Cathedral, also as secretary of social affair for Women Association UJ (2007-2014) she serves as a board member of governance of the Episcopal University and recently a non-executive member of the Board of Directors at the Central Bank of South Sudan.

Dr Kenyi obtained a Bachelor of Science in Organizational Management from Ahfad University for Women –Sudan-1996 and a Master of Arts in Rural Development from the University of Juba Sudan-2004 and a Ph.D. in Management Science and Engineering from Huazhong University of Science and Technology –Wuhan –China June 2020.



BANK OF SOUTH SUDAN

TOP MANAGEMENT & DIRECTORS



Hon. Dr James Alic Garang
Governor



Hon. Samuel Yanga Mikaya
1st Deputy Governor-Policy &
Banking



Hon. Nyiel Gordon Kuol
Deputy Governor for Administration
& Finance



Mr. Marial Mabeny Bawuor
Director General for Banking
Operations & Currency



Mr. Yeni Samuel Cost
Director General for Banking Supervision,
Research & Statistics



Mr. David Manyuon Nak
Director General for Administration
& Finance



Ms. Gan Samuel Bwogo
Director of Banking Operations



Mr. Deng Aru Bol
Director of Currency



Mr. Onwar Deng Ashobek
Acting Chief Internal Auditor



BANK OF SOUTH SUDAN



Mr. Daniel Gwagwe Lomuja
Director for Training Centre



Mr. Tong Akec Deng
Director Wau Branch



Mr. Bedpiny Tipu Kur
Director Yei Branch



Dr. Majok Kuol Mading
Director of Corporate Planning

Mr. Barac Deng Aguer
Director of Human Resource



Mr. Deng Ngor Thuom
Director for Rumbek



Mr. Abugo Charles Joseph Abate,
Director Research & Statistics



Mr. James Luba Samuel
Director of Information Technology



Mr. John Bullen Andrago
Director for Malakal Branch



Mr. Majok Nikodemo Arou
Director for Communication & Public Relationship



Mr. Ronan Dak Amum
Director of Finance



BANK OF SOUTH SUDAN



Mr. Chan Andrea Chan
Director of Banking Supervision



Mr. Chol Atem Diing
Secretary of Board of Director



BANK OF SOUTH SUDAN

BANK OF SOUTH SUDAN MANDATE, MISSION, VISION, AND CORE VALUES

MANDATE

Bank of South Sudan, the Central Bank of the Republic of South Sudan is a wholly owned by the Government of the Republic of South Sudan. The Bank of South Sudan was established under the Bank of South Sudan Act, 2011. The Bank operates in 4 branches, Juba, Yei, Wau and Malakal.

BANK'S MISSION

The Bank's mission is: To foster price stability, sustainable economic growth, and sound financial system in the Republic of South Sudan through excellent regulatory framework, monetary and exchange rate operations, advisory and banking services.

BANK'S VISION

The vision of the Bank is: "Aspiring to be credible Central Bank in fostering and ensuring price and financial system stability by 2028".

BANK'S CORE VALUES

The Bank embraces the following core values:

Transparency:

we make our decisions and actions clear to customers and stakeholders and scrutiny.

Accountability:

we take responsibility for our decisions and actions.

Professionalism:

we strive to be skilful and competent and deliver quality results with integrity.

Efficiency:

We deliver quality results on time and on budget.

Teamwork:

We work in cooperation and synergy and share skills, knowledge, and experience.



BANK OF SOUTH SUDAN

Executive Summary

This quarterly macroeconomic review presents analysis of key macroeconomic indicators for the Q4 2021. At a glance, this review studies the economic health and the trend of the global and domestic's economy. South Sudan's economy displays significant improvement on ground of rising crude oil price, improves non-oil revenue administration and slight success in Covid-19 vaccine roll program in the subsequent quarters of 2021.

However, the recovery is expected to be uneven and uncertain depending on access to medical interventions, effectiveness of policy support, logistical problems with vaccine distribution, and uncertainty about take-up especially from communities who does not trust the vaccine. Rising bankruptcies could further compound job and income losses as well as deteriorating financial situation that threatens the rollover of existing debts. This is exacerbated further by increased frequency and intensity of weather-related natural disasters, such as floods, heat waves, droughts, and wildfires that is more likely to inflict further humanitarian toll and widespread livelihood loss on many regions in recent years (IMF). IMF has greatly arrested the financial difficulties caused by the pandemic by issuing Rapid Credit Facility package to sterilize financial burden.

The Sub-Sahara Africa region is still struggling with health and economic crisis, which has cost lives and devastated health care systems. As economies pick-up, there's growing demand from key trading partners; steep increases in prices for commodities like oil, minerals and metals; and relaxing containment measures steadfastly amplify economies toward recovery. Rising public debt burdens and limited fiscal space cloud the outlook further. In the East African Region, just like any other region in the world, has continued to suffer from the outbreak of the Omicron variant Q4, 2021.

The sectors that are hit hard are the service, education, tourism and manufacturing sectors. Oil exporting countries also relieved due to increase in crude oil prices in the international market further leading to increasing output growth. Generally, activities are picking up gradually as countries in the region starts to cautiously reopen, with vaccination campaign and rolled gaining attention and spread of locust infections put under control, AfDB, January 2022.

In South Sudan, the situation is compounded by the invasion of floods, uncertainty in crude oil prices and the effects of Omicron variant have greatly impacted economic activities in the Q4, 2021. Other sectors such as service, trade and the health were the most affected by the Covid-19 pandemic related mayhem.



BANK OF SOUTH SUDAN

The positive news is that growth in money supply has slowed at the end of the Q4, 2021 due to government's commitment to maintain zero borrowing from the Bank of South Sudan, Net Foreign Assets have shown signs of improvements and private sector credit has remained strong at the end of the Q4, 2021. Peace dividend and the projected rebound in oil prices support partial economic recovery, with real GDP expected to grow by 1 percent in 2021 and 2.5 percent in 2022, according to African Economic Outlook, AfDB, 2021.

A handwritten signature in green ink, appearing to read 'JAG'.

**Governor
Hon. Dr James Alic Garang
Bank of South Sudan**





BANK OF SOUTH SUDAN

1. GLOBAL AND REGIONAL ECONOMIC OUTLOOK

1.1. Global Economic Outlook

The global economy once again experienced a renewed mobility restriction due to emergence of Omicron Covid-19 variant in the Q4, 2021. This further cast doubts on possible take-off in revamping the supply chain system and much anticipated global economic recovery in the quarter (**Table 1**).

In Q4, 2021, global energy prices soars and inflation grew spontaneously in the Advance Economies (AEs) like U.S. and some emerging market and developing economies exacerbated by increase in demand for petroleum products in the manufacturing sector.

Table 1: Global GDP Growth Rate

(Percent change, unless noted otherwise)	2020	2021	2022	2023
	Estimations.		Projections.	
World	-3.1	5.9	4.4	3.8
Advanced Economies	-4.5	5.0	3.9	2.6
United States	-3.4	5.6	4.0	2.6
Euro Area	-6.4	5.2	3.9	2.5
Japan	-4.5	1.6	3.3	1.8
Emerging & developing economies	-2.0	6.5	4.8	4.7
China	2.3	8.1	4.8	5.2
India	-7.3	9.0	9.0	7.1
Sub-Saharan Africa	-1.7	4.0	3.7	4.0
Nigeria	-1.8	3.0	2.7	2.7
South Africa	-6.4	4.6	1.9	1.4
<i>Consumer Prices</i>				
Advanced Economies	0.7	3.1	3.9	2.1
Emerging Market and Dev. Economies	5.1	5.7	5.9	4.7

Source: IMF, World Economic Outlook database (WEO, Jan 2022)

The IMF January 2022 report indicates global growth to decline from 5.9 in 2021 to 4.4 percent in 2022, and projected 2023 to 3.8 percent, lower than projected in October 2021 World Economic Outlook (WEO). On the other hand, the World Bank, semi-annual outlook, the world economy was forecasted to grow at 5.5 percent in 2021, whereas global growth is expected to decelerate markedly to 4.1 percent in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and supply bottlenecks.

Furthermore, the Organization of Economic Cooperation and Development (OECD), projected global recovery to continue but global GDP growth is expected to moderate over time, from 5.6 percent in 2021 to 4.5 percent in 2022 and just above 3 percent in 2023. Inflation is also projected to be higher in many OECD countries. As a whole, annual consumer price inflation is projected to fall to around 3.5 percent by the end of 2022, from close to 5 percent at the end of 2021 (**Table 2**).

Moreover, the global state of recovery remains significantly imbalanced, with middle-income emerging-market economies and low-income developing countries showing sizeable long-term economic scars from the crisis.

Table 2: OECD Economic Growth Projections

% change	Outturn 2020	May- 2021 Projection	
		2021	2022
World	-3.5	5.8	4.4
G20	-3.1	6.3	4.7
US	-3.5	6.9	3.6
Euro Area	-6.7	4.3	4.4
Japan	-4.7	2.6	2.0
UK	-9.8	7.2	5.5
Brazil	-4.1	3.7	2.5
China	2.3	8.5	5.8
India	-7.7	9.7	8.2



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South Africa	-7.0	2.5	2.5
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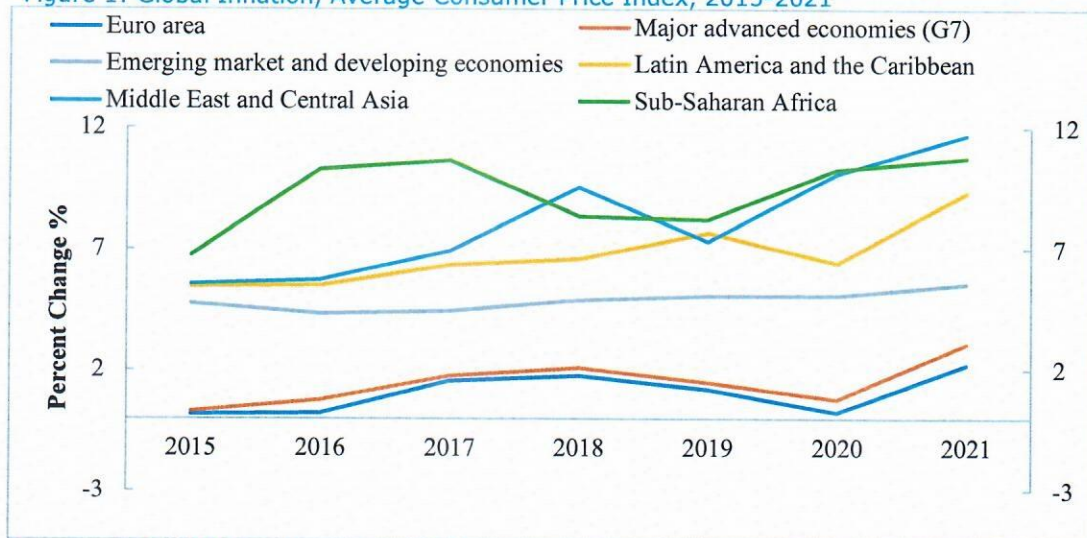
Source: OECD

1.1.1. Global inflation

The soaring global inflations being effects of Covid-19 Pandemic has increasingly pressures AEs, Euro area, Sub-Saharan Africa (SSA), Middle East and Central Asia, Latin America and the Caribbean (Fig 1) the most volatile than the Emerging Markets and Developing Economies (EMDEs) which is moderately stable for the period. The fiscal and monetary policy options employed by different countries have inflationary effects, and central banks are to intensify their mandatory surveillance, supervision and regulatory role.

Economic data indicates inflation has hit recent record highs in economies around the world, with central banks expected to begin tightening monetary policy.

Figure 1: Global Inflation, Average Consumer Price Index, 2015-2021



Source: IMF, WEO Database, Jan 2022

A look at global outlook for activities, inflation has skyrocketed amid full employment by most economies; growth in fiscal stimulus and monetization by central banks. For instance, inflation is expected to increase after the pandemic lock-down. Advanced economies generally expect to subdue inflation in the medium to long run, while, the IMF projected inflationary pressures to pick up in Sub-Saharan Africa because of supply disruptions according to (WEO, Jan 2022).

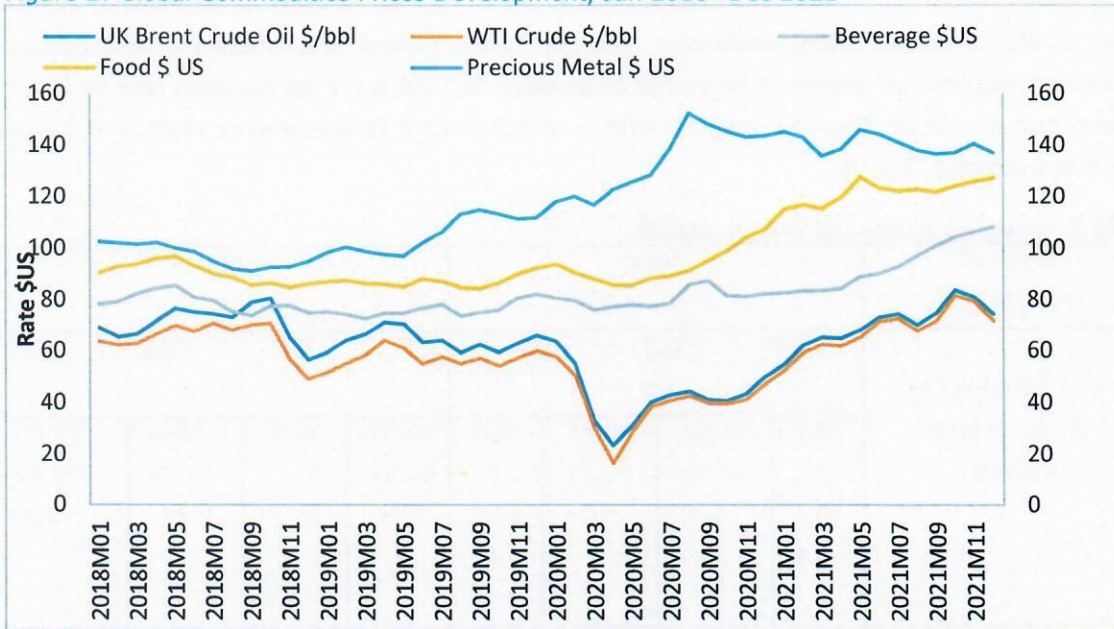
1.1.2. Global Commodities Prices

Global commodities prices boom, particularly crude oil prices and beverages in 2021. Crude oil prices increases rapidly at a time when economies reopened exacerbating demand coinciding with reduction in production by OPEC + members.



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Figure 2: Global Commodities Prices Development, Jan 2018- Dec 2021



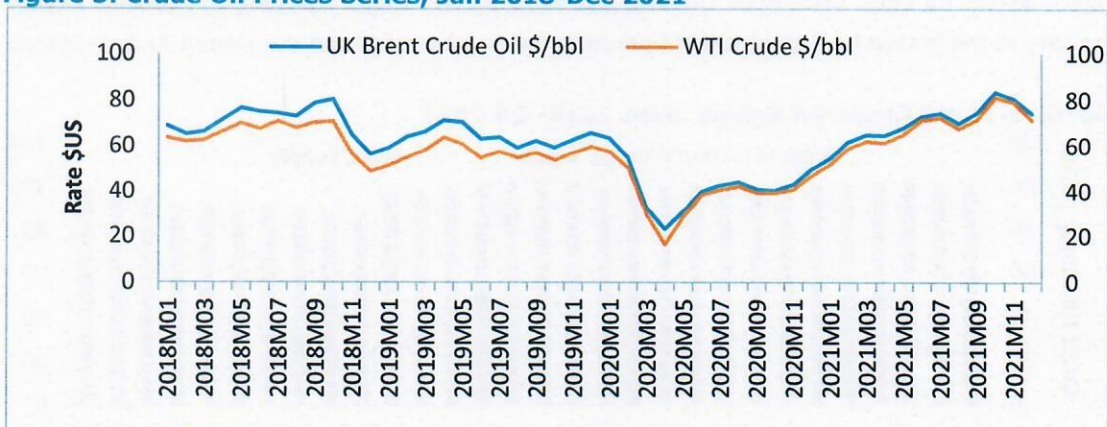
Source: World Bank

1.1.3. Crude Oil Price at a glance

According to Energy International Agency (EIA) 2021 report, the average price for Brent crude oil for Q4 2021 averaged at \$79.58/bbl, up by \$8.83/b from \$70.75/bbl in Q3 2021. The front-month futures price for West Texas Intermediate (WTI) crude oil for delivery at Cushing, Oklahoma, increased by \$7.94/b during the same period, averaged at \$77.34/b in December, Q4 2021.

Crude oil prices have risen over the past year as result of steady draws on global oil inventories, which averaged 1.4 million barrels per day (b/d) during the first three quarters of 2021.

Figure 3: Crude Oil Prices Series, Jan 2018-Dec 2021



Source: World Bank



BANK OF SOUTH SUDAN

Crude oil prices rebounded month on month (M-o-M) in December 2021, gaining about 10.21 percent, supported by robust oil market fundamentals sustained by further recovery of oil demand along with easing COVID-19-related global restrictions. Moreover, worries about natural gas and coal shortages in Europe and Asia boosted sentiment for higher oil demand. The ICE Brent front-month rose \$4.37, or 6.2 percent, m-o-m in September to average \$74.88/b, while NYMEX WTI increased by \$3.83, or 5.7 percent, m-o-m to average \$71.54/b.

Table 3: Selected Crude Oil Prices, \$US/b

Crude oil price(US\$/b)	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Dar Blend Price	23.2	41.52	40.66	51.5	60.95	68.8	70.62	77.45
UK Brent price	3	42.73	42.35	7	64.01	9	73.47	79.59
Discount	34.4	- 0.3	-1.09	57.8	-2.59	71.7	-2.74	-2.74
	-4.4			4		1		
				-1.84		-2.88		

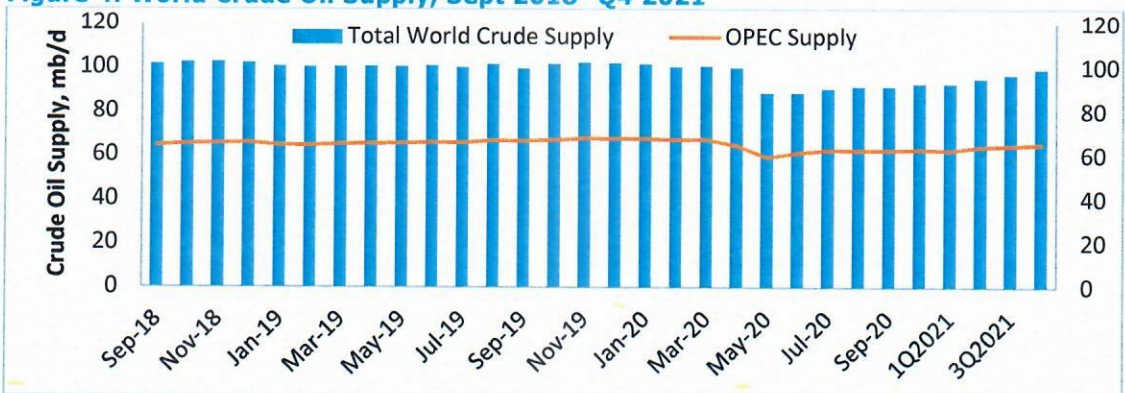
Source: Ministry of Petroleum and Bank of South Sudan calculations

1.1.4. Global Crude Oil Supply & Demand

Despite surging cases of Omicron variant worldwide, International Energy Agency (IEA) reported, crude oil demand defied expectations in Q4 2021. The global demand estimated at 200 kb/d for 2021 and 2022 – resulting in growth of 5.5 mb/d and 3.3 mb/d, respectively – due to softer Covid restrictions.

The global crude oil supply in the same period was headed by Saudi-driven gain of 6.2 mb/d and OPEC+ fully unwinds its cuts. Oil output from OPEC+ rose by 4.4 mb/d resulting in reduced effective spare capacity in the period by 2.6 mb/d held primarily by Saudi Arabia and the United Arab Emirates.

Figure 4: World Crude Oil Supply, Sept 2018- Q4 2021



Source: EIA, Short-Term Energy Outlook, Dec 2021



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1.1.5. OPEC and Non-OPEC Crude Oil Production

The global oil production dropped by 27.02 percent in Q4 2021 from 96.4 million barrel per day in Q3 2021 to 70.53 million per day in Q4 2021, with the decline attributed mainly to fall in production by OPEC and Non-OPEC. OPEC bloc produces 40 per cent of the world's crude oil whereas Non-OPEC produces the remaining 60 per cent. Crude oil prices generally respond to changing expectations of future supply and demand.

Table 4: Selected Crude Oil- Producing Countries

Crude oil production (million barrels per day)	2020			2021			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USA	11.00	10.86	10.42	11.01	11.00	11.03	19.66
Russia	8.6	10.0	10.18	10.5	10.23	11.0	
Saudi Arabia	7.55	0	8.98	8.44	8.76	9.65	11.16
China	4.1	8.85	4.09	4.24	4.16	5.05	9.87
Norway	1.5	4.19	2.13	2.1	2.07	2.03	4.97
South Sudan	0.15	1.99	0.17	0.15	0.16	0.16	2.07
Global Crude oil Output	86.29	0.18	93.12	67.9	83.91	96.64	0.1
		90.7					6
		1					70.5
							3

Source: EIA, Short-Term Energy Outlook, December 2021

The United States crude oil production increased by 78.24 percent from 11.03 million barrel per day in Q3 2021 to 19.66 million barrel per day in Q4 2021, due to strong drawdown of US Light Tight Oil (LTO) drilled but uncompleted (DUCs) wells and higher than expected activity data in recent months. The increase in Crude oil production by US did not impact the overall oil production as it was mainly meant to meet the domestic demand.

The Norwegian crude oil production slightly increased by 1.97 percent in the Q4 2021 compared to Q3 2021. The reason for the variation is attributed to the improved technology of high oil cut in the produced water stream.

The Russian crude oil production has increased by 1.45 percent in the Q4 2021. Meanwhile, China crude oil production shows a declined by 1.58 percent in the same period.

1.1.5. Risk to Global Outlook

In advanced economies, occasional regional restrictions likely cause unnecessary circumstances stem the progression of Omicron strains of the virus. But this was followed by a surge in infections that forced new lockdowns in Q4, 2021. Omicron virus variant and the accumulated human toll raise concerns, even as growing vaccine coverage lifts sentiment.

In EMDEs, vaccine procurement data suggest that effective protection remains unavailable for most of the population in 2021. Lockdowns and containment measures may be needed more frequently in 2022 than in advanced economies, increasing the likelihood of medium-term scarring effects on the potential output of these countries.



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1.2. Regional Outlook

1.2.1. Sub-Saharan Africa

Sub-Saharan Africa, a home to more than one billion people, is set to emerge from the 2020 recession sparked by the COVID-19 pandemic with growth expected to expand by 3.3 percent in 2021, a 1 percent higher than the April 2021 forecast, this is according to the WB latest edition of Africa's Pulse. However, per capita output is not expected to return to 2019 levels until after 2022—where in many countries, per capita incomes will not return to pre-crisis levels before 2025, according to IMF, Jan 2022 report.

Nigeria's African biggest economy by GDP \$514.05USD billion contracted by 1.8 percent in 2020 and is projected to grow by 2.6 percent in 2021—boosted by higher oil prices, output growth and a broad-based recovery in the non-oil sectors.

In Q4 2021, the Purchasing Manager Index (PMI) rose again in November, pointing to firming economic momentum. Meanwhile, in late November, Nigeria's government announced the abolishment of fuel subsidies from mid-2022 onwards.

South Africa's GDP \$329.53USD billions is expected to grow by 5.0 percent in 2021, reflecting a better-than-expected growth in the first half of the year, and level effects from the recent update to its national accounts, which complemented the strong base effects from 2020. However, the outlook has been weighed down by the combined impacts of the Omicron COVID-19 variant and localized social unrest in July. With the pace of structural reforms expected to remain limited and the faster-than-expected rebound in 2021, South Africa will be constrained in its ability to sustain the 2021 growth pace, so growth is expected to slow to 2.2 percent in 2022, (IMF, Oct 2021).

Angola's with GDP \$66.49USD billion is projected to contract by 0.7 percent in 2021 and then grows by 2.4 percent in 2022, ending her six-year recession streak. The 2021 growth has been revised downward significantly since April because of falling investments and recurring technical problems in the oil sector. Non-oil growth will remain the main driver of economic growth, with commerce and agriculture having recovered strongly to above pre-pandemic levels.

Ethiopia's with GDP \$93.97USD billion, growth forecast for FY2021 remains unchanged at 2.0 percent, with growth in FY2022 facing headwinds from the slow pace of vaccination, a possible Omicron variant, and the Tigrayan conflict. An improved external environment supported key exports, foreign direct investment and remittance inflows. The ongoing conflict has increased uncertainty around the country's growth outlook. More so, soaring inflation in Q4 2021 have further weighed on activity.

Ultimately, however, this will require restoring the health of public balance sheets. In the context of limited fiscal space, region-wide deficits are expected to narrow by just over 1.5 percent of GDP in 2021, easing the average debt level back to about 56 percent of GDP (IMF Oct 2021).



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Table 5: Regional GDP Growth Outlook (%)

	2019	2020 estimated	2021 Proj.	2022 Proj.
Africa	3.3	-2.1	3.4	4.6
Sub-Saharan Africa	3.0	-2.6	3.0	3.9
Central Africa	2.9	-2.7	3.2	4.0
East Africa	5.3	0.7	3.0	5.6
North Africa	4.0	-1.1	4.0	6.0
Southern Africa	0.3	-7.0	3.2	2.4

Source: African Development Bank Statistics

1.2.2. East African Community (EAC)

The **EAC** like other alliances, suffered losses related to Omicron variant, derailing tourism and manufacturing sectors. Nevertheless, the economic activities are picking gradually as countries in the region reopened and vaccines rolled and full relaxation of Covid-19 pandemic restrictions.

Kenya with real GDP \$98.84US billion, growth outlook is projected at 5.0 percent in 2021 and 5.9 percent in 2022. The rebound assumes that the economic activity will normalize due to a full reopening of the economy, the Economic Recovery Strategy being successfully implemented, and Kenya capitalizing on an expected improvement in external liquidity and benefiting from initiatives to meet its external financing needs which includes debt refinancing, restructuring, debt service relief, and additional concessional loans.

Inflation is projected to remain within the Central Bank of Kenya's target range of 2.5 percent to 7.5 percent, and fiscal and current account deficits are forecasted to narrow as a result of improved revenue collection and exports.

Tanzania with real GDP of \$62.41US billion is projected to grow by 4.1 percent in 2021 and 5.8 percent in 2022; this is due to improved performance of the tourism sector, the reopening of trade corridors by other countries and the boom in mining sector. Energy and fuel price increase are expected to persist in 2021, rising overall inflation to 3.9 percent in 2021 and 3.4 percent in 2022. The country's total public debt stood at 39.2 percent of GDP in October 2020, with external debt accounting for 73.0 percent of the total.

Uganda with real GDP \$37.37US billion reflecting increase in exports attributed to less stringent measures of omicron variant resulting to household consumption recovery. The rise in demand is already improving business activity, as evidenced by the rise in the Purchasing Managers Index (PMI) to above 50 percent, the threshold for improving business activity.

Tourism remained subdued, but manufacturing, construction, retail and wholesale trade rebound in 2021—though they are likely to remain below pre-COVID-19 levels. The budget deficit remained elevated at 7.3 percent in 2021 and is projected to decline in the medium term to about 6.0 percent in 2022. The need for investment in infrastructure such as roads, power, and water, continued to drive the deficit.

Rwanda with real GDP of 10.33\$US billion, growth is projected to rebounded 2021 and 2022, supported by high infrastructure spending on Bugesera airport and a pickup in the tourism sector as the effects of the pandemic dissipate. Inflation is expected to abate within the policy target as reopened borders increase the food supply and domestic containment measures ease further. The fiscal deficit is projected



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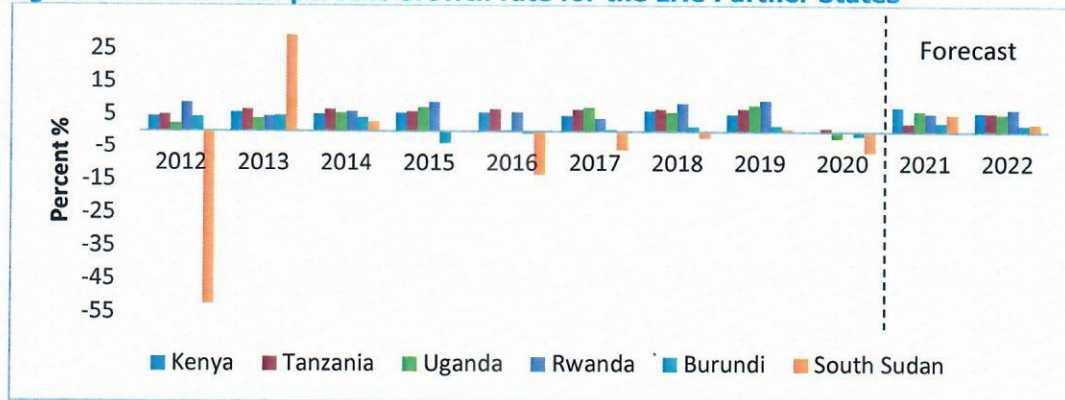
to narrow to 7.8 percent of GDP in 2021 and 7.2 percent in 2022 due to a planned fiscal consolidation in the 2021/22 fiscal year.

The current account deficit is projected to narrow to 10.4 percent of GDP in 2021 and further improve to 9.1 percent in 2022, mainly because a rollout of COVID-19 vaccines trigger a rebound in tourism and foreign direct investment. The downside risks to the outlook include trade disruptions due to simmering regional political tensions, a decline in the fiscal space due to a rising debt burden, and a resurgence of the COVID-19 virus.

South Sudan's real GDP of **24,259.3SSP** million (2019), economic recovery is sustained by the 2018 Revitalized Peace Agreement, improvement in non-oil revenue collection in 2021 and rising crude oil prices. Economic activities were disrupted by measures to contain the spread of COVID-19—social distancing, and restrictions on movement and business operating hours. A peace dividend, the projected rebound in oil production and exports support partial economic recovery, with real GDP expected to grow by 0.1 percent in 2021 and 2.5 percent in 2022; this is according to African Economic Outlook, AfDB, 2021.

Inflation stood at 12.67 percent in Q4 2021, signaling a significant drop in inflation rate. Public financial management reforms and the recovery of global oil prices reduced the fiscal deficit to 1.2 percent of GDP in 2021, with external borrowing expected to bridge the public financing gap. The current account deficit narrowed to 2.3 percent of GDP in 2021 because of improved oil revenue. However, slow implementation of the Revitalized peace accord, impact of climate change (floods), and insecurity are the main downside risks to the growth outlook.

Figure 5: GDP Annual percent Growth rate for the EAC Partner States



Source: IMF World Economic Outlook database (WEO, April 2021)



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1.2.3. EAC Inflation at a glance

The inflation in the region remained stable and lies within the EAC benchmark of 8 percent in Q4 2021, except for South Sudan and Burundi. This is evidenced by (table 6) below.

Table 6: Inflation Rate for EAC Partner States (% Change)

	2020			2021			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rwanda	9.0	9.0	5.0	2.0	0.3	-0.07	1.9
Tanzania	3.2	3.1	3.2	3.2	3.6	4.0	4.2
Uganda	4.1	4.54	3.56	5.3	0.42	2.2	2.9
Kenya	4.59	4.2	5.62	5.9	6.32	5.52	5.7
Burundi	-	-	-	-	-	-	9.9
South Sudan	9.75	6.00	58.08	18.96	18.3	5.05	12.67

Source: NBR, BOT, BOU, CBK and Bank of South Sudan

1.2.4. EAC Exchange Rates Movement

On the spot foreign currency exchange market, the US dollar has appreciated against the South Sudanese Pound (SSP) in Q4 2021. Whereas the Kenya and Ugandan shillings witness moderate appreciation against the US Dollar as illustrated in **table 7** below

Table 7: Exchange Rates Quarterly averages for the selected EAC partner States

Selected EAC	2020			2021		
	Q3	Q4	Q1	Q2	Q3	Q4
Ksh/USD	108.41	110.59	109.8	107.3	111.29	111.9
Ugx/USD	3695.1	3,666.50	3624.3	3557	3553.48	3550
SSP/USD	402.16	572.22	619.14	501.79	406.74	440.5

Source: Bank of Uganda, Central Bank of Kenya and Bank of South Sudan

On average the exchange rate stabilized in the region at the end of the Q4 2021. This is due to increase in exports receipt induced by relaxing of Covid-19 restrictions; increase in commodities prices especially crude oil.

1.3. Risks to Regional Outlook

The pandemic continues to exert an enormous toll on sub-Saharan Africa (especially, for countries such as Ghana, Kenya, Nigeria, South Africa). Following the largest contraction ever for the region (-1.9 percent in 2020), growth is expected to rebound to 3.4 percent in 2021, significantly lower than the trend anticipated before the pandemic. Tourism-reliant economies are the most affected during the pandemic. Other risks include overdependence on the volatile oil sector, high public debt, weak institutions, and political uncertainty.



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DOMESTIC ECONOMIC OUTLOOK

Overview

South Sudan's economy is reduced by mixed of catastrophes such as Omicron variant, communal conflict, truck driver's strikes and floods effects continue to undermine economic recovery and development. In particular, Greater Upper Nile region is the epicenter of floods in the Q4 2021. The flood consequently jeopardize livelihood, crops, and livestock eroding gain in agriculture sector employing more than 80 percent of South Sudanese population. The increase in the global crude oil prices positively increases government revenue, hence narrowing the budget deficit. Other sectors such as service, trade and health were mostly affected by the Covid-19 pandemic.

Nonetheless, events such as Rapid Credit Facility (RCF) supported by the IMF in Q2 2021, maintenance of the Revitalized peace agreement, easing of travel restriction, growths in world crude oil prices and near recovery of economic activities paint a gleam of hope at the end of Q4 2021. During the period, key macroeconomic variables, that is; foreign exchange rate and inflation rate remain stable and sustainable.

2.1. Fiscal Sector

Overview

In the Q4 2021, South Sudan witness growth in revenue attributed to increase in oil and the non-oil revenues. The increase in the non-oil revenue is associated with the reforms by National Revenue Authority (NRA). The reforms by the NRA included adjusting the exchange rate being used for assessing custom duties (from 45 SSP/US\$ to 90 SSP/US\$) as a first step toward aligning it with the exchange rate prevailing in the market that is currently over 437 SSP/US\$, increasing the custom duty rates on several products (consistent with our commitment to align our external tariffs with the rates prevailing in the East African Community, of which we are a member) and further digitalization of the tax system. The increase in the oil revenue was attributed to increase of global oil prices in line with the lifting of COVID-19 mobility restrictions and opening up of the global economies.

On the expenditure side, there are currently a number of reforms to ensure proper utilization of fund under the Public Financial Management (PFM). This coupled with ongoing implementation of the Revitalized peace agreement—expected to weigh positively to South Sudan macroeconomic outlook.

2.1.1. Revenues

The Government of South Sudan depends mainly on oil and non-oil revenues. The oil revenues comprises of 92 per cent of total revenue which comes from government entitlement of crude oil and shares holding from petroleum companies. On the other hand, non-oil revenue consists of Personal Income Tax (PIT), Value Added Tax (VAT), excise duties and commissions. (See table 8 below showing summary of revenues estimates and outturns from the preliminary fiscal budget of 2021/2022.



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Table 8: Summary of Revenue Outturns Compared to Fiscal Budget Estimates 2021/2022

SSP million	Prel. Budget Est. FY 2021/2022	Quarterly Target	Prel. Outturn Q3 2021
Net Oil Revenue	589,677.0	147,282.98	186,218.6
Non-Oil revenue	58,249.0	14,562.25	21,143.67
Of which:			
PIT	22,557.51	5,639.38	8153.8
Sales Tax/VAT	9,371.11	2,342.78	1,811.18
Excise	10,567.74	2,641.93	3,855.69
Business Profit Tax	5,390.46	1,347.61	6,269.86
Customs	7,611.72	1,902.62	1,053.14
Other Revenue (fees, licenses,)	2,750.47	687.62	-
Memorandum item			
Budget	155,874	38,968.5	

Source: RSS, Ministry of Finance and Planning preliminary budget estimates and BSS Calculations

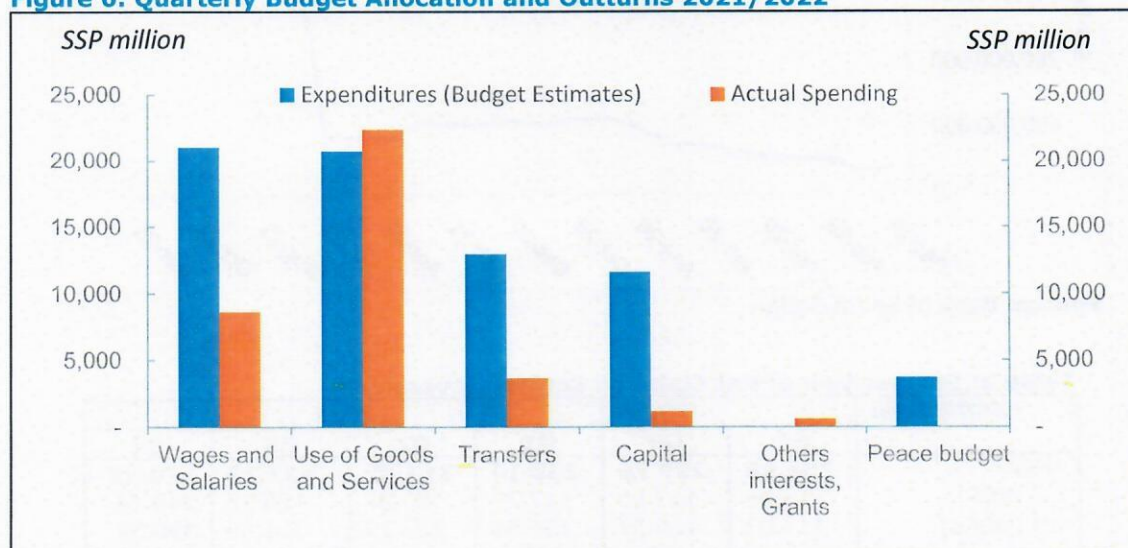
Non-oil revenue is above the quarterly target. Total of SSP 21,143.67 million was collected by the end of the Q4 2021 compared to the preliminary budget estimate of SSP 14,562.25 million of the quarterly targets 2021. This represents a surplus of about SSP 6,581 million by the end of the quarter. This better than expected performance is mainly due to the reforms taking place in the NRA including but not limited to digitalization of the tax collection as well as widening of the tax base.

The oil sector is also performing well at the end of the Q4 2021 supported by increase in oil prices in the international market.

2.1.2. Expenditures

South Sudan government expenditures for the Q2 of FY2021/22 amounted to SSP36, 628 million- an amount less than half of the targeted amount of SSP 109, 095 million. (Figure 7 below shows preliminary expenditures for the Q2 of the fiscal year 2021/2022 compared to the approved spending plan of the same period).

Figure 6: Quarterly Budget Allocation and Outturns 2021/2022



Source: Ministry of Finance and Planning and Bank of South Sudan preliminary estimates

Figure 7 above shows budget for use of goods and services and other interest payments were all over spent at the end of the Q4 2021 (herein referred to as Q2, 2021/22 in fiscal year calendar). While the actual spending for wages and salaries, capital investment, transfer and grants are below the quarterly budget of 2021/22. This could be due to delayed payment of wages and salaries.



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As the economy is recovering slowly from the covid-19 induced contraction as well as fall in prices of crude oil, authorities need to priorities payment of civil servants as this will boost domestic demand and in turn helping in the recovery. (See figure 7 above).

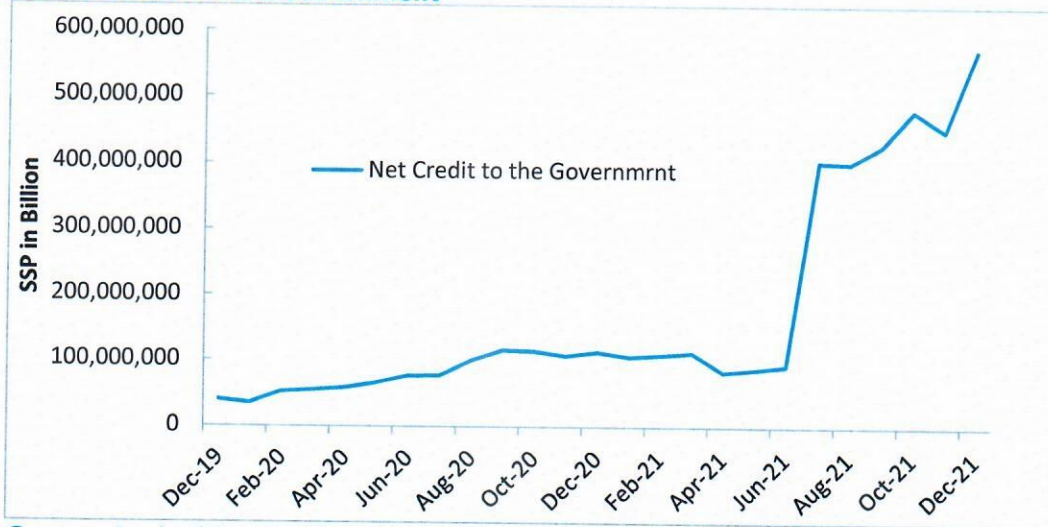
2.1.3. National Debts

A South Sudan national debt consists of domestic and foreign borrowings by the Central Government. The domestic debt comes primarily from financial institutions, including arrears from the Bank of South Sudan and the private sector. Meanwhile, foreign debt mainly comes from bilateral international financial institutions such as the World Bank, the African Development Bank and China Exim Bank.

2.1.4. Domestic Debt

Domestic borrowing by the Central Government has grown significantly at the end of the Q4 2021. This is due to increase in temporary government advance at the end of the Q3 2021. Note that the government committed to a policy of zero borrowings from the central bank. It increased to an average of SSP 427.12 billion at the end of the Q4 2021 from about SSP 314.07 billion at the end of the Q3 2021 (See figure 8 and table 9 below).

Figure 7: Net Credit to the Government



Source: Bank of South Sudan

Table 9: Composition of Net Claim on Central Government

SSP billion	2020		2021			
	Q3	Q4	Q1	Q2	Q3	Q4
NCG	232.98	239.76	248.14	314.07	427.12	570.99
CG (BSS)	115.95	113.40	112.29	80.87	125.16	240.44
CG (ODCs)	117.03	126.37	135.85	233.19	301.96	330.55
In percentage of quarterly growth						
NCG	20.01	2.91	3.50	26.57	36.00	33.68
CG (BSS)	51.24	-2.21	-0.98	-27.98	54.76	92.11
CG (ODCs)	-0.38	7.98	7.51	71.65	29.49	9.47

Source: Bank of South Sudan



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2.1.5. Foreign Debt

Government of South Sudan foreign debt comprises of multilateral and bilateral. Multilateral loans come from institutions such as the World Bank, African development bank and the IMF. Bilateral loan comes from institutions such as Qatar National Bank, Afrexim Bank and from oil companies in the form of oil advance among others.

The information on debt position should be used with caution because the numbers keep changing when the government meets the contractual obligation repaying part of the loans.

Multilateral debts amount to USD 328 million and representing about 14.07 per cent of overall debts, bilateral debts amount to USD 150 million representing 6.44 per cent of the country's' debts and commercial debts amount USD 1,853 million representing 79.49 per cent of total debts. See table 10 below

Table 10: South Sudan Outstanding Public Debts (June 2021)

<i>million USD</i>	Original Loan	Percentage of total loan
Multilateral Creditors	328	14.07
IMF	227	9.74
World Bank (IDA)	82	3.52
AfDB	19	0.82
Bilateral Creditors	150	6.44
China Exim Bank	150	6.44
Commercial Creditors	1,853	79.49
Qatar National Bank	652	27.97
AFREXIM Bank	525	22.52
Oil Related Debts (Advances)	676	29.00
Total	2,331	-

Source: Ministry of Finance, IMF and BSS estimates

1.1. Outlook for Oil

2.1.6.1. Oil Production

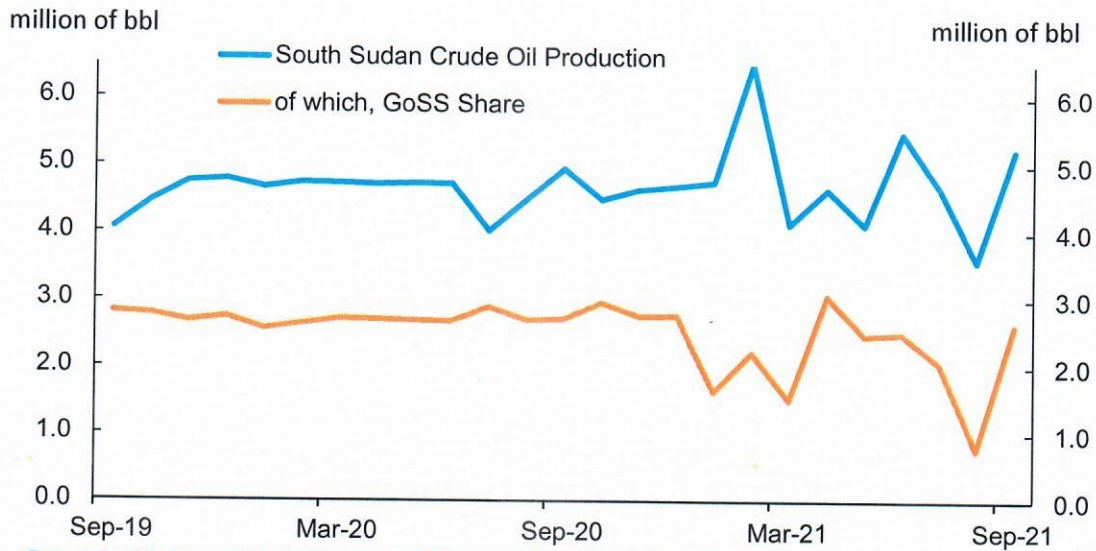
South Sudan is experiencing a rapid decline in oil output, with its oilfields yielding less crude after reaching maturity. The country's crude output now stands around 160,000 barrels per day (bpd) in 2021, compared with 180,000 bpd in 2019 and 2020.

The high volatility between South Sudan total crude oil production and government of South Sudan share is due to the repayment of debts in kind by the government. It's also worth noting that occasionally, Transitional Financial Arrangement (TFA) to Sudan and oil producing companies is done in kind (that, they take crude).



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Figure 8: South Sudan Crude Oil Production (millions of barrel)



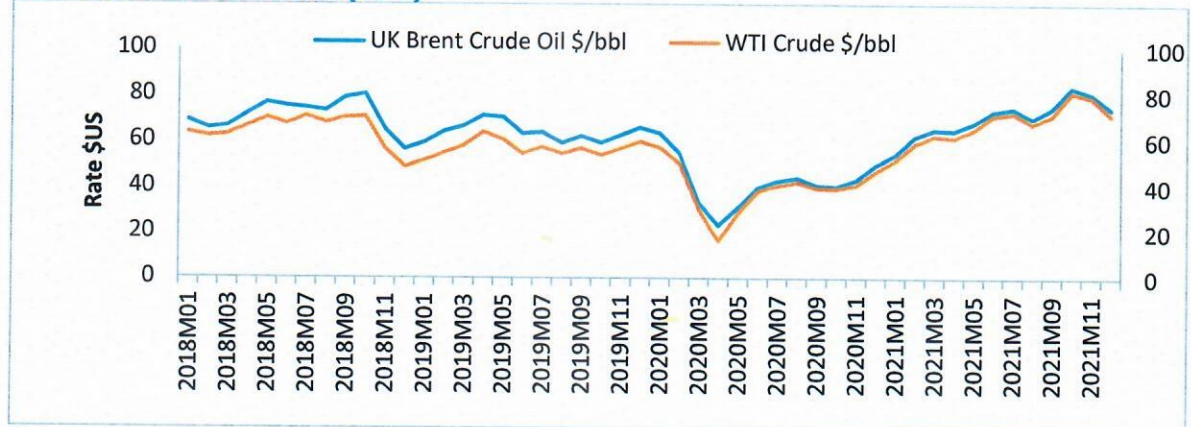
Source: Ministry of Petroleum and Bank of South Sudan Calculations

Figure 9 above also shows the divergence between total crude oil production and GoSS share. The difference comes with the payment of oil advances, TFA to Sudan and other related loan obligations by the Government of South Sudan.

2.1.6.2. Crude Oil Prices

Brent crude oil spot prices averaged \$77.28 per barrel in December, up by \$2.5/b from September 2021. Brent spot prices have risen from their September average to more than \$81.32/b in December 2021. We expect Brent crude oil prices to remain near current levels for the remainder of 2021. The higher forecast reflects our expectation that global oil inventories will fall at a faster rate than previously expected owing largely to lower global oil supply in late 2021 across a range of producers.

Figure 9: Crude Oil Prices (USD)



Source: Ministry of Petroleum and the Bank of South Sudan



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2.2. Real Sector

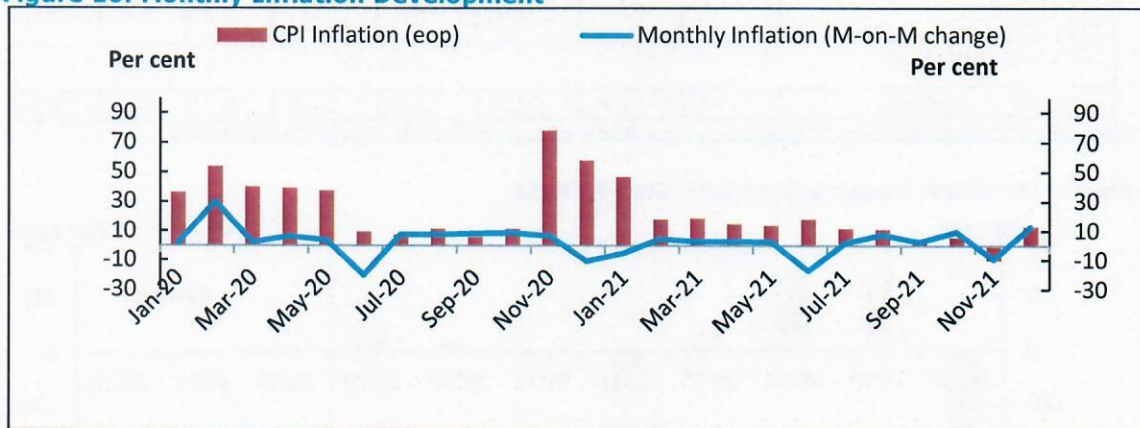
Overview

Despite rising global crude oil prices in the Q4 2021, climate change (floods) and Omicron variant, communal conflict still have enormous effects on South Sudan economy. However, government had committed to policy reforms as a means to restoring economic stability toward achieving sustainable economic growth and development.

2.2.1 Inflation Developments

According to NBS report, inflation has decreased to an average of **12.67** percent in the Q4 2021, compared with 5.05 per cent in Q3 2021. The prices of food, alcoholic beverages and tobacco, non-alcoholic beverages, health, restaurants and hotels services all shows signs of stability at the end of the Q4 2021.

Figure 10: Monthly Inflation Development



Source: South Sudan National Bureau of Statistics and Bank of South Sudan calculation

Food accounts for about 70 per cent of the overall Consumer Price Index (CPI) and ranking the top. Most of the food commodities consumed in South Sudan are imported from neighbouring countries especially the East African partner states of Uganda and Kenya and occasionally Sudan. As a result, the CPI inflation component still have elements of imported inflation from these countries, any disturbance in the food prices in Uganda or other EAC Countries trading with South Sudan definitely affect domestic prices. It was observed that the prices of commodities in the EAC partner states such as Uganda, Kenya and Tanzania remained stable in the Q4 2021.

Table 11: South Sudan Quarterly Inflation

Consumer Price Index (CPI)	2020		2021		
	Q4	Q1	Q2	Q3	Q4
Headline	16840.60	17277.61	15173.58	17028.78	18224.29
Core	10861.76	10027.24	8740.83	16642.07	9441.25
Food	10697.56	12027.26	15287.41	17187.03	13377.24
Inflation (% eop)					
Headline	58.03	18.96	18.34	5.05	11.36
Core	-	1.53	9.65	115.54	-13.75
Food	3.25	34.52	93.56	41.8	-1.97
Monthly inflation (headline)	0.67	3.17	-17.20	2.44	12.67
	-	-	-	-	-
	10.72	-	-	-	-



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Source: NBS and Bank of South Sudan

2.2.2. GDP Performance

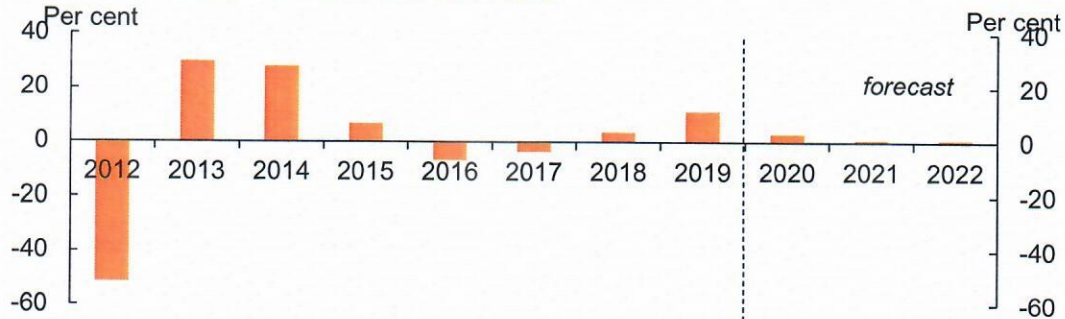
South Sudan's economic recovery driven by the 2018 Revitalized Peace Agreement and rising oil prices suffers from the floods, inter-communal conflict and post- COVID-19 pandemic menace, like Omicron variant. From the supply side, the agriculture sector was badly affected by the ongoing devastating flooding in some parts of the Greater Upper Nile Region. Table 12 below shows the annual percentage changes of National Accounts Aggregates based on 2009 base year prices.

Table 12: Summary of Some Key National Accounts Aggregates

National Accounts Aggregates	Pre. est.					Forecast		
	2015	2016	2017	2018	2019	2020	2021	2022
2009 base year prices								
Gross Domestic Product	7.9	-7.0	-3.7	3.8	11.4	3.1	1.0	1.0
Oil sector	-1.38	-17.0	-8.92	5.75	10.1	1.1	1.0	1.0
Non-oil GDP	11.6	-3.5	-2.1	3.3	11.7	1.1	1.0	1.0
Memorandum Item								
Population (million)	11	11.4	11.9	12.4	12.9	13.4	13.6	13.8

Source: National Bureau of Statistics and Bank of South Sudan Staffs Calculations

Figure 11: South Sudan's Real GDP Growth Rate



Source: National Bureau of Statistics and Bank of South Sudan Estimates



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1.3. Monetary Sector

Overview

The pace of growth in money supply has increased at the end of Q4 2021 driven mainly by increase in the growth of currency outside depository cooperation, transferable deposits and other deposits. The Net Foreign Assets (NFA) of the country has much declined at the end of Q4 2021 supported by the increase in liabilities to non-residents which doubled the claims on residents. Private sector credit has continued to expand but at faster phase. It increased by about more than **89.56** percent on annual basis at the end of Q4 2021. The increase is mainly driven by an increase in demand for manufacturing, energy and water, foreign trade, financial services and household sector.

2.3.1. Money Supply

The growth rate of money supply (M2) has much increased at the end of Q4 2021 compared to Q3 2021. It increased to an average of 16 percent in Q4 2021 from 5 percent in Q3 2021. In nominal terms, it increased from SSP 279.52 billion in Q3 2021 to SSP 323.74 billion in Q4 2021. The increase is mainly driven by growth in transferable deposits and other deposits. Transferable deposits increased from SSP188.49 billion at the end of Q3 2021 to SSP 213.23 billion at the end of Q4 2021 and other deposits increased from SSP20.38 billion in Q3 2021 to SSP21.75 billion at the end of Q4 2021. Currency outside depository corporations has increased by 26 percent in Q4 2021. (See table 13 below on developments in money supply and its components).

Table 13: Money Supply and its Components

<i>SSP billion</i>	2021			
	Q1	Q2	Q3	Q4
Money Supply	229.16	267.42	279.52	323.7
Currency outside depository corporations	88.10	73.54	70.66	4
Transferable deposits	129.99	173.67	188.49	88.77
Other deposits	11.07	20.21	20.38	213.23
				21.75
<i>In percentage (Quarterly Growth)</i>				
Money Supply	9.82	16.70	4.52	16
Currency outside depository corporations	0.43	-16.53	-3.92	26
Transferable deposits	17.28	33.60	8.53	13
Other deposits	9.56	82.62	0.82	7

Source: Bank of South Sudan

2.3.2. Net Foreign Assets

Net Foreign Assets (NFA) of the country has decreased from SSP -284.36 billion at the end of Q3 2021 to SSP -325.09 billion at the end of Q4 2021. This is mainly due to increase in liabilities to non-residents from 79.50 per cent in Q3 2021 up by 5.78 per cent in Q4 2021. This accrued from increase of non-resident deposits and loans from non-residents; this has caused liabilities to non-residents to exceed claims on non-residents.



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Table 14 below shows Net Foreign Assets quarterly movements and other components over the last two quarters.

Table 14: NFA Components

billions SSP	2021			
	Q1	Q2	Q3	Q4
Net foreign assets	-101.35	-	-	-
Claims on nonresidents	80.52	169.04	284.3	325.0
Less: Liabilities to nonresidents	181.87		6	9
		143.08	275.90	267.56
		312.12	560.26	592.65
In percentage % (quarterly change)				
Net foreign assets	66.79		68.22	14
Claims on nonresidents	7.82	11.12	92.83	-3
Less: Liabilities to nonresidents	9.63	77.69	79.50	6
		71.61		

Source: Bank of South Sudan

2.3.3. Monetary Base

The pace of growth in the monetary base has increased slightly at the end of Q4 2021, with increased of 15.44 per cent from growth rate of 6.10 per cent at the end of Q3 2021. This growth is driven by growth in currency in circulation which has significantly increased with 19.09 per cent at the end of Q4 2021. Liabilities to Other Depository Corporations (ODCs) have significantly increased with 14.45 per cent from 15.72 per cent at the end of Q3 2021; liabilities to other sectors have decreased to 2.39 per cent at the end of Q4 2021 from 19.89 per cent at the end of Q3 2021. (See table 15).

Table 15: Monetary Base and its Components

billions SPP	2021			
	Q1	Q2	Q3	Q4
Monetary base	192.4		242.8	280.35
Currency in circulation	3	228.27	6	106.63
Liabilities to ODCs	103.28	96.10	89.54	163.51
Liabilities to other sectors	82.15		142.87	10.20
	6.10	123.46	10.45	
		8.72		
In Percentage % (quarterly change)				
Monetary base	0.77	18.63	6.39	15.44
Currency in circulation	2.27	-6.96	-6.82	19.09
Liabilities to ODCs	-3.99	50.29	15.72	14.45
Liabilities to other sectors	58.33	24.54	19.89	-
				2.39

Source: Bank of South Sudan

2.3.4. Lending and Deposit Interest Rates

Substantial variation between deposit and lending rates still persist in South Sudan financial system. The rate of interest paid on deposits remains relatively low on average of 0.04 percent in Q4 2021. This rate is not competitive enough to attract significant deposits into the banking system. On the other hand, the average interest rate on lending increased from 16.72 percent at the end of Q3 2021 to 17.21 percent at the end of Q4 2021. The South Sudan financial institutions are therefore encouraged to intermediate in order to smooth out challenges of liquidity problems in the country (See table 16 below).

The spread between lending and deposits rates increased from 16.69 percent in Q3 2021 to 17.18 percent at the end of Q4 2021. This was mainly due to the muted increase on interest rate on deposit which has caused the spread to increase over the quarter as shown in table 16 below.



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Table 16: Average Lending and Deposit Interest Rates

<i>In percentage points</i>	2021			
	Q1	Q2	Q3	Q4
Interest rate on deposit	0.05	0.04	0.04	0.04
Interest rate on loans	14.48	14.85	16.72	17.21
Interest rate spread	14.43	14.81	16.68	17.18

Source: Bank of South Sudan

2.3.5. Private Sector Credit Developments

Private sector credit has continued to expand at faster phase. It increased by about more than 89.56 percent on annual basis at the end of Q4 2021. The increase is mainly driven by an increase in demand for manufacturing, real estate, energy and water, domestic trade restaurants and hotels sectors, foreign trade and household services sectors. The demand for credit by the agricultural sector remind constant by SSP1.86 billion also transport and communication stand constant by 1.63 billion, while the demand for credit for building and construction significantly decreased from SSP4.94 billion at the end of Q3 2021 to SSP1.45 billion at the end of Q4 2021. Commercial banks are therefore encouraged to invent and innovate new financial products as well as participate in enhancing financial literacy in the country in order to attract more deposits. (See table 17 below on the loans to the private sector by economic activity).

Table 17: Private Sector Credit by Economic Activities

<i>Sector (million SSP)</i>	2021			
	Q1	Q2	Q3	Q4
Agriculture	18.22	28.37	1.87	1.84
Manufacturing	626.94	955.18	1.28	1.44
Building and Construction	3.44	4.47	4.10	1.45
Real Estate	1.33	2.16	2.29	2.62
Energy and Water	0.86	1.78	59.74	1.49
Mining and quarrying	0.00	0.00	0.00	0.00
Domestic Trade, Restaurants & Hotel	10.33	7.94	6.07	8.79
Foreign Trade	730.22	233.91	810.26	4.22
Transport and Communication	640.84	1.13	1.63	1.63
Financial Services	1.76	2.98	2.81	3.03
Household Services	1.93	2.81	2.68	3.96
Total	20.79	22.71	22.59	22.63

Source: Bank of South Sudan



BANK OF SOUTH SUDAN

2.4. External Sector

Overview

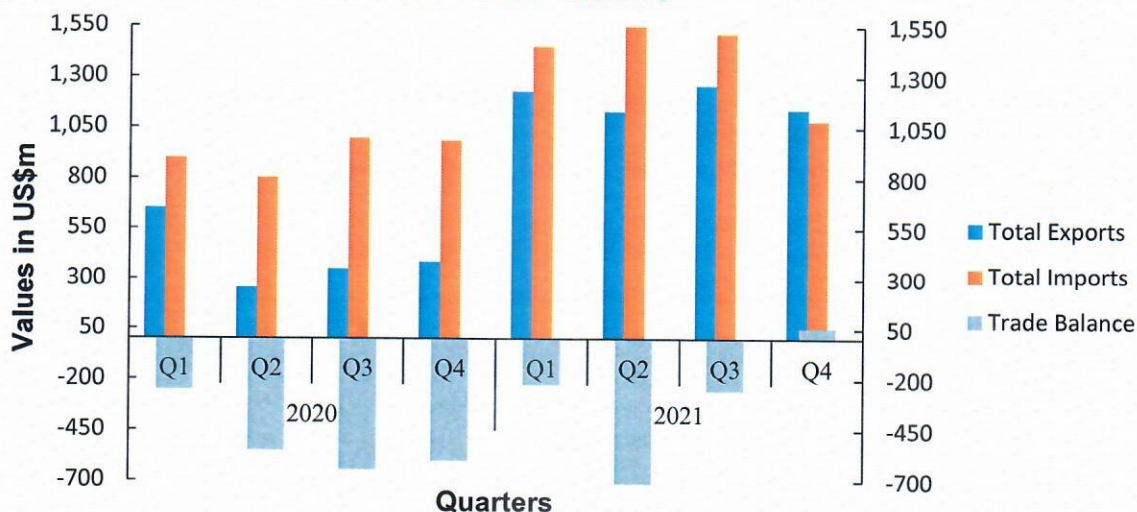
South Sudan trade balance has narrowed to a surplus of 56.59 per cent in Q4 2021, compared to a deficit of 254.03 per cent in Q3 2021. This was contributed by a significant decrease of 28.30 per cent in imports receipts, coinciding with a significant decrease of 9.36 per cent in export receipts. (See table 18 below & figure 13 below).

Table 18: South Sudan Trade Statistics (USD Million)

	2019	2020	2021	
	Q4	Q4	Q3	Q4
Total Exports	723.99	388.12	1,260.58	1,142.64
Total Import	1,026.41	987.51	1,514.61	1,086.05
Trade Balance	(302.42)	(599.39)	(254.03)	56.59
Percentage Changes (%)				
Total Exports	(7.86)	9.97	11.45	(9.36)
Total Imports	132.69	(1.00)	(24.46)	(28.30)
Trade Balances	(187.73)	(7.05)	(70.94)	(77.72)

Source: Bank of South Sudan

Figure 12: South Sudan Trade Balance \$USD millions)



Source: Bank of South Sudan

2.4.1. Current Account Developments

South Sudan current account balance has narrowed to a deficit of USD 93.14 million in Q4 2021. This is attributed to the improvement in the crude oil prices. Other factors include easing of lockdown, resumption of business operations and relaxing of travel restrictions. The significant decrease in imports bills and the increase in oil exports receipts which is the leading exports commodity with over 90 percent of South Sudan's economy depending on oil proceeds. This has led to a positive trade in goods (See table 19 below).



BANK OF SOUTH SUDAN

Table 19: South Sudan Current Account Components (USD Million)

	2019	2020	2021	
	Q4	Q4	Q3	Q4
CAB	275.42	(501.53)		(93.14)
Trade in goods	598.07	27.94	(552.02)	602.19
Trade in Services	-106.88	(327.40)	339.21	(225.60)
Primary Income	-81.02	(87.75)	(593.23)	(94.57)
Secondary Income	-134.75	(111.35)	(104.71)	(130.16)
			(193.28)	

Source: Bank of South Sudan

2.4.2. Exchange Rate Development

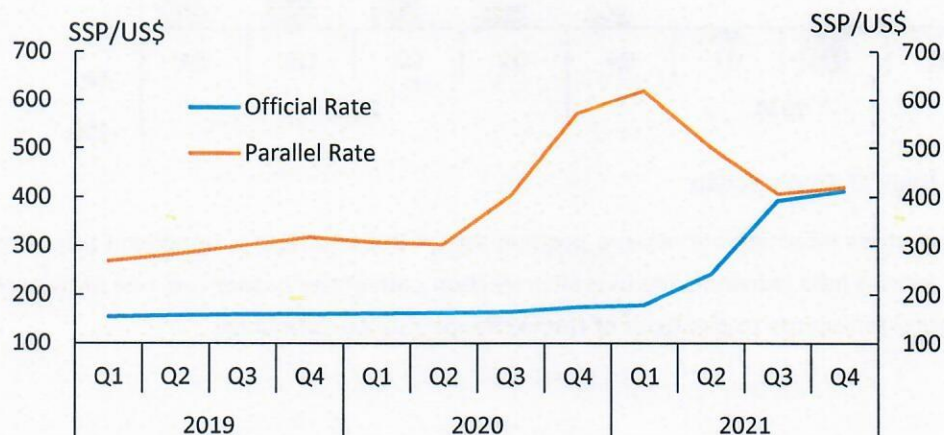
The South Sudanese Pound has **appreciated by 3.31 percent** on average against the US dollar in the parallel market in Q4 2021; 1US\$ selling at 420.22SSP up from 406.74SSP/1US\$ in Q3, 2021. This showed the higher demand for dollars due to the festive season (Christmas). The official rate has also **appreciated by 5.09 percent** on average against the US dollar in Q4 2021; 1US\$ selling at 412.17SSP/1US\$ up from 392.21SSP/1US\$ in Q3, 2021. This was due to the Bank of South Sudan’s policy to align the exchange rates. The spread between the parallel and the official rate has significantly **narrowed by (40.47) percent** in Q4 2021; from 14.53 percent in Q3 to 8.65 percent in Q4, 2021. (See table 20 and figure 14 below).

Table 20: Exchange Rate Fluctuations

Exchange rate(SSP/US\$)	2019	2020	2021
	Q4	Q4	Q4
Official rate	160.01	174.60	412.17
Parallel rate	317.69	572.27	420.22
Spread	157.68	397.67	8.65
<i>Percentage change %</i>			
Official rate	0.82	5.86	5.09
Parallel rate	(3.12)	42.23	3.31
Spread	(7.18)	67.34	(40.47)

Source: Bank of South Sudan

Figure 13: Quarterly Exchange Rates Fluctuations



Source: Bank of South Sudan

Figure 14 above shows the alignment of the parallel & the indicative rates at 400SSP/1US\$ in Q3 2021, an achievement by the Bank of South Sudan.



BANK OF SOUTH SUDAN

2.4.3. Gross International Reserve Position

The gross international reserve position of South Sudan comprises of its foreign currency reserves. This includes special drawing rights (SDR) and three different currencies (Euro, Sterling, and US Dollars). The foreign reserves are used for external financing of the balance of payments and for maintaining the credibility of the Bank of South Sudan.

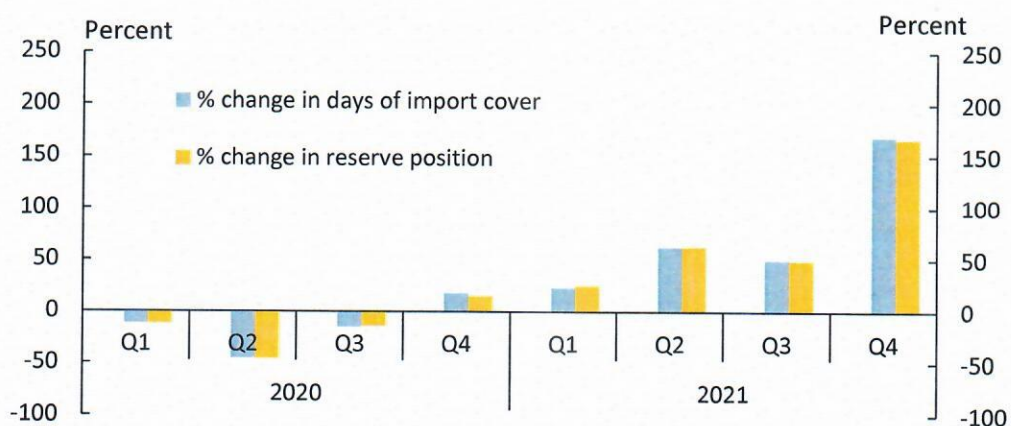
South Sudan's foreign reserves position has increased by 167.08 percent in Q4, 2021; this is equivalent to 70 days of import cover (two months and ten days). This is a positive sign towards the stability of the exchange rate in the markets and the economy. However, this is below the required three months' standard of import cover for the stability of the domestic currency. See the table 21 and figure 15 below:

Table 21: Gross International Reserves Position vs. Days of Import Cover

Year	2019	2020	2021
Quarter	Q4	Q4	Q4
% change in reserve position	448.82	15.00	167.08
Days of Import cover	54	26	70
% change in import cover	450.57	18.00	169.23

Source: Bank of South Sudan

Figure 14: Gross International Reserves Positions vs. Days of Imports Cover (% change)



Source: Bank of South Sudan

Generally, the gross international reserve position for Q4 2021 reflects a significant improvement since 2016. Other factors held constant, the overall projection path of the economy is one of possible recovery and stabilization in regards to positivity of the exchange rate performance.



BANK OF SOUTH SUDAN

BANK INFORMATION

Registered office

Bank of South Sudan Head Office
P.O. Box 136
Juba, Republic of South Sudan

Governor

Dr. James Alic Garang
Bank of South Sudan, Head Office
P.O. Box 136
Juba, Republic of South Sudan

Secretary to the Bank

Mr. Chol Atem Diing
Bank of South Sudan Head Office
P.O. Box 136
Juba, Republic of South Sudan

Branches

Yei Branch
Bank of South Sudan Head Office
P.O. Box 136
Juba, Republic of South Sudan

Malakal Branch
Bank of South Sudan Head Office
P.O. Box 136
Juba, Republic of South Sudan

Wau Branch
Bank of South Sudan Head Office
P.O. Box 136
Juba, Republic of South Sudan

Principal Auditor

Auditor General
National Audit Chamber
P.O. Box 210
Juba, Republic of South Sudan

Delegated Auditors

Deloitte & Touche
3rd Floor, Aris House
Plot 152, Haile Selassie Road, Oysterbay
P.O. Box 1559
Dar es Salaam, Tanzania



BANK OF SOUTH SUDAN

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

1. INTRODUCTION

The Directors present this annual report together with the audited financial statements for the financial year ended 31 December 2021, which disclose the state of affairs of the Bank of South Sudan ("the Bank").

During the year, the Bank continued to implement its mandate as provided in the Bank of South Sudan Act, 2011. The Bank operated 3 branches in the country.

ESTABLISHMENT

The Bank of South Sudan was established under the Bank of South Sudan Act, 2011 ("the Act").

BANK'S VISION

The vision of the Bank is: "Aspiring to be credible Central Bank in fostering and ensuring price and financial system stability by 2028".

BANK'S MISSION

The Bank's mission is: To foster price stability, sustainable economic growth, and sound financial system in the Republic of South Sudan through excellent regulatory framework, monetary and exchange rate operations, advisory and banking services.

2. STATUTE AND PRINCIPAL ACTIVITIES

Bank of South Sudan, the Central Bank of the Republic of South Sudan is wholly owned by the Government of the Republic of South Sudan. Its operations are governed by the aforementioned Act.

The primary objective of the Bank is to maintain monetary and domestic price stability.

Other functions and objectives of the Bank are to:

- Foster the liquidity, solvency and effective functioning of a stable market based financial system, and to promote a safe, sound and efficient national payment system which aims to maintain stability of the financial system as a whole;
- Support general economic policies of the Government and promote sustainable economic growth;
- Adopt and implement policies designed to maintain monetary stability;
- Determine the features of banknotes and coins in consultation with the Minister of Finance and Planning and approval of the Council of Ministers, and the terms and conditions of any currency recall in accordance to requirements of the Act;
- Hold and manage the official foreign exchange reserves of the State;
- Oversee the development and sound functioning of the payment systems for transfers of securities issued by the Government or the Bank, and for the clearing and settlement of payment transactions and transactions in such securities;
- Establish and enforce minimum bank reserve requirements;
- Act as banker and adviser to, and as fiscal agent of, the Government, and to such public agencies as may be determined by law, provided, however, that any transaction carried out by the Bank that may serve to extend financial assistance to or for the benefit of the



BANK OF SOUTH SUDAN

Government or any such public agency, may be undertaken only pursuant to Section 65 of the Act;

- Regulate and supervise commercial banks and such other regulated entities as shall be submitted to its oversight in accordance with relevant legislation;

REPORT OF THE DIRECTORS (CONTINUED)

2. STATUTE AND PRINCIPAL ACTIVITIES (CONTINUED)

- Receive deposits from, and maintain accounts on its books for, regulated entities, units of Government, foreign central banks and international financial institutions on such terms and conditions as may be prescribed by account agreement or regulation of the Bank;
- Undertake foreign exchange operations at the request of the Government and on the Bank's own behalf;
- Issue debt securities in accordance with policies approved by the Board;
- Collect economic and financial data related to its objectives and tasks under the requirement of the Act;
- Open and maintain on its books, accounts for the administration of funds provided by foreign parties to the Government or to a Government Agency in accordance with the terms and conditions set out in trust account agreements, provided that:
 - The assets and liabilities of any such account shall be segregated from the other assets and liabilities of the Bank;
 - The assets of each such account shall be available only to meet liabilities of that account;
 - No other assets of the Bank shall be available to meet liabilities of such accounts; and
 - The Bank shall charge fees for the administration of such accounts to cover its costs; and
- Represent the Republic of South Sudan in international affairs in accordance with the Act.

3. RESOURCES AND STRENGTH

Resources and strengths that facilitate the Bank's endeavour in achieving its strategic objectives include human, financial and technological resources.

In terms of human capital, the Bank has well-qualified and committed staff dedicated to a long-term career in the Bank. Likewise, the management adheres to good governance and promotes labour relations. From its strategic perspective, the Bank enhances its financial sufficiency by improving management of its resources through prioritization of initiatives, implementing initiatives within the available financial envelope and prudently managing its sources of income. On technological side, the Bank has made significant efforts of adopting modern technology to improve its day-to-day operations. Further, the Bank has strategically located Branches, which facilitate efficient banking services.

4. CORPORATE GOVERNANCE

The Board shall be composed of nine voting members, as follows:

- a) The Governor as Chairman of the Board;
- b) The two deputy Governors, who shall be designated by the Governor as 1st Deputy and 2nd Deputy Governor, respectively of the Board;
- c) Six non-executive members, who shall not be employees of the Bank;
- d) The Governor and Deputy Governors shall be appointed by the President; and
- e) The Board shall be proposed by the Governor and appointed by the President.



BANK OF SOUTH SUDAN

REPORT OF THE DIRECTORS (CONTINUED)

4. CORPORATE GOVERNANCE (CONTINUED)

The Directors of the Bank who served as at the date of this report, except where otherwise stated, are:

No.	Name	Position	Date of appointment
1	Hon. Dr. James Alic Garang	Governor	Appointed October 2023
2	Hon. Samuel Yanga MiKaya	First Deputy Governor	Appointed October 2023
3	Hon. Nyiel Gordon Kuol	Second Deputy Governor	Appointed October 2023
4	Hon. Dr. Adil Atanasio Surur	Non-Executive Member	Appointed November 2018
5	Hon. Wani Buyu Dyori	Non-Executive Member	Appointed April 2021
6	Hon. Weituy Louny Baboth	Non-Executive Member	Appointed April 2021
7	Hon. Dr. Tabitha Eliaba Kenyi	Non-Executive Member	Appointed April 2021
8	Hon. Acuil Malith Banggol	Non-Executive Member	Appointed February 2023
9	Hon. Alangi Stephen Ogut	Non-Executive Member	Appointed September 2023

Bank of South Sudan ascribes to the highest standards of corporate governance. The Bank through the Board of Directors and Management upholds and practices the principles of sound corporate governance.

To this end, the Bank of South Sudan Act, 2011, has provided a framework for ensuring application of sound corporate governance principles and best practices by the Bank's Board of Directors and its Committee and Management in the course of managing the day to day affairs/operations of the Bank as summarized below:

- (i) In terms of the provisions of Section 16(1) of the Bank of South Sudan Act, 2011, the Bank's Board of Directors shall be charged with the adoption of the principal policies of the Bank and the supervision of the administration and operation of the Bank.
- (ii) In terms with provisions of Section 24(2) of the Bank of South Sudan Act, 2011 the Audit Committee shall assist the Board in fulfilling its oversight responsibilities for matters relating to the integrity of the Bank's financial statements; the Bank's compliance with legal and regulatory requirements; the annual external audit of the Bank; and the performance of the Bank's Internal Audit Department.



BANK OF SOUTH SUDAN

REPORT OF THE DIRECTORS (CONTINUED)

4. CORPORATE GOVERNANCE (CONTINUED)

The Audit Committee

Established under the provisions of Section 24(1) of the Bank of South Sudan Act, 2011, the Audit Committee consists of three non-executive voting members of the Board. The Audit Committee shall select one of its members to serve as Chairperson of the Audit Committee in accordance with the Charter of the Audit Committee approved by the Board. The Terms of Reference for the Audit Committee cover four major areas, namely, Internal Control, Financial Reporting, Internal Audit and External Audit.

The Audit Committee's mandate under Internal Control covers evaluation of control environment and culture; the adequacy of the internal control systems and compliance with IFRS in the preparation of financial statements; the overall effectiveness of the internal control and risk management framework; The Committee also reviews requests for write off/ back of items from the books of accounts and reviews the effectiveness of the system for monitoring compliance with laws and regulations.

The mandate relating to financial reporting requires the Audit Committee to review significant accounting and reporting issues and their impact on the financial reports and ensure current financial risk areas are being managed appropriately. The Committee also ensures the adequacy of the financial reporting process and reviews the Bank's annual accounts before approval and adoption by the Board.

With regard to external audit, the Audit Committee reviews and approves the external auditors' proposed audit scope, approach and audit deliverables, draft financial statements before submission to the External Auditors for audit; and also reviews and approves the proposed audit fee.

The Committee's mandate on Internal Audit covers review of the activities and resources of the internal audit function; effectiveness, standing and independence of internal audit function within the Bank; review of the internal audit plan; and follow up on implementation of internal audit findings and recommendations. The Audit Committee reports to the Board of Directors.

The Members of the Audit Committee as at the date of this report, except where otherwise stated, are:

No.	Name	Position	Discipline	Nationality
1	Hon. Wani Buyu Dyori	Chairman	Accountant	South Sudanese
2	Hon. Adil Atansios Surur	Member	Statistics	South Sudanese
3	Hon. Weituy Luony Babuoth	Member	Economist	South Sudanese

5. MEETINGS

The Board held 4 meetings during the year ended 31 December 2021, 3 ordinary meetings and 1 extraordinary meeting. There were no committee meetings held during the year. All members of the Board were able to devote their time required for the Board and Audit Committee meetings.



BANK OF SOUTH SUDAN

REPORT OF THE DIRECTORS (CONTINUED)

5. MEETINGS (CONTINUED)

Below is a summary indicating the number of meetings attended by members of the Board from 1 January 2021 to 31 December 2021:-

No	Number of meetings Names	Number of meetings	
		Board	AC
1	Hon. Johnny Ohisa Domiano	2	Nil
2	Hon. Dr. Addis Ababa Othow	3	Nil
3	Hon. John Maciek Acuoth	1	Nil
4	Hon. Moses Makur Deng	3	Nil
5	Hon. Dier Tong Ngor	3	Nil
6	Hon. Johnny Ohisa Domiano	2	Nil
7	Hon. Agoyom Akomjo Musellam	1	Nil
8	Hon. Hellen Pita Taban	3	Nil
9	Hon. Prof. Samson Samuel	4	4
10	Hon. Prof. Nyiel Gordon Kuol	2	Nil
11	Hon. Dr. Adil Atanasio Surur	4	4
12	Hon. John Maciek Acuoth	4	Nil
13	Hon. Wani Buyu Dyori	4	4
14	Hon. Weituy Louny Baboth	Nil	Nil
15	Hon. Dr. Tabitha Eliaba Kenyi	Nil	Nil
16	Hon. Johnny Ohisa Domiano	Nil	Nil

The Board and its committees meet every quarter with additional meetings convened as and when necessary. During the year, the Board met to discuss and decide on various business activities.

The members of the Supervision Committee of Board the served during the year ended 31 December 2021.

No.	Name	Position	Discipline	Nationality
1	Hon. Dier Tong Ngor	Chairman	Business Administration	South Sudanese
2	Hon. Johnny Ohisa Domian	Member	Development Finance	South Sudanese
3	Hon. Weituy Louny Baboth	Member	Master's in economics	South Sudanese

The members of the Finance Committee of Board served during the year ended 31 December 2021.

No.	Name	Position	Discipline	Nationality
1	Hon. Daniel Keck Puoc	Chairman	Masters in Banking	South Sudanese
2	Hon. Prof. Nyiel Gordon Kuol	Member	Professor in Business Adm.	South Sudanese
3	Hon. Dr. Adil Atanasio Surur	Member	PhD. in Statistics	South Sudanese

The members of the Human Resources Committee of Board served during the year ended 31 December 2021.

No.	Name	Position	Discipline	Nationality
1	Hon. Dier Tong Ngor	Chairman	Business Administration	South Sudanese
2	Hon. Johnny Ohisa Domian	Member	Development Finance	South Sudanese
3	Hon. Dr. Adil Atanasio Surur	Member	PhD in Statistics	South Sudanese

The members of the Capital Project Committee (Procurement Committee) of Board served during the year ended 31 December 2021.

No.	Name	Position	Discipline	Nationality
1	Hon. Johnny Ohisa Domian	Member	Development Finance	South Sudanese
2	Hon. Dr. Tabitha Eliaba Kenyi	Member	PhD in Business Management	South Sudanese
3	Hon. Wani Buyu Dyori	Member	Master's in accounting	South Sudanese



BANK OF SOUTH SUDAN

REPORT OF THE DIRECTORS (CONTINUED)

The members of the Risk & Compliance Committee of Board served during the year ended 31 December 2021.

No.	Name	Position	Discipline	Nationality
1	Hon. Wani Buyu Dyori	Member	Masters in accounting	South Sudanese
2	Hon. Dr. Tabitha Eliaba Kenyi	Member	PhD in Business Management	South Sudanese

Below is a summary indicating the number of meetings attended by members of the Board from 1 January 2021 to 31 December 2021:-

	Number of meetings	Number of meetings							Key:
		Boa rd	BSC	HRC	FINC	CPC	AC	MPC	
	Names								
1	Hon. Dier Tong Ngor	2					Nil		Key: Board: Board of Directors
2	Hon. Gamal Abdallah Wani	3					Nil		
3	Hon. Johnny Ohisa Domiano	Nil					Nil	BSC: Banking Supervision Committee	
4	Hon. Maror Cyer Rehan	1					Nil		
5	Hon. Albino Dak Othow	3					Nil		
6	Hon. Daniel Kech Puoc	3					Nil	HRC: Human Resource Committee	
7	Hon. Charles Abdu Ngamunde	2					Nil		
8	Hon. Odera Innocent Ochan	1					Nil		
9	Hon. Agoyom Akomjo Musellam	3					Nil	FINC: Finance Committee	
10	Hon. Hellen Pita Taban	4					4		
11	Hon. Prof. Samson Samuel	2					Nil		
12	Hon. Prof. Nyiel Gordon Kuol	4					4	CPC: Capital Project Committee	
13	Hon. Dr. Adil Atanasio Surur	4					Nil		
14	Hon. John Maciek Acuoth	4					4		
15	Hon. Wani Buyu Dyori	Nil					Nil	AC: Audit Committee	
16	Hon. Weituy Louny Baboth	Nil					Nil		
17	Hon. Dr. Tabitha Eliaba Kenyi	Nil					Nil		
		Nil					Nil	MPC: Monetary Policy Committee	

The Board and its committees meet every quarter with additional meetings convened as and when necessary. During the year, the Board met to discuss and decide on various business activities.

6. INDEPENDENCE

All Non-executive Directors are considered by the Board to be independent both in character, judgment and free of relationships or circumstances, which could affect their judgment.



BANK OF SOUTH SUDAN

REPORT OF THE DIRECTORS (CONTINUED)

7. CAPITAL STRUCTURE

Section 33 of the Act provides the level of authorized capital of the Bank to be fifteen million South Sudanese Pounds. This amount may be increase as a result of allocations from net profits/losses pursuant to Section 36 and 37 of the Act. The capital of the Bank is subscribed and held only by the Government of the Republic of South Sudan.

Due to the nature of the Bank's business and statutory requirements the whole capital is held in the form of equity. Different classes of reserves have been prescribed under Section 34 of the Bank of South Sudan Act, 2011 and note 25 to these financial statements. The movement of the capital during the year is reflected under the Statement of Changes in Equity.

8. RELATIONSHIP WITH STAKEHOLDERS

The Bank recognizes the importance of addressing the needs of its key stakeholders in order to add value, satisfy their needs and expectations to fulfill its mission. The Bank's key stakeholders include: the Government, banking institutions, other financial institutions, development partners, general public and staff. The Bank is committed to delivering value to its stakeholders through better services and good customer care while maintaining good relationship in its engagements.

Accordingly, the Bank fulfills its mandate by delivering the following services to meet its stakeholders' needs and expectations:

- (a) Issuance of Notes and Coins: The Bank provides secure, adequate, durable and portable bank notes and coins; ensure prompt circulation of currency through its branch network throughout the country; and promote public awareness on the currency handling and security features.
- (b) Banking Services: The Bank promptly facilitate payments, settlements and clearing of payment instruments for the Government and financial institutions. Further, the Bank provides safe deposit custody for the Government and financial institutions.
- (c) Price Stability: The Bank formulates and executes monetary policy that leads to stable domestic prices; provide policy advice to the Governments; disseminate economic reports; ensure stable exchange rates; and conduct Government securities auctions.
- (d) Financial Stability: The Bank promotes the stability of the financial system through effective regulation and supervision of banking system; provide safe and efficient payment systems; and promote public access to the financial services.
- (e) Internal Customer requirements: The Bank attracts and retains high caliber staff with integrity, competency and accountability and provides conducive working environment and career development opportunities to its staff.

9. MANAGEMENT

Section 14 of the Bank of South Sudan Act, 2011 vests the management of the Bank and the direction of its business and affairs to the Governor. The Governor is required to discharge such functions and direction, in conformity with the policies and other decisions made by the Board.

The law further provides that the Governor to be assisted by two Deputy Governors. The Deputy Governors head various functions under them.

10. RESULTS AND DIVIDENDS

During the year, the Bank operations registered a net profit of SSP 16,298 million (2020: (SSP 1,438 million). The Bank did not pay any dividends to the Government during the year (2020: Nil).



BANK OF SOUTH SUDAN

REPORT OF THE DIRECTORS (CONTINUED)

11. FINANCIAL PERFORMANCE FOR THE YEAR

11.1 Financial results

The performance of the Bank is measured on the basis of the achievements in implementing its core functions as detailed in the Act. The Bank needs to generate adequate resources in order to support its operations and maintain its independence.

11.2 Financial position

The financial position of the Bank is as set out in the statement of financial position shown on page 58. During the year, total assets of the Bank increased by SSP 311,806 million. The increase in assets is attributed to the increase in advances to government amounting to SSP 92,693 million and an increase of assets held at International Monetary Fund amounting to SSP 146,132 million. At the same time there was an increase in cash and cash equivalents by SSP 60,840 million.

On the other hand total liabilities increased by SSP 295,508 million. Major areas of increase include increase in International Monetary Fund liabilities amounting to SSP 212,964 million and deposits from banks and financial institutions amounting to SSP 81,108 million.

12. SOLVENCY

The Board of Directors confirms that International Financial Reporting Standards (IFRS) applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that the Bank has adequate resources to continue carrying out its statutory activities for the foreseeable future.

13. STRENGTHENING CORPORATE GOVERNANCE

Improve work environment and use of technology.

This objective entails acquiring and maintaining adequate and safe facilities and working tools, adopting regulations, policies and good practices that bring about fairness, trust, inclusiveness, cooperation and information sharing amongst staff. It also involves developing and implementing fair performance and reward management practices. This objective is measured by the survey to interrogate the level of satisfaction that staff have to the Bank's work environment.

During the period, the Bank acquired and maintained adequate and safe facilities and working tools, and adopted appropriate regulations, policies and best work practices. In addition, the Bank enhanced its key business processes and put in place relevant and secure technologies with a view to improving efficiency and effectiveness in service delivery.

Capacity building

To improve knowledge and skills of employees, the Bank continued to address skills requirements that match the needs of the Bank, through the annual corporate training plan and provision of adequate budget. Learning opportunities were accorded to staff with a view to enhance their competences to execute the Bank's core functions. During the period the Bank continued to attract and retain highly skilled, committed, motivated, and competent staff.



BANK OF SOUTH SUDAN

REPORT OF THE DIRECTORS (CONTINUED)

13. STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

Enhance compliance with Legislation, Regulations, Policies and Standards

During the year, the Bank continued to put emphasis on compliance with the Bank of South Act; Public Procurement Act, 2011; and other legislations, regulations, policies and standards in executing its mandate.

In addition, the Bank promoted risk awareness and management culture across the Bank with the target of reducing significant risks. As a result, all risks in the very high level were reduced to high, moderate and low levels.

Improve Financial Performance

The Bank continued to manage its financial resources mainly on deposits to ensure adequate liquidity while maintaining capital preservation and maximising returns. The Bank generated sufficient income and implemented planned projects within allocated financial resources. Effective monitoring and control of budget expenditure was instituted successfully resulting to timely settlement of expenditure commitments throughout the period.

Bank's engagement with external stakeholders

The Bank continued to nurture its relationship with external stakeholders, seeking to enhance stakeholders understanding, support and feedback on the Bank's undertakings. It endeavoured to address stakeholders' needs, expectations and provide timely responses to stakeholders' inquiries.

Enhance Regional and International Policy Convergence

The Bank continued to implement the agreed regional and international policy decisions and benchmarks. This involved aligning and harmonizing existing policy, regulatory and supervisory frameworks with the agreed standards and benchmarks. As a result, the overall policy convergence towards the agreed regional and international convergence.

Public education programs

The Bank participated in various public education programs that were aimed at sensitizing the public on the roles and functions of the Bank. In addition, the Bank participated in various to disseminate information and provide public awareness on its operations in areas of roles and functions of the Bank including awareness on the bank notes and coins and their respective security features.

14. FUTURE DEVELOPMENT PLANS

The Bank will continue to focus on its core mandate of maintaining price stability and promoting integrity and stability of the financial system. In achieving these, the main focus areas during the coming years plan will be Okay on leadership, where the Bank will take steps aimed at becoming a reputable organization that is attracting and retaining highly committed, motivated, competent and innovative staff. The Bank will continue to deliver timely, reliable and cost effective services and continue to embrace more technology driven solutions; and excellence in executing its mandate, where the Bank will achieve price stability, safe, sound and inclusive financial system.

1. The Bank will adopt interest rate targeting as its tool in implementing monetary policy.
2. To ensure integrity and stability of the financial system, the Bank puts emphasis on ensuring that the financial sector remains on a sound footing to serve the broader needs of the South Sudan economy.
3. To have special focus on surveillance of both macro-conditions and the financial system and putting in place elaborate crisis management and resolution framework.
4. The Bank will continue to improve its planning approach and execution through full implementation of the Balanced Score Card ("BSC") methodology.



BANK OF SOUTH SUDAN

5. The Bank will take deliberate measures to create broad awareness and capacity building among staff to implement the plan. In addition, the Bank will focus on enhancing application of modern technologies; improve its work processes and compliance with laws and regulation in order to improve operational efficiency in all its undertakings.

REPORT OF THE DIRECTORS (CONTINUED)

14. FUTURE DEVELOPMENT PLANS (CONTINUED)

6. Further, the Bank will focus on service excellence in attending both internal and external stakeholders. In its service delivery, the Bank is dedicated to continue advising the Governments on economic policy related matters and serving the general public as its ultimate customers

In addition, the Bank plans to:

- ❖ Continue implementing Short Medium Term and long Expenditure Framework as a multi-year budgeting instrument.
- ❖ Continue implementing Balanced Score Card ("BSC") methodology as an instrument for corporate strategy and performance management.
- ❖ Continue with the construction of BOSS new office buildings for Headquarters as part of improvement of work environment.
- ❖ Continue with the construction of the training institute centre,
- ❖ Construct staff club at Juba.
- ❖ Construction HQ in Juba.
- ❖ Construct new staff hostel in Rumbek, Wau and Malakal Branches
- ❖ Continue with process improvements initiatives that include MEMO automation, budget processing,
- ❖ business analytic tool; Bank of South Sudan Interbank Settlement System (modernization; and
- ❖ Acquire and continue maintaining its other existing assets to support its operations.
- ❖ Planning of National Payment Systems.

15. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for risk management and internal control systems in the Bank. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- ❖ The effectiveness and efficiency of operations.
- ❖ The safeguarding of the Bank's assets.
- ❖ Compliance with applicable laws and regulations.
- ❖ The reliability of accounting records.
- ❖ Business sustainability under normal as well as adverse conditions; and
- ❖ Responsible behaviours towards all stakeholders

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Bank's system is designed to provide the Board with reasonable assurance that procedures in place are operating effectively. The Bank ensures that existing and emerging risks are identified and managed within acceptable risk tolerances.

RISKS AND UNCERTAINTIES

The key risks that may significantly affect the Bank's strategies and development are mainly financial, operational and strategic. Below we provide a description of the operational and strategic risks facing the Bank. The risks related to financial instruments have been disclosed under note 26 of the financial statements:

1. Operational risk



BANK OF SOUTH SUDAN

Includes both financial and non-financial resulting from inadequate human resource and systems, management failures, ineffective internal control processes, non-compliance, inadequate security and adverse legal judgments. The main operational risks of the Bank during the year were:

REPORT OF THE DIRECTORS (CONTINUED)

15. RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

2. Human resource risk

The particular nature of the activities of the Bank necessitates specialized knowledge in many areas.

The Bank ensures that there is an adequate knowledge base for all specialized job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organizes workshops, seminars, conferences and job attachments to its staff to improve its human resource requirements. It also revises regularly its staff retention scheme to compete with the prevailing labour market.

3. Business disruption and security risks

Risks related to failure to execute business processes and events that compromise the assets, operations and objectives of the Bank. The risks might be due to lack of business continuity management, lack of good practices or controls on the Bank's activities.

The Bank addresses these risks inter alia through ensuring existence of Business Continuity Management ("BCM") plan and sound internal control system, which include operational and procedural manuals, ICT security policies, back up facilities, contingency planning, and independent internal audit function. Managing operational risk in the Bank is an integral part of day-to-day operations by the management. Management, Internal Audit

Function, Audit Committee, and the Board, closely monitor this risk.

1. Legal risk

Legal risk arises from any uncertainty of enforceability, whether through legal or judicial processes, of the obligations of the Bank's clients and counter parties. The Bank aims at minimizing such uncertainties through continuous consultations with all relevant parties.

In mitigating this type of risk, the Bank ensures that all business agreements are contracted under Standard Industry Contracts, e.g. International Swaps and Derivatives Association ("ISDA"), International Securities Markets Association ("ISMA"), etc. Where substantially different contracts and substantive changes to existing contracts are entered into, external lawyers are contracted.

The Bank has in place a clear procedure of the delegation of authorities. In addition, strict code of conduct and ethics is used to minimize chances of causing legal disputes between the Bank and its counterparts.

2. Strategic risk

This covers analytical and policy risk which is associated with economic and monetary policy formulation; business risk which refers to the probability of loss inherent in the Bank's operations and environment; performance risk which is associated with formulation and execution of business plans and strategies; and external risks which refer to threats from the external environment such as infrastructure disruption, financial crime and computer viruses, political, social and economic Changes. Similar to operational risk, strategic risk may result into damage on the Bank's reputation.

The Bank has an obligation to ensure that it performs its functions and maintains its reputation as a Central Bank in line with requirements of the provision of Section 7(2) of the Bank of South Act, 2011.



BANK OF SOUTH SUDAN

In view of the above, the Bank's Management ensures that it fulfils its fiduciary responsibilities. The Bank adheres to the best practices and applies principle of sound corporate governance. It also ensures that all relevant employees have clear understanding of the appropriate processes in respect of the best practices and principles of good governance.

The Bank, therefore, sets out policies and guidelines that govern sound functional operations within the Bank. The performance of these policies and guidelines are periodically reported to different levels of the Bank's Management for control and compliance monitoring.

REPORT OF THE DIRECTORS (CONTINUED)

15. RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

3. Strategic risk

The Top Management of the Bank has the necessary freedom and discretion to exercise central banking functions. However, this freedom is exercised within the context of good governance and having regard to a proper balance between accountability and the best interests of the Bank and its various stakeholders.

The function of the Bank of overseeing and ensuring the integrity of the financial system exposes it to severe criticism whenever there is an incident of bank failure or systemic difficulty. The responsibilities of the Bank regarding monetary policy, the National Payment System ("NPS") and the issuing of notes and coins also expose the Bank to a significant risk. The Bank adheres to international best practices and, to this end, maintains close liaison with international peers. The Bank strives towards full compliance with the principles for effective banking supervision as well as the core principles for systemically important payment systems. The Board assessed the internal control systems throughout the financial year ended December 2021.

16. EMPLOYEES WELFARE

(a) Management and employees relationship

The relationship between the Bank and its employees continued to be good. Employees complaints raised during the year were resolved mainly through the use of consultative meetings/forums involving the management, trade union and employees through workers council. As a result, healthy relationship continued to exist between management and the trade union.

Complaints are resolved through meetings and discussions. Work morale is good and there were no unresolved complaints from employees. The Bank provides a number of facilities aiming at improving the working environment and living standards of its employees. Such facilities include medical services, transport to and from work, house allowance, employee training and development, leave travel assistance, long service awards for employees as stipulated in the Bank's Employees Terms of Service Regulation, 2012.

(b) Medical Assistance

All members of staff with a maximum number of five beneficiaries for each employee were availed with medical insurance guaranteed by the Bank. During the year ended 31 December 2016, these services were provided by BSS Employees Terms of Service as it was in 2012.

(c) Financial assistance to staff

The Bank provides various loans to employees in accordance with the Bank's Employees Terms of Service Regulation, 2012. These include house loans, motor vehicle loans and personal loans.

(d) Persons with disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Bank continues and appropriate training is arranged. It is the policy of the



BANK OF SOUTH SUDAN

Bank that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

REPORT OF THE DIRECTORS (CONTINUED)

18. EMPLOYEES WELFARE (CONTINUED)

(e) Gender parity

The Bank is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties. As at 31 December 2020 and 2021 the Bank had the following distribution of employees by gender.

<u>Gender</u>	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Male	372	71%	380	71%
Female	155	29%	155	29%
Total	527	100%	535	100%

19. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions and balances are disclosed in note 31 to these financial statements. The directors' emoluments and key management personnel have been disclosed in note 31 to the financial statements.

20. SERIOUS PREJUDICIAL MATTERS

During the year ended 31 December 2021, there was no serious prejudicial matters to report (2020: Nil).

21. AUDITORS

The Auditor General is the statutory auditor for the Bank of South Sudan pursuant to the provisions of Section 75(1) of the Bank of South Sudan Act, 2011. Deloitte & Touche were appointed by the Auditor General to audit the Bank's financial statements on his behalf, pursuant to Section 27 (1) of the Southern Sudan Audit Chamber Act, 2011.

Approved by the Board of Directors on May 14, 2024, and signed on its behalf by:

Hon. Dr James Alic Garang
The Governor and Chairman of the Board

Hon. Nyiel Gordon Kuol
Deputy Governor for Administration and Finance





BANK OF SOUTH SUDAN

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and fair presentation of these inflation adjusted financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and the requirements of the Bank of South Sudan Act, 2011, the Public Finance Management and Accountability Act, 2011 and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for these inflation adjusted financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Bank of South Sudan Act, 2011 and the Public Finance Management and Accountability Act, 2011. The Directors are of the opinion that inflation adjusted financial statements give a true and fair view of the state of the financial affairs of the Bank and its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Board of Directors on May 14, 2024, and signed on its behalf by:

Hon. Dr James Alic Garang
The Governor and Chairman of the Board

Hon. Nyiel Gordon Kuol
Deputy Governor for Administration and Finance





BANK OF SOUTH SUDAN

Board of Directors
Bank of South Sudan
P. O. Box 136
Juba
South Sudan

REPORT OF THE AUDITOR GENERAL ON THE INFLATION ADJUSTED FINANCIAL STATEMENTS OF BANK OF SOUTH SUDAN FOR THE YEAR ENDED 31 DECEMBER 2021

Qualified Opinion

I have audited the accompanying financial statements of the Bank of South Sudan (the "Bank") set out on pages 57 to 108 which comprise the inflation adjusted statement of financial position as at 31 December 2021, inflation adjusted statement of profit or loss and other comprehensive income, inflation adjusted statement of changes in equity and reserve, inflation adjusted statement of cash flows for the year then ended, notes to the financial statements and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Bank of South Sudan Act, 2011.

Basis for Qualified Opinion

1. Currency in circulation

Included in the inflation adjusted statement of financial position at 31 December 2021 is currency in circulation balance of SSP 106 billion. In prior year, I issued a qualified opinion on the currency in circulation balance due to significant deficiencies in controls relating to printing, issuing and destroying of currency and lack of sufficient and appropriate substantive audit evidence. Similarly, in current reporting period, the Directors were unable to provide me with sufficient and appropriate audit evidence to support both opening balance and transactions for the year. Consequently, I was unable to determine whether adjustments to this balance were necessary.

Recommendations

The accuracy in currency in circulation opening balance sheet figures is crucial for any Central Bank as it provides basis for monetary policy decisions and macroeconomic management.

To this end, it is recommended that:

- (a) The currency bank notes to be changed. This will involve returning current notesh held outside the banking system.
- (b) Impose a maximum limit to amount that can be drawn in cash from a bank account within a given period of time.
- (c) Promote the use of alternative instruments for financial transactions such as cheques and electronic cards and digital movements.

2. Deposits from banks and financial institutions

Included in the inflation adjusted statement of financial position is deposits balance of SSP 169 billion, being due to banks and financial institutions. However, I was not availed with a listing for the balance that reconciled to the general ledger as of the date of this report. Consequently, I was unable to obtain sufficient and appropriate audit evidence on the existence, rights and obligations and completeness of the deposits from financial institutions.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below titled Auditor General Responsibilities for the Audit of the Inflation Adjusted Financial Statements.

Basis for Qualified Opinion (continued)

I am independent of the Bank of South Sudan in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other ethical requirements that are relevant to my audit of the financial statements in the Republic of South Sudan, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the inflation adjusted financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Legal Basis

The audit was conducted pursuant to and in accordance with Section 186(7) of the Transitional Constitution of the Republic of South Sudan, the National Audit Chamber Act, 2011 and the Bank of South of Sudan Act, 2011.

Directors' responsibility for the inflation adjusted financial statements

The Directors are responsible for the preparation of the inflation adjusted financial statements that give true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Bank of South Sudan Act, 2011 and the Public Finance Management and Accountability Act, 2011. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

In preparing the inflation adjusted financial statements, the Directors are 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 the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Responsibility of the Auditor General for the Audit of the inflation adjusted financial statements

My objectives are to obtain reasonable assurance about whether the inflation adjusted financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAs 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 based on these financial statements.

As part of an audit in accordance with ISSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the inflation adjusted 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Responsibility of the Auditor General for the Audit of the inflation adjusted financial statements (continued)

- Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the inflation adjusted financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the inflated adjusted financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 controls that I identify during my audit.

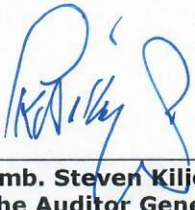
I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards

Report on Other Legal Requirements

Compliance with Bank of South Sudan Act, 2011 and the Public Finance Management and Accountability Act, 2011

In view of my responsibility to assess Bank's compliance with the Bank of South Sudan Act, 2011, I noted the following instances of non-compliance with the requirements of the Act;

1. Non-compliance with Section 65(2) (a) of the Act. which requires credit accommodations not to be in excess of 5% of the gross recurrent revenue of the Government and related entities. As at 31 December 2021, the credit accommodations amounting to SSP 244 billion to the Government and related entities which exceeded five percent of the gross recurrent revenue from the approved government budget;
2. Non-compliance with Section 65(3) (a) and (b) of the Act. Which requires all credit accommodations to have a credit period of 3 months (i.e. settled within 3 months) and be secured by negotiable securities issued by the Government and related entities. I noted that credit accommodations exceeded the tenure of 3 months and none of the credit accommodations were secured by negotiable securities issued by the Government and related institutions; and
3. Non-compliance with Section 65(4) of the Act, which requires for at least 6 months of every calendar year, there must be no outstanding liabilities of the Government to the Bank. I noted the credit accommodations kept on increasing.



Amb. Steven Kiliona Wundu
The Auditor General
Republic of South Sudan

24/6/2024
..... 2024



BANK OF SOUTH SUDAN

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Inflation Adjusted		Historical Cost	
		2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
Interest income	5	23,209	9,394	18,726	9,138
Commission income	6	3,439	1,341	3,381	1,096
Commission expense	7	(1,366)	(565)	(1,343)	(484)
Impairment losses from advances to the government	14	(1,218)	-	(1,218)	-
Net interest and commission income		24,064	10,170	19,546	9,750
Losses /(gains) arising from dealings in foreign currencies		6,902	(4,986)	6,784	(5,203)
Other operating income		175	51	172	49
Net operating income		31,141	5,235	26,502	4,596
Operating expenses					
Personnel expenses	8	(3,316)	(1,853)	(3,259)	(1,651)
General and administrative expenses	9	(5,384)	(1,320)	(5,303)	(1,262)
Depreciation	19	(953)	(672)	(1,620)	(245)
Amortization		(205)	-	(20)	-
Impairment losses from other assets		(2)	-	(2)	-
Total operating expenses		(9,860)	(3,845)	(10,204)	(3,158)
Monetary (loss)/gain		(6,683)	5,669	-	-
Net profit before tax		14,598	7,059	16,298	1,438
Income tax expense	24	-	-	-	-
Profit for the year		14,598	7,059	16,298	1,438



BANK OF SOUTH SUDAN

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	Inflation Adjusted		Historical Cost	
		2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
Assets					
Cash and cash equivalents	11	66,676	5,836	66,676	5,836
Holding of Special Drawing Rights (SDR's)	12	51,956	2	51,956	2
Quota of International Monetary Fund (IMF)	12	148,755	54,577	148,755	54,577
Government securities	13	2,207	2,200	2,207	2,200
Advances to the government	14	272,522	142,259	272,522	142,259
Advances to commercial banks	15	-	-	-	-
Other loans and receivables	16	526	108	526	108
Deferred currency cost	17	7,378	1,189	7,040	719
Intangible assets	18	761	-	967	-
Property and equipment	19	21,296	16,699	11,412	6,984
Total assets		572,077	222,870	562,061	212,685
Liabilities					
Currency in circulation	20	106,627	104,456	106,627	104,456
Deposits from the government and its agencies	21	24,110	25,263	24,110	25,263
Deposits from banks and financial institutions	22	169,600	88,492	169,600	88,492
Other liabilities	23	887	469	887	469
IMF related liabilities	12	186,325	54,577	186,325	54,577
Allocation of Special Drawing Rights (SDR's)	12	142,171	23,387	142,171	23,385
Total liabilities		629,720	296,644	629,720	296,642
Equity					
Capital account	25	693	708	15	15
Revaluation reserve		2,065	2,263	2,126	2,277
General reserve		(60,401)	(76,745)	(69,800)	(86,249)
Total equity and reserves		(57,643)	(73,774)	(67,659)	(83,957)
Total equity and liabilities		572,077	222,870	562,061	212,685

The financial statements on page 57 to 108 were approved and authorised for issue by the Board of Directors on2024 and signed on its behalf by:

Hon. Dr James Alic Garang
The Governor and Chairman of the Board



Hon. Nyiel Gordon Kuol
Deputy Governor for Administration and Finance



BANK OF SOUTH SUDAN

STATEMENT OF CHANGES IN EQUITY AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2021

Inflation Adjusted

Details	Capital account SSP million	General reserve SSP million	Revaluation reserve SSP million	Total SSP million
At 1 January 2020	448	(83,970)	2,429	(81,093)
IAS 29 adjustment (note 25)	260	-	-	260
Net income for the year	-	7,059	-	7,059
Transfer of excess depreciation on property and equipment	-	166	(166)	-
At 31 December 2020	708	(76,745)	2,263	(73,774)
At 1 January 2021	708	(76,745)	2,263	(73,774)
IAS 29 adjustment (note 25)	(15)	1,595	(47)	1,533
Net income for the year	-	14,598	-	14,598
Transfer of excess depreciation on property and equipment	-	151	(151)	-
At 31 December 2021	693	(60,401)	2,065	(57,643)

Historical Cost	Capital account SSP million	General reserve SSP million	Revaluation reserve SSP million	Total SSP million
At 1 January 2020	15	(87,839)	2,429	(85,395)
Net income for the year	-	1,438	-	1,438
Transfer of excess depreciation on property and equipment	-	152	(152)	-
At 31 December 2020	15	(86,249)	2,277	(83,957)
At 1 January 2021	15	(86,249)	2,277	(83,957)
Net income for the year	-	16,298	-	16,298
Transfer of excess depreciation on property and equipment	-	151	(151)	-
At 31 December 2021	15	(69,800)	2,126	(67,659)



BANK OF SOUTH SUDAN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Inflation Adjusted		Historical Cost	
		2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
Cash flows from operating activities					
Net income before tax		14,598	7,059	16,298	1,438
Adjustment for:					
Depreciation	19	953	672	1,620	245
Amortization		205	-	21	-
Monetary loss/(gain)		1,907	(5,127)	-	-
Operating profit before working capital		<u>17,663</u>	<u>(2,604)</u>	<u>17,939</u>	<u>1,683</u>
Changes in working capital					
Increase in advances to the government		(130,263)	(92,480)	(130,263)	(92,480)
Increase in government securities		(7)	-	(7)	-
Increase/(decrease) in other loans and receivables		(418)	733	(418)	733
Increase in deposits from banks and financial institutions		81,108	14,896	81,108	14,896
Decrease/(increase) in deposits from the government and its agencies		(1,153)	12,495	(1,153)	12,495
Decrease/(Increase) in deferred currency costs		(6,189)	341	(6,321)	74
Increase in other liabilities		418	362	418	362
Net changes in working capital		<u>(56,504)</u>	<u>(63,653)</u>	<u>(56,636)</u>	<u>(63,920)</u>
Cash utilised in operations		<u>(38,841)</u>	<u>(61,049)</u>	<u>(38,697)</u>	<u>(62,237)</u>
Cash flows from investing activities					
Purchase of property and equipment	19	(5,922)	(3,235)	(6,046)	(2,047)
Increase in quota of International Monetary Fund (IMF)	12	(94,178)	(923)	(94,178)	(923)
Increase in holding of SDR's	12	(51,954)	72	(51,954)	72
Purchase of intangible assets		(968)	-	(988)	-
Cash utilised in investing activities		<u>(153,022)</u>	<u>(4,086)</u>	<u>(153,166)</u>	<u>(2,898)</u>



BANK OF SOUTH SUDAN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

	Notes	Inflation Adjusted		Historical Cost	
		2021	2020	2021	2020
		SSP million	SSP million	SSP million	SSP million
Cash flows from financing activities					
Currency in circulation	19	2,171	41,963	2,171	41,963
Increase in IMF related liabilities	12	94,178	923	94,178	923
Increase in allocation of SDR's	12	118,784	396	118,786	396
Cash generated from financing activities		<u>215,133</u>	<u>43,282</u>	<u>215,135</u>	<u>43,382</u>
Net increase/(decrease) in cash and cash equivalent		<u>60,840</u>	<u>(21,853)</u>	<u>60,840</u>	<u>(21,853)</u>
Cash and cash equivalents:					
At the beginning of the year		<u>5,836</u>	<u>27,689</u>	<u>5,836</u>	<u>27,689</u>
At the end of the year		<u>66,676</u>	<u>5,836</u>	<u>66,676</u>	<u>5,836</u>



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. REPORTING ENTITY

The Bank of South Sudan (the "Bank") is the Central Bank of the Republic of South Sudan. Established in July 2011, by an Act of Parliament (The Bank of South Sudan Act, 2011), it replaced the now defunct branch of the Bank of Sudan, which had served as the branch of the Central Bank in Southern Sudan from February 2005 to July 2011. The Bank is fully owned by the Government of the Republic of South Sudan. It is headed by the Governor, assisted by two deputy governors, 1st Deputy Governor for Policy and Banking and 2nd Deputy Governor for Administration and Finance.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

a) New standards and amendments to published standards effective for the year ended 31 December 2021

The following were new and revised IFRSs that have been effective in the current year. The Company's application of the new and revised standards did not have significant impact to these financial statements

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
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Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.
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Annual Improvements to IFRS Standards 2018–2020 (May 2020)	Makes amendments to the following standards: <ul style="list-style-type: none">• IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.• IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.• IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.• IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
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Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 (May 2020))	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
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BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS(CONTINUED)

a) New standards and amendments to published standards effective for the year ended 31 December 2021(Continued)

Reference to the Conceptual Framework (Amendments to IFRS 3 (May 2020))	The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.
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a) New standards and amendments and interpretation in issue but not effective for the year ended 31 December 2021

		Effective date
Amendments to IFRS 17	IFRS 17 Insurance contracts	1 January 2023
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 8	Definition of accounting estimates	1 January 2023
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 — Comparative Information	1 January 2023
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024

b) Impact of new and amended standards and interpretations in issue but not yet effective in the year ended 31 December 2021

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

IFRS 17 is effective for accounting periods beginning on or after 1 January 2023 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an Company will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted and the Directors do not anticipate that its adoption will result into material impact on the financial statements.



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

b) Impact of new and amended standards and interpretations in issue but not yet effective in the year ended 31 December 2021 (Continued)

Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)

Amends IFRS 4 Insurance Contracts provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

The amendments to IFRS 4 are effective for accounting periods beginning on or after 1 January 2023 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

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

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements. The Directors do not anticipate that its adoption will result into material impact on the financial statements.

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

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The amendments to IAS 12 are effective for accounting periods beginning on or after 1 January 2023 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

b) Impact of new and amended standards and interpretations in issue but not yet effective in the year ended 31 December 2021 (Continued)

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The amendments to IAS 8 are effective for accounting periods beginning on or after 1 January 2023 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

Amendments to IFRS 17

Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are:

- Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023
- Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk
- Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination
- Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level
- Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements
- Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives
- Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held
- Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts
- Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach

Amendments to IFRS 17 is effective for accounting periods beginning on or after 1 January 2023 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.



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Amendments to IFRS 16 is effective for accounting periods beginning on or after 1 January 2024 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

c) Early adoption of standards

The Company did not early-adopt any new or revised standards in 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs); the requirements of the Bank of South Sudan Act, 2011; and the Public Finance Management and Accountability Act, 2011.

Basis of measurement

The financial statements have been prepared on an inflation adjusted basis except where otherwise stated or as required by International Financial Reporting Standards and Interpretations to those Standards for assets and liabilities to be stated at their fair value as disclosed in the accounting policies hereafter. Amounts in these financial statements are rounded to the nearest million ('000,000) unless otherwise stated.

The financial statements are prepared to comply with International Accounting Standard (IAS) 29: Financial Reporting in Hyper Inflationary Economies effectively from 1 January 2016. As required by the standard, income and expenses, non-monetary assets and liabilities have been adjusted at current measuring unit.

The Bank adopted monthly South Sudan Consumer Price Indices (CPI) as the general price index to restate balances and transactions, with year 2011 being the base year for estimation of conversion factors from historical cost measurement to inflation adjusted measurement. All comparative figures have been restated to reflect the change in the CPI from the start of the reporting period to the end. Statement of Profit or Loss items have been restated by applying conversion factors applicable in the month when the transactions were processed in the Bank's books. All items in the statement of cash flows are expressed based on the restated financial information for the period. A net monetary gain was recognized in the Statement of Profit or Loss and Comprehensive Income respectively.

The conversion factors are obtained by dividing the average CPI for 2021 by the relevant month's CPI as shown below:

Month	CPI	Conversion factor
January 2021	15,978	1.0321
February 2021	16,747	0.9847
March 2021	17,278	0.9544
April 2021	18,472	0.8927
May 2021	18,325	0.8999
June 2021	15,173	1.0868
July 2021	15,445	1.0677
August 2021	16,622	0.9921
September 2021	17,029	0.9684
October 2021	18,684	0.8826
November 2021	16,922	0.9745
December 2021	11,208	1.4713

As a result of adopting the standard, the Bank has recorded a monetary (loss)/gain amounting to SSP (5,737) million and (2020: SSP 5,669million) in the inflation adjusted statement of profit or loss for the year.



BANK OF SOUTH SUDAN

Functional and presentation currency

These financial statements are presented in South Sudanese Pounds ("SSP"), which is the Bank's functional currency and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest income

Interest income is recognized within the profit or loss basis using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Fees and commission income

Fees and commission income that is integral to the effective interest rate on a financial asset or financial liability is included in the measurement of the effective interest rate. Other fees and commission income - including account servicing fees, investment management fees, sales commission, placement fees and syndication fees are recognised as the related services are performed. If a loan commitment is not expected to result in the drawdown of a loan, then the related loan commitment fees are recognised on a straight-line basis over the commitment period.

Gains arising from dealings in foreign currencies.

Gains arising from dealings in foreign currencies comprises gains less losses related to trading assets and liabilities, and includes all realised fair value changes, interest, dividends and foreign exchange differences.

Other income

Other income is recognised in the period in which it is earned.

Employees' benefits including post-employment benefits.

Short-term employment benefits such as salaries and overtime, allowances and staff training are recognized in profit or loss when they fall due.

Other employee benefits

The Bank provides free medical treatment to staffs and their dependants through medical insurance scheme. Exclusions are met by the Bank as medical expenses. The cost is charged to profit or loss. The estimated monetary liability for employees earned but not taken leave entitlement at the end of the reporting period is recognized as an accrued expense.

Expenses

These are losses and other expenses that arise in the course of Bank's ordinary activities. They include interest and administrative expenses. Generally, expenses are recognised in the income statement when decrease in future economic benefits related to decrease in an asset or an increase of a liability has arisen and can be measured reliably.

Interest expenses



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Interest expense is the cost of debt that has accrued during a specified accounting period regardless of the time of spending the cash. These include interests on liquidity papers, repurchase agreements and IMF drawings.

Since interest on debt is not paid daily, the Bank passes adjusting entries periodically to recognise interest expense within the accounting period that the expense has been accrued. Interest expenses are recorded using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses (continued)

Administrative expenses

This includes expenses that produce no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset. Such expenses are recognised immediately in the income statement in the accounting period that the cost has been incurred. These include maintenance, transport and travelling, meetings, conference and seminars, water and electricity, fees, rates and security expenses, telecommunication and postage, board expenses, audit fees, budget and annual accounts preparation, loss on disposal of property and equipment, hospitality, legal and investigation expenses.

In addition, administrative expenses include expenses whose economic benefits are expected to arise over several accounting periods and the association with benefit can only be broadly or indirectly determined. Such expenses are recognised in the income statement in the accounting period in which the economic benefits are consumed or have expired. They may include stationery and office supplies.

Other expenses

Other expenses are recognised in the income statement when decrease in future economic benefits related to decrease in an asset or an increase of a liability has arisen and can be measured reliably.

Taxes

No provision for income tax was made in the Financial Statements as Section 9 of the Bank of South Sudan Act, 2011 exempts the Bank from paying all taxes and duties.

Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Bank expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognised in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The financial statements are presented in South Sudanese Pounds, which is the Bank's functional and presentation currency, and all values are rounded to the nearest thousands except where otherwise indicated.



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Transactions and balances

Foreign currency transactions are translated into South Sudanese Pounds using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions during the year and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets and financial liabilities

Recognition

The Bank initially recognises cash and cash equivalents, Government securities, loans and receivables, other assets, currency in circulation, deposits – Government and its agencies, Deposits – Banks and non-financial institutions, deferred grant and other liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Financial assets

The Bank classifies its financial assets into one of the following categories: at fair value through profit or loss; loans and receivables; held-to-maturity; and available-for-sale. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also recognized as held for trading.

Gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in 'net income from financial instruments designated at fair value'.

Held - to - Maturity.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has positive intention and ability to hold to maturity. If the Bank was to sell other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available for sale.

Government securities comprise treasury bills and treasury bonds, which debt securities are issued by the Ministry of Finance and Planning on behalf of the Government of Republic of South Sudan. Treasury bills and bonds are classified as held to maturity and are stated at amortised cost.

Available-for-sale financial assets

Available-for-sale assets are financial assets that are not (a) financial assets at fair value through profit or loss, (b) loans and receivables, or (c) financial assets held to maturity.

Available-for-sale investments are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.



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Regular-way purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognized on trade-date - the date on which the Bank commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognized at fair value, and transaction costs are charged through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets and financial liabilities (continued)

Financial assets (continued)

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when they are extinguished - that is, when the obligation is discharged, cancelled or expires.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized in other comprehensive income, until the financial asset is derecognized or impaired. At this time, the cumulative gain or loss previously recognized in equity is recognized in profit or loss. However, interest calculated using the effective interest method and foreign currency gains and losses on monetary assets classified as available for sale are recognized as other comprehensive income.

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Bank establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, and other valuation techniques commonly used by market participants.

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss. Currency in circulation, deposits of Government and its agencies, deposits from banks and non-financial institutions, other liabilities and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities and equity instruments

Currency in circulation

This represents South Sudan Pounds that have been issued into the South Sudanese economy by the Bank since inception. Currency in circulation is measured at the face value of notes and coins issued. Currency in circulation is determined by netting off notes and coins issued against the balance held in the Bank of South Sudan vaults. The currency in circulation is measured at amortized cost.

Deposits

Deposits from Government and its agencies and banks and non-financial institutions are the Bank's sources of debt funding.

When the Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (sale and repurchase agreement), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Bank's financial statements.



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Deposits from Government and its agencies and banks and non-financial institutions are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Bank designates liabilities at fair value through profit or loss.

Financial guarantee contracts liabilities

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets and financial liabilities (continued)

Financial liabilities and equity instruments (continued)

Liabilities arising from financial guarantees or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. The liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recorded at the proceeds received, net of direct issue costs.

De-recognition

Financial assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in Other Comprehensive Income is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale and repurchase transactions because the Bank retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Bank neither retains nor transfers substantially all of 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.

In certain transactions, the Bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.



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Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets and financial liabilities (continued)

Financial liabilities and equity instruments (continued)

Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.



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If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets and financial liabilities (continued)

Identification and measurement of impairment

At each reporting date, the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- Significant financial difficulty of the borrower or issuer.
- Default or delinquency by a borrower.
- The restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise.
- Indications that a borrower or issuer will enter bankruptcy;
- The disappearance of an active market for a security; or
- Observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Bank considers evidence of impairment for loans and advances and held-to-maturity Government securities at both a specific asset and a collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired assets continues to be recognised through the unwinding of the discount. If an event, occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

The Bank writes off a loan or an investment debt security, either partially or in full, and any related allowance for impairment losses, when Bank Credit determines that there is no realistic prospect of recovery.



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Valuation reserve account under the legal framework

In accordance with Section 36 and 37 of the Bank of South Sudan Act, 2011 unrealised gains or losses on foreign exchange are transferred to this reserve account. In accounting for unrealised gains or losses, the Bank complies with the requirements of both IFRS and the Bank of South Sudan Act, 2011. Pursuant to the requirements of the International Accounting Standard (IAS – 21) the Effects of Changes in Foreign Exchange Rates, all realised and unrealised foreign exchange valuations are taken to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Bank. Ongoing repairs and maintenance are expensed as incurred.

Derecognition

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of premises and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Bank will obtain ownership by the end of the lease term.

The estimated useful lives of significant items of property and equipment are as follows:

Buildings	40 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	5 years
Other	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital work in progress.



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Capital work in progress relates to property and equipment under construction. Cost includes materials, direct labour and any other direct expenses incurred in respect of the project less any recognised impairment losses. The amounts are transferred to the appropriate property and equipment categories once the project is completed and the asset is available for use.

Leased hold premises.

Leased premises refurbishment represents costs incurred by the Bank in refurbishment of leased banking premises.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets consist of computer application software and computer application licence packages. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment at the reporting date to ascertain if there is an indication that the intangible asset may be impaired. Generally, cost associated with developing computer software programmes are recognised as an expense when incurred. Intangible assets acquired are measured on initial recognition at cost. Internally developed intangible assets are not capitalised unless they meet certain criteria.

Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets (other than investment properties) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

Leases

Lease payments - lessee

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

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



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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Lease assets - lessee

Assets held by the Bank under leases that transfer to the Bank substantially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Bank's statement of financial position.

Capital grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the cost that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released as income in equal instalments over the expected useful life of the related asset.

When the Bank receives non-monetary grants, the asset and the grant are recorded at gross amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional Government grants.

Other liabilities

Other liabilities are stated at their nominal value/cost, which approximates fair value due to the short-term nature of the obligation.

Loans, receivables, and other assets

These are measured at carrying amounts which approximates their fair value due to the short period between reporting date and settlements of these assets.

Cash and cash equivalents

Cash and cash equivalents comprise of demand and time deposit with central banks and commercial banks and holding of notes denominated in foreign currency. Cash and cash equivalent is carried at amortised cost in the statement of financial position. Due to their short-term nature, the carrying amount approximates the fair value.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

International Monetary Fund (IMF) related balances

Relationship

The Bank is the fiscal and depository agent of Republic of South Sudan for transactions with the International Monetary Fund (IMF). Financial resources availed to South Sudan by the Fund are channelled through the Bank. Repayment of the IMF loans as well as charges is the responsibility of the Bank.

Currency of Transactions with the IMF

Borrowings from and repayments to the IMF are denominated in Special Drawings Rights (SDRs). The SDR balances in IMF accounts are translated into SSP and any unrealised gains or losses are accounted for in profit and loss account in accordance with IAS 21 – Effects of changes in foreign exchange rates.

Quota in IMF, Interest and Charges

Borrowings from the related South Sudan's quota are non-interest bearing with no stated maturity, while borrowings from the General Resources Account of the IMF bears interest at rates set by the IMF on a weekly basis and are repayable according to the repayment schedules of the agreement.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the use of estimates and judgment that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant use of judgement and estimates are as follows:

(a) Going concern

The Bank's Directors have made an assessment of the Bank's ability to continue as a going concern. Directors are satisfied that the Bank has resources to continue in operation for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

(b) Impairment of assets carried at amortised cost

Impairment losses on items in cash and cash equivalents, Government securities, loans and receivables and other assets.

The Bank reviews its financial assets measured at amortised cost at each reporting date to assess whether an impairment loss should be recognised in profit or loss. In particular, judgment by the Directors is required in the estimation of the amount and timing of future cash flows when determining the level of impairment loss required. Such estimates are based on the assumptions about a number of factors and actual results may differ, resulting in future changes in the impairment.

The Bank makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows in an individual asset in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults on assets. 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 incurred.

(c) Impairment of other financial assets

The Bank adopted an incurred loss approach to impairment. Impairment losses are incurred only if there is objective evidence of impairment as a result of occurrence of one or more past events since initial recognition.

Impairment exists when the carrying amount exceeds its recoverable amount and the asset is written down to the recoverable amount. Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated based on historical loss experience for assets with characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the years on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES (CONTINUED)

(d) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives and discount rates. Details have been provided under Note 24 to these accounts.

(e) Useful lives of property and equipment

Pursuant to the requirements of IAS 16 (Property, Plant and Equipment) the Bank makes accounting estimation of the useful lives of assets based on the expected pattern of consumption of the future economic benefits.

(f) Contingent liabilities

The Bank has provided for the liabilities arising out of contractual obligations. Professional expert advice is taken on establishing litigation provisions. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgments than other types of provisions. When cases are at an early stage, accounting judgments can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists as a result of a past event, estimating the probability of outflows and making estimates of the amount of any outflows that may arise. As matters progress through various stages of the cases. Management together with legal advisers evaluate on an ongoing basis whether provisions should be recognised, and the estimated amounts of any such provisions, revising previous judgments and estimates as appropriate.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Inflation Adjusted		Historical Cost	
	2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
5. INTEREST AND SIMILAR INCOME				
Interest income	23,209	9,394	18,726	9,138
6. COMMISSION INCOME				
Commission from foreign transactions	3,439	1,341	3,381	1,096
7. COMMISSION EXPENSES				
Foreign bank charges	684	304	672	228
Other banking charges and commission expenses	682	261	671	256
	1,366	565	1,343	484
8. PERSONNEL EXPENSES				
Salaries	1,688	887	1,659	790
Allowances	1,553	852	1,525	759
Training	75	114	75	102
	3,316	1,853	3,259	1,651
9. GENERAL AND ADMINISTRATIVE EXPENSES				
Staff travelling	223	93	219	89
Power and electricity	276	214	271	205
Currency and related expenses (note 10)	2,637	1,654	2,591	1,047
Repair and maintenance	241	138	238	132
Communication	18	11	27	8
Director's remuneration	136	69	134	66
Printing and stationary	41	49	40	47
Money market development	9	-	9	-
Entertainment	12	10	12	10
Donations	71	38	71	36
Library, books, and periodicals	16	5	16	5
Rent and fuel expenses	49	31	48	30
Posters and public awareness	2	8	2	8
Audit fees	213	27	209	26
Other expenses	1,440	(1,027)	1,416	(447)
	5,384	1,320	5,303	1,262
10. CURRENCY AND RELATED EXPENSES				
Cost of currency issued in circulation	1,635	1,620	1,607	1,025
Currency transportation and insurance	1,002	34	984	22
	2,637	1,654	2,591	1,047



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CASH AND CASH EQUIVALENTS

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	SSP million	SSP million	SSP million	SSP million
Cash in hand	13,966	7,689	13,966	7,689
Balances with foreign banks	52,621	(1,927)	52,621	(1,927)
Investment deposits	90	74	90	74
Less: ECL provision	(1)	-	(1)	-
	<u>66,676</u>	<u>5,836</u>	<u>66,676</u>	<u>5,836</u>

The movement in the impairment allowance is as follow:

	2021	2020	2021	2020
	SSP million	SSP million	SSP million	SSP million
At 1 January	-	-	-	-
Movement in impairment allowance	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
At 31 December	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

12. INTERNATIONAL MONETARY FUND (IMF) RELATED BALANCES

	2021		2020	
	SDR '000	Equivalent SSP million	SDR '000	Equivalent SSP million
Assets				
Holdings of SDR's	85,914	51,951	8	2
Accrued interest on SDR holding	8	5	-	-
Quota of IMF	<u>246,000</u>	<u>148,755</u>	<u>246,001</u>	<u>54,577</u>
	<u>331,922</u>	<u>200,711</u>	<u>246,009</u>	<u>54,579</u>
Liabilities				
IMF Account No.1	323	2,023	6	1
IMF Account No.2	1	4	-	-
IMF Securities Account	245,677	146,728	4,821	1,974
CVA securities & No.1	-	-	241,174	52,602
CVA Account	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
IMF related liabilities	<u>246,001</u>	<u>148,755</u>	<u>246,001</u>	<u>54,577</u>
RCF Loan	<u>61,000</u>	<u>37,570</u>	<u>-</u>	<u>-</u>
IMF related liabilities	<u>307,001</u>	<u>186,325</u>	<u>246,001</u>	<u>54,577</u>
Allocation of SDRs	<u>235,112</u>	<u>142,171</u>	<u>105,406</u>	<u>22,990</u>



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. INTERNATIONAL MONETARY FUND (IMF) RELATED BALANCES (CONTINUED)

During the year the Bank and Ministry of Finance and Planning ("MOFP") received budgetary assistance funding from IMF through the Rapid Credit Facility ("RCF"). A total of SDR 123,000,000 were allocated to the Republic of South Sudan, with SDR 62,000,000 allocated to MOFP as budgetary assistance and SDR 61,000,000 was allocated to the Bank as a loan to support international reserves accumulation. As at the end of the year, the Bank had not yet repaid the loan to the IMF. The loan carries a 5-year grace period with repayment commencing in 2026 with a final maturity of 10 years for full repayment.

13. GOVERNMENT SECURITIES

	2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
Interest bearing bond	1,917	1,917	1,917	1,917
Accrued interest receivable	306	283	306	283
Less: ECL provision	(16)	-	(16)	-
	<u>2,207</u>	<u>2,200</u>	<u>2,207</u>	<u>2,200</u>

13. GOVERNMENT SECURITIES

This bond was issued by South Sudan Treasury and purchased by the Bank as part of the Capital Restoration Plan as approved by the Council of Ministers of the Republic of South Sudan - Resolution No. 211/2012 dated 7 December 2012. Under the Resolution, various assets with a record value of SSP 1,917,373,490 were transferred from the Bank to the Ministry of Finance and Economic Planning in exchange for this interest-bearing bond of the same amount. This bond pay interest at the rate of 3%.

The movement in the impairment allowance is as follow:

	Inflation Adjusted		Historical Cost	
	2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
At 1 January	-	-	-	-
Movement in impairment allowance	16	-	16	-
At 31 December	<u>16</u>	<u>-</u>	<u>16</u>	<u>-</u>

14. ADVANCES TO THE GOVERNMENT

	Inflation Adjusted		Historical Cost	
	2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
Advances to the government	243,917	129,505	243,917	129,505
Interest receivable from advances to the government	29,830	12,761	29,830	12,761
Less: ECL Provision	(1,225)	(7)	(1,225)	(7)
	<u>272,522</u>	<u>142,259</u>	<u>272,522</u>	<u>142,259</u>

These represent advances to the Government of South Sudan during the year. The advances are repayable in 6 months and attracts an interest rate of 3% and 8% per annum repayable in 6 months. During the year ended 31 December 2021, the Government of South Sudan made repayments of the advances amounting to SSP 11 billion (2020: nil).



BANK OF SOUTH SUDAN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. ADVANCES TO THE GOVERNMENT (CONTINUED)

The movement in the impairment allowance is as follow:

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	SSP million	SSP million	SSP million	SSP million
At 1 January	7	7	7	7
Movement in impairment allowance	1,218	-	1,218	-
At 31 December	<u>1,225</u>	<u>7</u>	<u>1,225</u>	<u>7</u>

15. ADVANCES TO COMMERCIAL BANKS

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	SSP million	SSP million	SSP million	SSP million
Advances to domestic banks	533	533	533	533
Less: ECL Provision	(533)	(533)	(533)	(533)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

These represents advances to commercial banks (Charter One Bank and International Commercial Bank) with the aim to resolve liquidity issues in these commercial banks in the year 2019. The advances were to be repaid in 90 days at and interest rate of 2% per annum. In the year ended 31 December 2021, these balances were fully impaired.

16. OTHER LOANS AND RECEIVABLES

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	SSP million	SSP million	SSP million	SSP million
Loans and advances to staff	520	53	520	53
Other receivables	7	55	7	55
Less: ECL Provision	(1)	-	(1)	-
	<u>526</u>	<u>108</u>	<u>526</u>	<u>108</u>

The movement in the impairment allowance is as follow:

	2021	2020	2021	2020
	SSP million	SSP million	SSP million	SSP million
At 1 January	-	-	-	-
Movement in impairment allowance	1	-	1	-
At 31 December	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. DEFERRED CURRENCY COST

The balance under the account represents deferred notes printing and coins minting expenses relating to costs of printed notes and minting coins that have not yet been released in circulation. During financial year 2021, the movement on deferred currency cost balance was as follows:

	Inflation Adjusted		Historical Cost	
	2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
As at 1 January	1,189	1,308	719	793
Add: Cost of currency received during the year	8,726	1,535	8,912	973
Less: Cost of currency issued in circulation	<u>(2,537)</u>	<u>(1,654)</u>	<u>(2,591)</u>	<u>(1,047)</u>
As at 31 December	<u>7,378</u>	<u>1,189</u>	<u>7,040</u>	<u>719</u>

18. INTANGIBLE ASSETS

	2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
COST				
As at 1 January	57	57	34	34
Addition during the year	968	-	988	-
Inflation adjustment	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December	<u>1,023</u>	<u>57</u>	<u>1,022</u>	<u>34</u>
AMORTISATION				
As at 1 January	(57)	(46)	(34)	(10)
Charge for the year	<u>(205)</u>	<u>(11)</u>	<u>(21)</u>	<u>(24)</u>
As at 31 December	<u>(262)</u>	<u>(57)</u>	<u>(55)</u>	<u>(34)</u>
NET BOOK VALUE	<u>761</u>	<u>-</u>	<u>967</u>	<u>-</u>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. PROPERTY AND EQUIPMENT: INFLATION ADJUSTED

	Land and buildings SSP million	Furniture and fixtures SSP million	Motor vehicles SSP million	Computer and IT equipment SSP million	Other office equipment SSP million	Work-in-progress SSP million	Total SSP million
COST							
At 01 January 2020	5,017	163	431	281	762	2,632	9,286
Inflation adjustment	2,912	95	250	163	444	1,526	5,390
Additions	627	27	3	146	217	2,215	3,235
At 31 December 2020	8,556	285	684	590	1,423	6,373	17,911
At 31 January 2021	8,556	285	684	590	1,423	6,373	17,911
Inflation adjustment	(178)	(6)	(14)	(12)	(30)	(132)	(372)
Additions	114	94	463	167	257	4,827	5,922
Disposal	-	-	-	(61)	(132)	-	(193)
At 31 December 2021	8,492	373	1,133	684	1,518	11,068	23,268
DEPRECIATION							
At 01 January 2020	(91)	(50)	(134)	(71)	(194)	-	(540)
Charge for the year	(75)	(56)	(137)	(118)	(286)	-	(672)
At 31 December 2020	(166)	(106)	(271)	(189)	(480)	-	(1,212)
At 01 January 2021	(166)	(106)	(271)	(189)	(480)	-	(1,212)
Charge for the year	(212)	(75)	(227)	(137)	(302)	-	(953)
Disposal	-	-	-	61	132	-	193
At 31 December 2021	(378)	(181)	(498)	(265)	(650)	-	(1,972)
NET BOOK VALUE							
At 31 December 2021	8,114	192	635	419	868	11,068	21,296
At 31 December 2020	8,390	179	413	401	943	6,373	16,699



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. PROPERTY AND EQUIPMENT-HISTORICAL COST

	Land and buildings SSP million	Furniture and fixtures SSP million	Motor vehicles SSP million	Computer and IT equipment SSP million	Other office equipment SSP million	Work-in-progress SSP million	Total SSP million
COST							
At 01 January 2020	2,969	97	255	166	451	1,558	5,496
Additions	397	17	2	93	137	1,401	2,047
At 31 December 2020	3,366	114	257	259	588	2,959	7,543
At 31 January 2021	3,366	114	257	259	588	2,959	7,543
Additions	117	96	473	170	262	4,930	6,048
Disposal	-	-	-	(62)	(135)	-	(197)
At 31 December 2021	3,483	210	730	367	715	7,889	13,394
DEPRECIATION							
At 01 January 2020	(34)	(35)	(99)	(36)	(110)	-	(314)
Charge for the year	(20)	(22)	(51)	(41)	(111)	-	(245)
At 31 December 2020	(54)	(57)	(150)	(77)	(221)	-	(559)
At 01 January 2021	(54)	(57)	(150)	(77)	(221)	-	(558)
Charge for the year	(1,007)	(26)	(46)	(167)	(374)	-	(1,620)
Disposal	-	-	-	62	135	-	197
At 31 December 2021	(1,061)	(83)	(196)	(182)	(460)	-	(1,981)
NET BOOK VALUE							
At 31 December 2021	2,422	127	534	185	255	7,889	11,412
At 31 December 2020	3,312	57	107	182	367	2,959	6,984



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. CURRENCY IN CIRCULATION

	Inflation Adjusted		Historical Cost	
	2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
Total printed currency	189,464	84,992	189,464	84,992
Currency printed during the year	56,200	104,410	56,200	104,410
Bank notes ex-mint (unissued)	<u>(117,641)</u>	<u>(83,760)</u>	<u>(117,641)</u>	<u>(83,760)</u>
	128,023	105,642	128,023	105,642
Bank notes and coins at the vault of the bank	(19,630)	(928)	(19,630)	(928)
Currency destroyed	<u>(1,766)</u>	<u>(258)</u>	<u>(1,766)</u>	<u>(258)</u>
Currency in circulation	<u>106,627</u>	<u>104,456</u>	<u>106,627</u>	<u>104,456</u>

Currency in circulation represents the face value of notes and coins in circulation. Notes and coins held by the Bank as cash in main vault, intermediary vault and cashier/teller at the end of financial year have been netted off against the liability for notes and coins in circulation because they do not represent currency in circulation.

21. DEPOSITS FROM GOVERNMENT AND ITS AGENCIES

	Inflation Adjusted		Historical Cost	
	2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
Ministry of Finance and Economic Planning	23,578	20,599	23,578	20,599
Other Government institutions	<u>532</u>	<u>4,664</u>	<u>532</u>	<u>4,664</u>
Total deposits from the Government and its agencies	<u>24,110</u>	<u>25,263</u>	<u>24,110</u>	<u>25,263</u>

22. DEPOSITS FROM BANKS AND FINANCIAL INSTITUTIONS

	Inflation Adjusted		Historical Cost	
	2021 SSP million	2020 SSP million	2021 SSP million	2020 SSP million
Current accounts	104,451	62,884	104,451	62,884
Cash statutory reserves	<u>65,149</u>	<u>25,608</u>	<u>65,149</u>	<u>25,608</u>
	<u>169,600</u>	<u>88,492</u>	<u>169,600</u>	<u>88,492</u>

All balances are due to local banks and financial institutions and are non-interest bearing.

Cash statutory reserve balances are maintained by the commercial banks with the Bank as per the requirement of the Bank of South Sudan Act, 2011.



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. OTHER LIABILITIES

	Inflation Adjusted		Historical Cost	
	2021 SSP million	2019 SSP million	2020 SSP million	2019 SSP million
Sundry payables	887	469	887	469

24. TAXES

No provision for income tax was made in the financial statements as Section 9 of the Bank of South Sudan Act, 2011 exempts the Bank from paying all taxes and duties.

25. CAPITAL ACCOUNT

	Inflation Adjusted		Historical Cost	
	2021 SSP million	2020 SSP million	2021	2020
Authorised and paid-up capital	708	448	15	15
IAS 29 adjustment	(15)	260	-	-
	693	708	15	15

The capital account comprises the initial capital paid by the Government as per Article 33 of the Bank of South Sudan Act of 2011 (the Act). The Act states that, the authorised and paid up capital of the Bank is SSP 15 million. This capital is solely held by the Government of the Republic of South Sudan and shall not be transferable or subject to encumbrances.

In previous year, the Bank adopted IAS 29: Financial Reporting in Hyperinflationary Economies, the standard requires restatement of equity in each reporting period in accordance with prevailing conversion factors. As a result of this adjustment the Bank has recorded a monetary loss amounting to SSP 436 million (2020: loss of SSP 260 million)



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT

26.1 Financial risks

(a) Credit risk

In its financial operations, the Bank is exposed to credit risk, defined as the probability of a complete or partial failure of a counterpart to fulfil its obligations arising from a financial transaction. Credit risk originates from the open market operations carried out in order to provide short-term liquidity to banks within the framework of monetary policy implementation and from the investments made during foreign exchange reserve management.

Total assets of the Bank exposed to credit risk as of 31 December 2021 and 31 December 2020 are presented in the table below:

Credit exposures	2021		2020	
	SSP million	%	SSP million	%
Cash and cash equivalents (excluding cash in hand)	52,707	10.7%	5,836	2.8%
Holding of Special Drawing Rights (SDR's)	51,956	10.6%	2	0.0%
Quota of International Monetary Fund (IMF)	148,755	30.3%	54,577	26.6%
Government securities	2,207	0.4%	2,200	1.1%
Advances to the Government	234,952	47.8%	142,259	69.4%
Advances to commercial banks	-	0%	-	0.0%
Other loans and receivables	526	0.1%	108	0.1%
	<u>491,103</u>	<u>100%</u>	<u>204,982</u>	<u>100%</u>

The above represents the worst-case scenario of credit exposure for both years, without taking account of any collateral held or other credit enhancements attached.



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(a) Credit risk (continued)

Credit quality per class of financial assets

The credit quality per class of financial assets is managed by the Bank using internal ratings. The table below shows the quality by class of asset for all financial assets exposed to credit risk, based on the Bank's credit rating. The amount presented is gross of impairment allowances: -

	ECL Staging				Not Credit Impaired SSP million	Total SSP million
	Stage 1 SSP million	Stage 2 SSP million	Stage 3 SSP million			
31 December 2021						
Cash and cash equivalents (excluding cash in hand)	52,708	-	-	-	-	52,708
Holding of Special Drawing Rights (SDR's)	-	-	-	-	51,978	51,978
Quota of International Monetary Fund (IMF)	-	-	-	-	148,831	148,831
Government securities	2,223	-	-	-	-	2,223
Advances to the Government	243,917	-	-	-	-	243,917
Advances to commercial banks	-	-	533	-	-	533
Other loans and receivables	526	-	-	-	-	526
Gross carrying amount	299,374	-	533	-	200,809	500,716
Less: ECL allowance						
Cash and cash equivalents	(1)	-	-	-	-	(1)
Government securities	(16)	-	-	-	-	(16)
Advance to government	(1,225)	-	-	-	-	(1,225)
Advances to commercial banks	-	-	(533)	-	-	(533)
Other loans and receivables	(1)	-	-	-	-	(1)
Total ECL provision	(1,243)	-	(533)	-	-	(1,776)
Net financial assets	298,131	-	-	-	200,809	498,940



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(b) Credit risk (continued)

Credit quality per class of financial assets

The credit quality per class of financial assets is managed by the Bank using internal ratings. The table below shows the quality by class of asset for all financial assets exposed to credit risk, based on the Bank's credit rating. The amount presented is gross of impairment allowances: -

	ECL Staging				Not Credit Impaired SSP million	Total SSP million
	Stage 1 SSP million	Stage 2 SSP million	Stage 3 SSP million			
31 December 2020						
Cash and cash equivalents (excluding cash in hand)	-	-	-	-	5,836	5,836
Holding of Special Drawing Rights (SDR's)	-	-	-	-	2	2
Quota of International Monetary Fund (IMF)	-	-	-	-	54,577	54,577
Government securities	2,200	-	-	-	-	2,200
Advances to the Government	142,266	-	-	-	-	142,266
Advances to commercial banks	-	-	533	-	-	533
Other loans and receivables	108	-	-	-	-	108
Gross carrying amount	144,574	-	533	-	60,415	205,522
Less: ECL allowance						
Government securities	-	-	-	-	-	-
Advance to government	(7)	-	-	-	-	(7)
Advances to commercial banks	-	-	(533)	-	-	(533)
Other loans and receivables	-	-	-	-	-	-
Total ECL provision	(7)	-	(533)	-	-	(540)
Net financial assets	144,567	-	-	-	60,415	204,982



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (Continued)

(a) Credit risk (continued)

Credit quality per external credit rating agencies

Description	2021		2020	
	Balance	Share (%)	Balance	Share (%)
Cash and cash equivalents (excluding cash in hand)				
NR	52,707	10.7%	5,836	2.8%
Balances with IMF-NR				
Holding of Special Drawing Rights (SDR's)	51,956	10.6%	2	0.0%
Quota of International Monetary Fund (IMF)	148,755	30.3%	54,577	26.6%
Government securities				
NR	2,207	0.4%	2,200	1.1%
Loans and Advances to the Government				
NR	272,522	47.8%	142,259	69.4%
Advances to commercial banks				
NR	-	0%	-	0.0%
Other loans and receivables				
NR	526	0.1%	108	0.1%
Total	<u>528,673</u>	<u>100%</u>	<u>204,982</u>	<u>100%</u>



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(a) Credit risk (continued)

The sectoral classification of the Bank's credit exposure as at 31 December 2021 is as follows:

	Foreign Country Treasury SSP '000	Supranational Institutions SSP '000	Domestic Financial Institutions SSP '000	Foreign Financial Institutions SSP '000	Government of South Sudan SSP '000	Others SSP '000	Total SSP '000
31 December 2021							
Cash and cash equivalents (excluding cash in hand)	-	-	-	52,707	-	-	52,707
Holding of Special Drawing Rights (SDR's)	-	51,956	-	-	-	-	51,956
Quota of International Monetary Fund (IMF)	-	148,755	-	-	-	-	148,755
Government securities	-	-	-	-	-	-	-
Advances to the Government	-	-	-	-	2,207	-	2,207
Advances to commercial banks	-	-	-	-	272,522	-	272,522
Other loans and receivables	-	-	-	-	-	526	526
Total	-	200,711	-	52,707	274,729	526	528,673



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (Continued)

(a) Credit risk (continued)

The sectoral classification of the Bank's credit exposure as at 31 December 2020 is as follows:

	Foreign Country Treasury SSP million	Supranational Institutions SSP million	Domestic Financial Institutions SSP million	Foreign Financial Institutions SSP million	Government of South Sudan SSP million	Others SSP million	Total SSP million
31 December 2020							
Cash and cash equivalents (excluding cash in hand)	-	-	-	-	-	-	-
Holding of Special Drawing Rights (SDR's)	-	2	-	-	-	-	2
Quota of International Monetary Fund (IMF)	-	54,577	-	-	-	-	54,577
Government securities Advances to the Government	-	-	-	-	2,200	-	2,200
Advances to commercial banks	-	-	-	-	142,259	-	142,259
Other loans and receivables	-	-	-	-	-	108	108
Total	-	54,579	-	-	144,459	108	199,146



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(a) Credit risk (continued)

Geographical analysis of concentrations of assets and liabilities of the Bank as at 31 December 2021 is as follows:

	South Sudan SSP '000	USA SSP '000	Other East African countries SSP '000	European Countries SSP '000	Other Countries SSP '000	Total SSP '000
31 December 2021						
Cash and cash equivalents (excluding cash in hand)	-	48,477	71	2,986	1,173	52,707
Holding of Special Drawing Rights (SDR's)	-	51,956	-	-	-	51,956
Quota of International Monetary Fund (IMF)	-	148,755	-	-	-	148,755
Government securities	2,207	-	-	-	-	2,207
Advances to the Government	272,522	-	-	-	-	272,522
Advances to commercial banks	-	-	-	-	-	-
Other loans and receivables	526	-	-	-	-	526
Total	275,255	249,188	71	2,986	1,173	528,673



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(a) Credit risk (continued)

Geographical analysis of concentrations of assets and liabilities of the Bank as at 31 December 2020 is as follows:

	South Sudan SSP million	USA SSP million	Other East African countries SSP million	European Countries SSP million	Other Countries SSP million	Total SSP million
31 December 2020						
Cash and cash equivalents (excluding cash in hand)	34	4,415	18	1,369	-	5,836
Holding of Special Drawing Rights (SDR's)	-	2	-	-	-	2
Quota of International Monetary Fund (IMF)	-	54,577	-	-	-	54,577
Government securities	2,200	-	-	-	-	2,200
Advances to the Government	142,259	-	-	-	-	142,259
Advances to commercial banks	-	-	-	-	-	-
Other loans and receivables	108	-	-	-	-	108
Total	144,601	58,994	18	1,369	-	204,982

(b) Liquidity risk

This arises from inability of the Bank to meet its own foreign exchange and government obligations without incurring huge price concession. The table below analyses the assets and liabilities of the Bank into relevant maturity based on the remaining period at statement of financial position date to contractual maturity date.



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(b) Liquidity risk

By contractual maturity analysis of financial instruments:

Details	Up to 1 Month SSP million	From 1 to 12 Months SSP million	From 1 to 5 Years SSP million	Over 5 Years SSP million	Total SSP million
31 December 2021					
Financial assets					
Cash and cash equivalents	66,676	-	-	-	66,676
Holding of Special Drawing Rights (SDR's)	51,956	-	-	-	51,956
Quota of International Monetary Fund (IMF)	148,755	-	-	-	148,755
Government securities	2,207	-	-	-	2,207
Advances to the Government	-	272,522	-	-	272,522
Advances to commercial banks	-	-	-	-	-
Other loans and receivables	-	526	-	-	526
Total	269,594	273,048	-	-	542,642
Financial liabilities					
Currency in circulation	106,627	-	-	-	106,627
Deposits from Government and its agencies	24,110	-	-	-	24,110
Deposits from banks and financial institutions	169,600	-	-	-	169,600
Other liabilities	887	-	-	-	887
IMF related liabilities	-	-	148,755	37,570	186,325
Allocation of Special Drawing Rights (SDR's)	142,171	-	-	-	142,171
Total liabilities	443,395	-	148,755	37,570	629,720
Net liquidity gap	(173,801)	273,048	(148,755)	(37,570)	(87,078)



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(b) Liquidity risk (continued)

By contractual maturity analysis of financial instruments:

Details	Up to 1 Month SSP million	From 1 to 12 Months SSP million	From 1 to 5 Years SSP million	Over 5 Years SSP million	Total SSP million
31 December 2020					
Financial assets					
Cash and cash equivalents	5,836	-	-	-	5,836
Holding of Special Drawing Rights (SDR's)	2	-	-	-	2
Quota of International Monetary Fund (IMF)	148,831	-	-	-	148,831
Government securities	2,200	-	-	-	2,200
Advances to the Government	-	142,259	-	-	142,259
Advances to commercial banks	-	-	-	-	-
Other loans and receivables	-	108	-	-	108
Total	156,869	142,367	-	-	299,236
Financial liabilities					
Currency in circulation	104,456	-	-	-	104,456
Deposits from Government and its agencies	25,263	-	-	-	25,263
Deposits from banks and financial institutions	88,492	-	-	-	88,492
Other liabilities	469	-	-	-	469
IMF related liabilities	54,577	-	-	-	54,577
Allocation of Special Drawing Rights (SDR's)	23,387	-	-	-	23,387
Total liabilities	296,644	-	-	-	296,644
Net liquidity gap	(139,775)	142,367	-	-	2,592



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(b) Market risk (continued)

i. Interest rate risk

The table below summarises the exposure to interest rate risk. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of either contractual reprising or maturity dates. The Bank does not bear an interest rate risk on off balance sheet items.

Details	Up to 1 month SSP million	From 1 to 12 months SSP million	From 1 to 5 years SSP million	Over 5 years SSP million	Non-interest bearing SSP million	Total SSP million
31 December 2021						
Financial assets						
Cash and cash equivalents	-	-	-	-	66,676	66,676
Holding of Special Drawing Rights (SDR's)	-	-	-	-	51,956	51,956
Quota of International Monetary Fund (IMF)	-	-	-	-	148,755	148,755
Government securities	2,207	-	-	-	-	2,207
Advances to the Government	-	272,522	-	-	-	272,522
Advances to commercial banks	-	-	-	-	-	-
Other loans and receivables	-	526	-	-	-	526
Total	2,207	273,048	-	-	267,387	542,642
Financial liabilities						
Currency in circulation	-	-	-	-	106,627	106,627
Deposits from the Government and its agencies	-	-	-	-	24,110	24,110
Deposits from banks and financial institutions	-	-	-	-	169,600	169,600
Other liabilities	-	-	-	-	887	887
IMF related liabilities	-	-	-	-	186,325	186,325
Allocation of Special Drawing Rights (SDR's)	-	-	-	-	142,171	142,171
Total liabilities	-	-	-	-	629,720	629,720



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (Continued)

(c) Market risk (continued)

i. Interest rate risk (continued)

Details	Up to 1 month SSP million	From 1 to 12 months SSP million	From 1 to 5 years SSP million	Over 5 years SSP million	Non-interest bearing SSP million	Total SSP million
31 December 2020						
Financial assets						
Cash and bank balances	-	-	-	-	5,836	5,836
Holding of Special Drawing Rights (SDR's)	-	-	-	-	2	2
Quota of International Monetary Fund (IMF)	-	-	-	-	54,577	54,577
Government securities	2,200	-	-	-	-	1,917
Advances to the Government	-	142,259	-	-	-	142,684
Advances to commercial banks	-	-	-	-	-	-
Other loans and receivables	-	108	-	-	-	108
Total	2,200	142,367	-	-	60,415	204,982
Financial liabilities						
Currency in circulation	-	-	-	-	104,456	104,456
Due to the Government and its agencies	-	-	-	-	25,263	25,263
Due to banks and financial institutions	-	-	-	-	88,492	88,492
Other liabilities	-	-	-	-	469	469
IMF related liabilities	-	-	-	-	54,577	54,577
Allocation of Special Drawing Rights (SDR's)	-	-	-	-	23,387	23,387
Total	-	-	-	-	296,644	296,644



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (Continued)

(c) Market risk (Continued)

ii. Foreign exchange risk

The exchange rate risk (or currency risk) refers to the loss of the portfolio value or purchasing power of the portfolio occasioned by adverse foreign exchange rate movements. The Bank foreign reserves portfolio is denominated in a number of currencies whose exchange rates are subject to fluctuation on international foreign exchange market.

The currency positions of the Bank as of 31 December 2021 and 31 December 2020 that provides the Bank's assets, liabilities and equity at carrying amounts, categorized by currency is summarized below.



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(c) Market risk (continued)

ii. Foreign exchange risk (continued)

The Bank's currency position: -

31 December 2021

Financial assets	SSP million	USD million	GBP million	EURO million	Other Currencies iSP million	SDR million	Total SSP million
Cash and bank balances	13,966	48,477	201	1,456	2,576	-	66,676
Holding of Special Drawing Rights (SDR's)	-	-	-	-	-	51,956	51,956
Quota of International Monetary Fund (IMF)	-	-	-	-	-	148,755	148,755
Government securities	2,207	-	-	-	-	-	2,207
Advances to the Government	272,522	-	-	-	-	-	272,522
Loans and advances to banks	-	-	-	-	-	-	-
Other loans and receivables	526	-	-	-	-	-	526
Total	289,221	48,477	201	1,456	2,576	200,711	542,642
Financial liabilities							
Currency in circulation	106,627	-	-	-	-	-	106,627
Deposits from Government and its agencies	20,539	3,225	2	344	-	-	24,110
Deposits from banks and financial institutions	123,008	45,008	418	1,166	-	-	169,600
Other liabilities	887	-	-	-	-	-	887
IMF related liabilities	-	-	-	-	-	186,325	186,325
Allocation of Special Drawing Rights (SDR's)	-	48,233	420	1,510	-	142,171	206,436
Total	251,061	48,233	420	1,510	-	290,926	592,150
Net exposure	590	244	(219)	(54)	2,576	(90,215)	(87,078)



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RISK MANAGEMENT (CONTINUED)

26.1 Financial risks (continued)

(c) Market risk (continued)

ii. Foreign exchange risk (continued)

The Bank's currency position: -

31 December 2020

	SSP million	USD million	GBP million	EURO million	Other Currencies SSP million	SDR million	Total SSP million
Financial assets							
Cash and bank balances	34	4,415	270	1,099	18	-	5,836
Holding of Special Drawing Rights (SDR's)	-	-	-	-	-	2	2
Quota of International Monetary Fund (IMF)	-	-	-	-	-	54,577	54,577
Government securities	2,207	-	-	-	-	-	2,207
Advances to the Government	142,259	-	-	-	-	-	142,259
Loans and advances to banks	-	-	-	-	-	-	-
Other loans and receivables	108	-	-	-	-	-	108
Total	144,608	4,415	270	1,099	18	54,579	204,989
Financial liabilities							
Currency in circulation	104,456	-	-	-	-	-	104,456
Deposits from Government and its agencies	11,734	12,334	-	42	-	-	24,110
Deposits from banks and financial institutions	69,906	18,587	-	-	-	-	88,493
Other liabilities	469	-	-	-	-	-	469
IMF related liabilities	-	-	-	-	-	54,577	54,577
Allocation of Special Drawing Rights (SDR's)	-	-	-	-	-	23,385	23,385
Total	186,565	30,921	-	42	-	77,962	295,490
Net exposure	(41,957)	(26,506)	270	1,057	18	(23,383)	(90,501)



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are measured on an ongoing basis at either fair value or amortised cost. A summary of significant accounting policies in note 3 describes how classes of financial instruments are measured and how income and expenses, including fair value gains are recognised. During the year ended 31 December 2021 all the financial assets and liabilities were carried at amortized cost.

28. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all-significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation technique includes net present value and discount cash flow model, comparison with similar instruments for which market observable price exist. Assumptions and inputs used in valuation technique include risk-free and benchmark interest rate, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation technique is to arrive at a fair value measurement that reflects the price that would be received to sell the assets or paid to transfer the liability in an orderly transaction between market participants at the measurement date.



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Details	Level 1 SSP million	Level 2 SSP million	Level 3 SSP million	Total carrying amount SSP million
31 December 2021				
Assets				
Cash and cash equivalents	-	66,676	-	66,676
Holding of Special Drawing Rights (SDR's)	-	51,956	-	51,956
Quota of International Monetary Fund (IMF)	-	148,755	-	148,755
Government securities	-	2,207	-	2,207
Advances to the Government	-	234,952	-	234,952
Advances to commercial banks	-	-	-	-
Other loans and receivables	-	526	-	526
	-	<u>505,072</u>	-	<u>505,072</u>
Liabilities				
Currency in circulation	-	106,627	-	106,627
Deposits from Government and its agencies	-	24,110	-	24,110
Deposits from banks and financial institutions	-	169,600	-	169,600
Other liabilities	-	887	-	887
IMF related liabilities	-	148,755	-	148,755
Allocation of Special Drawing Rights (SDR's)	-	142,171	-	142,171
Total liabilities	-	<u>592,150</u>	-	<u>592,150</u>



BANK OF SOUTH SUDAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Details	Level 1 SSP million	Level 2 SSP million	Level 3 SSP million	Total carrying amount SSP million
31 December 2020				
Assets				
Cash and cash equivalents	-	5,836	-	5,836
Holding of Special Drawing Rights (SDR's)	-	2	-	2
Quota of International Monetary Fund (IMF)	-	54,577	-	54,577
Government securities	-	2,200	-	2,200
Advances to the Government	-	142,259	-	142,259
Advances to commercial banks	-	-	-	-
Other loans and receivables	-	108	-	108
Total assets	-	204,982	-	204,982
Liabilities				
Currency in circulation	-	104,456	-	104,456
Deposits from Government and its agencies	-	25,263	-	25,263
Deposits from banks and financial institutions	-	88,492	-	88,492
Other liabilities	-	469	-	469
IMF related liabilities	-	54,577	-	54,577
Allocation of Special Drawing Rights (SDR's)	-	23,385	-	23,385
Total liabilities	-	296,642	-	296,642

29. CONTINGENT LIABILITIES

Contingent liabilities arise in the normal course of the Bank's business activities. In order to meet the financial needs of the Government, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the inflationary adjusted statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

During the year 2015 the Bank entered a guarantee deed with Qatar National Bank S.A.Q on behalf of the Government of South Sudan in relation to a letter of credit and documentary credit facilities issued which as at the end of this year they were in tune of USD 649 million. The matter is still in discussion with the International Centre for the Settlement of Investment Disputes due to uncertainty of settlement of the balances utilized from the credit facilities by the government.



BANK OF SOUTH SUDAN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. OUTSTANDING COMMITMENTS

CAPITAL COMMITMENTS

As at 31 December 2021, the Bank did not have any capital commitments in respect of, Property and Equipment, Intangible Assets and major capital projects (2020: SSP 198,184 million).

	31 December 2021	31 December 2020
	SSP million	SSP million
Data Centre and Fence Project in HQ- Juba	-	198,184

The above commitments have been included and approved for payment in accordance with the 2020/2021 budget estimates.

31. RELATED PARTY TRANSACTIONS AND BALANCES

In the course of its operations, the Bank enters transactions with related parties, which include the Government of the Republic of South Sudan, the ultimate shareholder of the Bank and key management personnel. The related party transactions during the year are as follows:

(a) Loans and emoluments to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Bank. The Bank's key management personnel are the Governor, Deputy Governors, Non-Executive Directors, and Directors.

The Bank extends loans facilities to the Governor, the Deputy Governors, and its members of staff. Loans and receivables (note 14) included advances to employees that as at 31 December 2021 amounted to SSP -. million (2020: SSP 627 million). The advances are granted at interest rates determined by the Bank over the period of the loan. The following is the breakdown of loans and emoluments granted to key management personnel except Non-Executive Directors.

	2021	2020
	SSP million	SSP million
i Loans to Senior Management (i.e. Governor, Deputy Governors and Directors)		
At start of the year	627	549
Loans granted during the year	-	791
Loans repaid during the year	-	(713)
Balance end of the year	-	627
ii Emoluments to Senior Management Personnel (Governor, Deputy Governors and Directors)		
Salaries, allowances, and benefits	-	28

accordance with Section 18 of the Bank of South Sudan Act, 2011, remuneration of the Governor and Deputy Governors is determined by the Minister of Finance and Planning and Council of ministers of the Republic of South Sudan; plus, an additional amount determined by a resolution of the non-executive Board members. As at 31 December 2021, the number of key management personnel was 7 (2020:7).

(b) Directors' remunerations

During the year ended 31 December 2021, emoluments paid to the members of the Board amounted to SSP - million (2020: SSP 28 million). These emoluments include benefits of Non - Executive Directors. Non-Executive Directors are not entitled to loans and advances.

(c) Government of the Republic of South Sudan

Transactions entered into with the Government include:



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Transactions entered into with the Government include:

- (a) Financial accommodation on temporary short falls in Government revenue.
- (b) Receipt of deposits from government bodies including ministries and agencies
- (c) Other duties including agency of the Government as provided under the Bank of South Sudan Act, 2011.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RELATED PARTY DISCLOSURES (CONTINUED)

(c) Government of the Republic of South Sudan (continued)

Balances due from the government of Republic of South Sudan

	2021	2020
	SSP million	SSP million
Government securities (note 12)	2,207	2,200
Advances to the Government (note 13)	<u>234,952</u>	<u>142,259</u>
	<u>237,159</u>	<u>144,459</u>

Balances due to the government of Republic of South Sudan

	2021	2020
	SSP million	SSP million
Deposits from Ministry of Finance and Economic Planning (note 21)	23,578	20,599
Deposits from other Government institutions	<u>532</u>	<u>4,664</u>
	<u>24,110</u>	<u>25,263</u>

32. COMPARATIVE FIGURES

Where necessary comparative figures have been reclassified to conform to changes in presentation in the current year

33. EVENTS AFTER THE REPORTING DATE

At the date of signing the financial statements, the Directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affected the financial position of the Bank and results of its operations.

