Executive Summary

The Bank's 2014 Report distinguishes itself from previous reports in a number of ways. First, it commemorates the 50th anniversary of the establishment of the Bank, now the premier development finance institution in Africa. At end-2014, the Bank had 1,932 staff, including 574 in the field, and a capitalization of some USD 100 billion.

Second, it reports on an exceptional year in the African economy. Earlier in the year, a number of West African countries were hit by the Ebola epidemic, whose socio-economic repercussions were felt in the rest of Africa and beyond. Later in the year, oil and gas prices collapsed threatening macroeconomic stability in net oil-exporting countries and creating opportunities to net oil-importing economies.

Third, the Report tells the story of how the Bank responded to the multiple challenges the continent faced, even as it returned to Abidjan, maintaining momentum in operations and preserving staff and client morale.

This Executive Summary highlights the Bank's achievements and challenges in the face of these and other scenarios, with candor. It also outlines the operational strategies and policies crafted by the Bank to implement its Ten-Year Strategy anchored on Inclusive Growth and Transition into Green Economy.

High Growth Despite Regional and Global Adversity

Growth in 2014 and mid-term outlook. Africa grew in 2014 by 3.9 percent, a marginal improvement on the 3.5 percent growth recorded in 2013 and higher than the global growth rate of 3.3 percent. There were variations across different country and regional groupings. At 7.1 percent in 2014, compared to 4.7 percent in the previous year, East Africa recorded the highest growth, propelled by rapid growth in Ethiopia, Rwanda, and Tanzania.

Despite the persistence of conflict in parts of the West Africa region, the heavy human and economic toll wrought by the Ebola epidemic, and the sharp decline in oil prices, the region grew on average from 5.7 percent in 2013 to 6.0 percent in 2014, with Côte d'Ivoire and Nigeria growing at 8.3 and 6.3 percent, respectively. The expansion of the non-oil sectors in the Central Africa region helped it post an average growth rate of 5.6 percent, compared with 4.1 percent in 2013. A multitude of bottlenecks in South Africa, the region's major economy, including shortages of electricity and strained industrial relations has seen the slow-down of growth in the Southern African Region as a whole to 2.7 percent from 3.6 percent in 2013. Growth in North Africa edged marginally higher, to 1.7 percent from the 1.6 percent recorded in 2013.

At the continental level, growth was highest in the Low-income Countries. Côte d'Ivoire, the Democratic Republic of Congo (DRC), and Ethiopia, for example, grew by more than 8 percent.

Additionally, the outbreak of the Ebola epidemic in Guinea, Liberia, and Sierra Leone in March 2014, with some cases also reported in Nigeria, Mali, and Senegal, led to severe reversals in the economic growth of the most affected countries.

The sharp decline in global oil prices in the second half of 2014 had both positive and negative impacts on the African economies. Rising deficits in the fiscal balances and the resultant pressure to run down foreign reserves or borrow from external sources could derail growth in oil-exporting countries, particularly Angola, Chad and Nigeria. On the other hand, the fall in oil prices could release much needed foreign exchange, creating a potential for better growth in oil-importing countries.

Projections of Africa's medium-term growth remain favorable. Growth on the continent is forcast at 4.5 percent for 2015, and should strengthen by a further 5.0 percent in 2016. At such high growth rates, Africa will remain the world's second-fastest-growing continent, after Asia.

East Africa is expected to register moderate growth of 5.6 percent in 2015, rising to 6.7 percent in 2016. Central and West African regions are expected to grow by 5.5 percent and 5.0 percent, respectively in 2015, rising to 5.8 and 6.1 percent, respectively, in 2016. Despite the continued turmoil in Libya, growth in North Africa is expected to see a strong rebound, up from 1.7 percent in 2014 to at 4.5 percent in 2015. This will be a significant turnaround from the economic stagnation that has marked the region since 2011, the beginning of the Arab Spring. Meanwhile, growth in Southern Africa is expected to remain weak as its largest economy, South Africa, continues to face major hurdles. However, solid growth in Mozambique and Zambia should lift the region's growth to 3.1 percent in 2015, up from 2.7 percent in 2014.

Macroeconomic stability. Prudent monetary and fiscal policies pursued by most African governments helped sustain macro stability. The result was a marginal increase in inflation in 2014 to 7.2 percent from 7.0 percent in 2013. Although high when compared to other parts of the developing world, inflation on the continent was much lower than it has been in recent years. Projections for the medium term reflect that inflation in Africa will be moderate, underpinned by a continued fall in international food and oil prices.

Meanwhile, Africa saw a decline in its current account balance, due to weak external demand, particularly from China, and lower export earnings due to low commodity prices, including for oil. The average deficit on the continent widened to 3.7 percent of GDP from 2.2 percent in 2013.

External financing. External financial flows to Africa in 2014 grew to a record USD 200 billion, some four times the figure for 2000. Foreign Direct Investment (FDI) was at USD 60.4 billion, up from USD 57.2 billion in 2013. The principal recipients of this FDI were Nigeria (USD 6.5 billion), Morocco (USD 4.8 billion), South Africa (USD 4.8 billion), and Mozambique (USD 4.1 billion). Remittances from the African Diaspora, the largest source of foreign financial flows to the continent, rose by more than 10 percent to USD 67.1 billion. Meanwhile, Official Development Assistance (ODA) was estimated at USD 55.2 billion, marginally lower than the USD 55.8 billion recorded in 2013. This decline reflects a trend that began in 2000. However, ODA remains the largest single source of external financial flows to Africa's Low-Income Countries (LICs).

The Millennium Development Goals (MDGs). Since their adoption at the Millennium Summit of the United Nations in 2000 by Heads of State and Government, the MDGs have been a strong rallying force to significantly reduce extreme poverty, hunger, disease and achieve social progress by 2015. The Bank's support to the MDG agenda in Africa included the implementation, facilitation and hosting of programs designed to improve access to water and sanitation, health and education, and also the preservation of natural habitats and the environment, and building resilience to the effects of climate-change. More recently, following the adoption of its comprehensive gender strategy, this support has included ensuring mainstreaming of gender in all of the Bank's programs and projects in Regional Member Countries. At another level, the Bank worked closely with the African Union Commission (AUC), the Economic Commission for Africa (ECA), and the United Nations Development Program (UNDP) on the Post-2015 Development Agenda. The most important outcome of this collaboration was the articulation of the "Common African Position", approved by the Summit of Africa's Heads of State and Government in Addis Ababa, Ethiopia, in January 2014.

The Quest for Inclusive Growth in Africa. Africa's economic growth in the past decade averaged about 5 percent. However, this rapid growth has not been translated into appreciable reductions in poverty and inequality on the continent. While 40 percent of Africa's population lives on less than USD 1.25 a day, half of the income generated on the continent goes to just 10 percent of its population. The high levels of inequality reflected in these figures underscore the need to intensify the process towards inclusive growth.

Structural transformation is the key to inclusive growth in Africa. Critical elements of that transformation should include competiveness in the global markets and a shift towards global value chains. Such a shift will demand good quality and efficient infrastructure. Equipping Africa's youth with technical vocational education and the skills that match the needs of the labor market will additionally help accelerate such structural transformation. Other conditions include the creation of an enabling environment for private sector investment, strengthening good governance, creation of efficient and robust institutions, and expanding Africa's markets through regional integration. Gains in structural transformation will be reflected in narrower gaps between groups, particularly between urban and rural areas, in access to income generating opportunities and modern services.

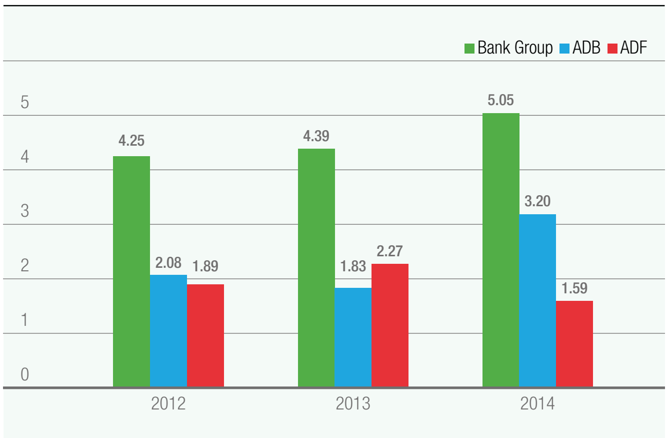
The African Development Bank has adopted policies and interventions to promote inclusive growth in Africa. Indeed, inclusive growth is one of the two principal objectives of its Ten-Year Strategy (TYS) 2013-2022; transitioning Africa to green growth, is the other.

Throughout 2014, the Bank approved a number of strategies and policies that reinforced its commitment to inclusive growth in Africa. They included support to states under fragile situations, policies to promote gender equality, strengthening quality governance and regional integration.

Bank Group Operations in 2014

Overview. Total Bank Group operations in the year amounted to UA 5.05 billion, 15.1 percent higher than the UA 4.39 billion approved in 2013. The value of approvals at the ADB window increased by three-quarters to UA 3.20 billion from UA 1.83 billion in 2013. Approvals for various operations at the ADF window stood at UA 1.59 billion, some 30 percent below the amount recorded in 2013 (Figure 0.1). Other approvals include UA 11.49 million from NTF and UA 244.22 million from Special Funds. The drop in financing by the ADF, the Bank's concessional window, was partly due to the slow take-off of activities in 2014, the first year of the implementation of the ADF-13 Replenishment.

Figure 0.1 Bank Group Approvals by Window*, 2012-2014 (UA billion)



Source: AfDB Statistics Department.
** NTF Approvals not shown*

The Bank's efforts to diversify its client base helped extend ADB public-sector lending to 11 countries, almost double the number in 2013. The ADB private-sector window helped leverage some UA 13.0 billion in co-financing, more than double the year's target of UA 6.0 billion.

Bank Group Disbursements. During 2014, loans and grants disbursed by the Bank Group amounted to UA 3.16 billion, a 0.7 percent rise over 2013 levels. However, this amount excludes financing drawn from Special Funds, equity participation and guarantees. The continued decline in the disbursement rate is of major concern to the Bank Group Management and the Boards of Directors. From a peak of 93.8 percent in 2012, this declined to 88.0 percent in 2013 and in 2014 fell further to 70.1 percent. The decline in the disbursements is linked to weaknesses in some key portfolio performance indicators, including the time lags between loan approval and issue of the first disbursement, the frequency of project supervision, and the "quality at entry" of projects. Slippages in country systems, inadequate policy dialogue, an insufficient field presence, and weak project implementation units are other factors.

The Bank Group's Five Operational Priorities

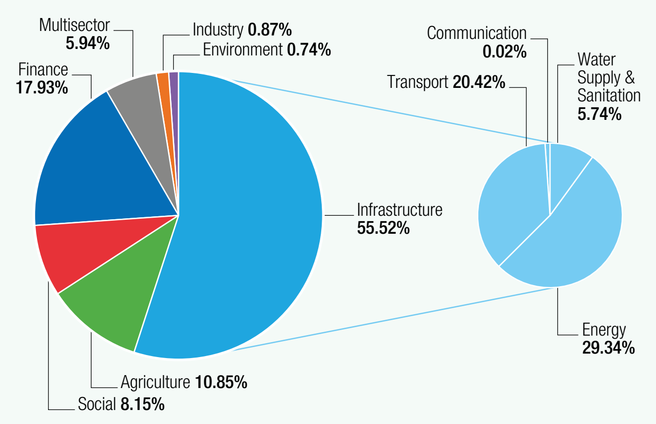
Bank Group interventions in 2014 focused on the five priorities of the Bank's TYS namely, infrastructure, regional integration, private sector development, skills and technology, and governance and accountability. Total Bank Group loan and grant approvals amounted to UA 4.50 billion in the year. More than half of that amount was allocated for infrastructure projects in energy, transport, and water and sanitation (Figure 0.2). Approvals for finance were at 17.9 percent of loans and grants and mainly targeted at support for the continent's small- and medium-size enterprises (SMEs) in order to ease their financing constraints and promote financial inclusion. Close to 11% of loans and grants was assigned to enhance food security and productivity in the agricultural sector. The Bank's support to infrastructure, governance and related reforms, particularly through improving markets and services has additional important impacts on agricultural productivity and performance. The social sector took up 8.2 percent of total approvals. The funding was for skills development, technological innovation, and improvement of health-care service delivery.

Regional Economic Integration. Total approvals for regional (multinational) operations amounted to UA 1.08 billion in 2014. Nearly 75 percent of the amount was in loans and grants, 24.5 percent in private guarantees and equity participation, and 1.1 percent in drawdowns on Special Funds. Total approvals for regional projects saw a drop of 18.2 percent from the UA 1.32 billion approved in 2013. This was due to the unavailability of new, large-ticket infrastructure (transport and energy) and regional integration projects in 2014.

The largest share of regional project approvals financed lines of credit to micro-, small-, and medium-size enterprises, trade finance, guarantees and equity participation. A total of 21.5 percent of funding approvals went to the agricultural sector. The social sector took up 19.6 percent of funding approvals and infrastructure 18.6 percent, compared to 51.8 percent in 2013. This drop was due to fewer large transport and energy projects presented for funding in 2014.

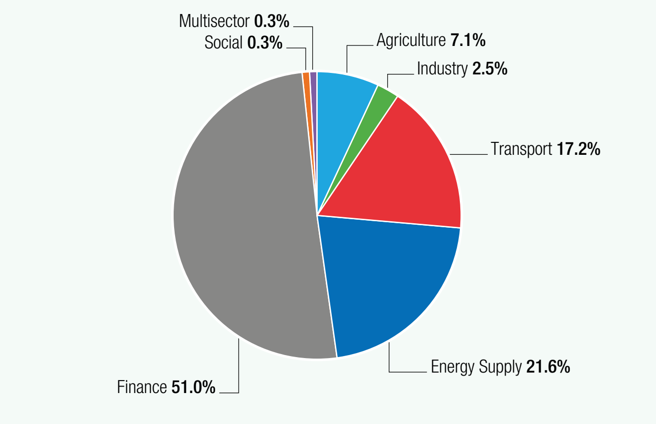
Multinational approvals for the social sector, as a percentage of total approvals, increased nearly tenfold to 19.6 percent in 2014 from 2.3 percent in 2013. This increase was largely due to emergency interventions that the Bank undertook in 2014, notably in the fight against the Ebola epidemic in West Africa, for which it provided, UA 147.9 million, mainly in grants. The

Figure 0.2 Sectoral Distribution of Bank Group Loan and Grant Approvals, 2014 (UA 4.50 billion)



Source: AfDB Statistics Department.

Figure 0.3 Private Sector Operations by Sector, 2014



Source: AfDB Statistics Department.

Bank's investments in epidemic were targeted primarily at the strengthening of public health systems, budget support to fight the Ebola epidemic, and technical assistance to the three most-affected countries to enhance their capacities to respond to the crisis.

Private-Sector Operations. The Bank approved a total of UA 1.59 billion to finance 48 new private-sector operations in 2014. This was a notable increase of 51.4 percent above the UA 1.05 billion approved in 2013. Fifty-one percent of approvals were for the finance sector (Figure 0.3). This was lower than the 65.5 percent of total approvals that went to the sector in 2013. A total of 38.8 percent of approvals were for private sector investment in infrastructure, mainly in energy and transport.

The establishment of Africa50 in 2013, and its eventual incorporation in Morocco, in 2014, was a landmark in the Bank's shift towards mobilizing innovative financing for the development of infrastructure in Africa. The Bank provided UA 86 million to Africa50 as seed money to catalyze additional financing from traditional and non-traditional sources of financing in Africa and abroad.

Management of the Ebola Crisis. The Bank's response to the Ebola epidemic was, as indicated above, both timely and effective, and aimed at supporting those at risk as well as alleviating the socio-economic impact of the disease. The funds were channeled through the World Health Organization and directly to individual governments.

Transitioning to Green Growth. The promotion of green growth is critical to preserving the African environment and ensuring that the continent's natural resources are managed in a sustainable manner. In keeping with its green growth agenda, the Bank approved UA 33.2 million for four climate-change mitigation and adaptation projects in 2014. These included operations to rehabilitate and strengthen the Lake Chad Basin ecosystem and UA 2.1 million to support community work to reduce deforestation in the DRC's Virunga-Hoyo region. Two renewable energy projects approved in 2014 will also promote the transition to green growth. The *Ouarzazate Solar Complex Project (Phase II)* in Morocco (UA 166.4 million) will reduce greenhouse gas emissions by some 522,000 tons, thus mitigating the effects of climate change. Also, the *Xina Solar One Project* in the Republic of South Africa (UA 64.9 million) is expected to produce 6,927 MW power through renewable energy by 2017.

Areas of Special Emphasis

The three areas of special emphasis in the Bank's TYS are agriculture and food security, gender, and countries in fragile situations.

Agriculture. The Bank's total approvals for agriculture and rural development in 2014 amounted to UA 545.4 million, of which UA 488.3 million (89.5 percent) was for loans and grants for 18 multinational and 17 national initiatives. The approvals included programs and projects for emergency relief, food security, and nutrition, including the *Somalia/Sudan/Eritrea/Ethiopia Drought Resilience and Sustainable Livelihood Program* and the CILSS *Program to Build Resilience to Food and Nutrition Insecurity in the Sahel* (P2RS). The program covers Burkina Faso, Chad, The Gambia, Mali, Mauritania, Niger, and Senegal.

Gender. Approval of the Bank's Gender Strategy in January 2014 was a hallmark of the Bank's preparatory work on more targeted gender interventions. The strategy emphasizes the reduction of gender inequalities, by strengthening women's legal and property rights, promoting women's economic empowerment, and enhancing knowledge management and capacity building for gender equality in Bank operations. A number of Bank Group operations address gender in very specific terms. Examples include the *Malawi Sustainable Rural Water and Sanitation Infrastructure for Improved Health and Livelihoods Project,* and the *Mozambique Economic Governance and Inclusive Growth Program.*

States under Fragile Situations. Bank approvals for operations in countries facing fragile situations amounted to UA 365.8 million in 2014. A total of UA 27.8 million was for budget support for countries in fragile situations also affected by the Ebola epidemic. Three multinational (regional) operations of the Bank Group were approved in 2014 to address socio-economic challenges with the aim of assisting countries to move out of states of fragility. These operations are:

- *The Program to Build Resilience in the Sahel (P2RS).* The goal of the program is to address fragility and build the resilience of vulnerable populations against food and nutrition insecurity and other socio-economic challenges in the Sahel;

- *The Drought Resilience and Sustainable Livelihoods Program (DRSLP) in the Horn of Africa.* Among other benefits, this program is to address state fragility and strengthen the capacities of beneficiary countries to enhance resilience to drought; and

- *The Program to Rehabilitate and Strengthen Resilience of the Lake Chad Basin Ecosystems (PRESIBALT).* This is to directly benefit 15.3 million people living in the Lake's impact area.

Institutional Reforms and Corporate Governance

Institutional Reforms. The return of the Bank to its Headquarters in Abidjan was one of its main preoccupations in 2014. Although carefully planned, the shift raised some apprehension among staff and their families, especially with regard to issues of housing, schooling, and health services in Abidjan. By all accounts, however, the shift was much smoother than anticipated, due in large measure to cooperation of the Tunisian and Ivorian Governments, and commendable planning by staff and the Board. By September 2014, the Board of the Bank was able to resume business at the Bank Headquarters in Abidjan, while the numbers of staff arriving at its Headquarters continued to rise each month.

Other institutional reforms during the year included continued budget reforms and implementation of the Bank's decentralization roadmap as well as changes to *the Bank's organizational structure.* The budget reforms aimed to align resource allocation to the Bank's Ten-Year Strategy, as well as provide for flexibility in the implementation of the Bank's work programs. The Bank's far-reaching decentralization effort was subjected to a mid-term review (MTR) in 2014. Management agreed to the its main recommendations and as a follow-up agreed to update the Bank's Decentralization Roadmap Action Plan for consideration by the Board in 2015. The 2013 fine-tuning of the Bank's organizational structure led to the creation of the following key structures in 2014:

- The Business Development Office to launch and operationalize Africa50, and similar business development initiatives, by the Bank, designed to address Africa's infrastructure deficit;

- The Bank Group Risk Management function under a Group Chief Risk Officer, reporting directly to the President;

- The African Natural Resources Center to scale up work in natural resources management;

- The Financial Sector Development Department to guide the initiation and growth of the Bank's business within a rapidly-changing African landscape;

- The Delivery and Performance Management Office to manage the "Executive Dashboard" and provide early warning on areas of slippage; and

- Upgrading of the Fragile States Unit to a fully-fledged department re-named the Transition Support Department.

Policies and Strategies. The Boards of Directors approved the following 7 policies and strategies in 2014: (i) The Governance Strategic Framework and Action Plan (GAP II), 2014-2018; (ii) the Gender Strategy 2014-2018; (iii) the Strategy for Addressing Fragility and Building Resilience in Africa, 2014-2019; (iv) the Policy on Diversifying the Bank's Products to Provide Eligible ADF-only Countries Access to the ADB Sovereign Window; (v) the Bank Group Regional Integration Policy and Strategy, 2014-2023; (vi) the Bank's Human Capital Strategy for Africa, 2014-2018; and (vii) the Financial Sector Development Policy and Strategy, 2014-2019.

Development Effectiveness. With the Boards' approval of the Bank's Integrated Safeguards System (ISS) in December 2013, no effort was spared in 2014 to ensure that its operations are assessed and managed according to this system. The newly adopted ISS is expected to enhance the Bank's ability to identify and minimize the risk of doing harm while working with communities, protect the environment and promote sustainability.

Intermediate Recourse Mechanisms. The Office of the Auditor General during 2014 reviewed a number Bank operations and recommended changes in policies and procedures to Management. The Bank's corporate governance culture remained robust, with due attention given to cases reported to the Staff Integrity and Ethics Office. The latter carried out an intensive awareness program in 2014 to mitigate reputational risks which could arise from lack of information with respect to issues of integrity and ethics in undertaking the Bank's work. With respect to the Independent Review Mechanism, the Bank undertook outreach missions in 2014 to the Democratic Republic of Congo, Kenya, and Mauritania. These improved awareness of the mandate and functions of its Independent Review Mechanism among Bank staff, national officials and other stakeholders.

Operations Evaluation. In 2014, several important evaluations of the Bank's operations were successfully delivered. Two evaluations focused on aspects of the Bank's infrastructure and private sector work. Three Country Strategy and Program Evaluations were delivered for Botswana, Chad and Madagascar, and further, two important corporate evaluations were completed. These were the evaluation of Quality at Entry for CSPs/Regional Integration Strategy Papers (RISPs) and the evaluation of efficiency and effectiveness of the Bank's procurement function.

Boards of Directors. The Boards of Directors continued to exercise their oversight and fiduciary functions relating to various operations, policies and strategies of the Bank. Activities undertaken by the Boards of Directors in 2014 included: (i) the Boards' Response to the Ebola epidemic, including an exceptional virtual meeting during the August 2014 recess, and approving programs aimed at containing the epidemic; and (ii) diversification of Funding Sources by which, in April 2014, the Board approved the establishment of two new and innovative financing vehicles, namely, Africa50, and the Africa Growing Together Fund (AGTF). The Boards also undertook official visits to a number of Regional Member Countries, namely Burundi, Comoros, the DRC, Sudan, Cabo Verde, Lesotho, Liberia, Swaziland and Côte d'Ivoire. In Côte d'Ivoire, members of the Boards familiarized themselves with progress on the Bank's return to its Headquarters.

The Boards emphasized policy and programing frameworks, notably Country Strategy Papers, as the entry points for the Bank's work in Regional Member Countries including the design of inclusive projects, fostering economic diversification and strengthening the countries' focus on agriculture and food security.

Boards of Governors. At the Bank's 2014 Annual Meetings held in Kigali, Rwanda, the Boards of Governors discussed the challenges and opportunities posed by Africa's quest for structural transformation and what the Bank can do to support its RMCs as they seek sustained and inclusive growth. A number of Governors participated in panel discussions on Africa's progress under the theme of *The Next 50 Years: the Africa We Want.* There was a general consensus that there was no single model for Africa's economic transformation but that strong and visionary leadership was critical for success.

Sound Financial Management

Strong financial position. The Bank maintained its sound financial standing under trying global and regional economic conditions. Four major rating agencies (Standard & Poor's, Moody's, Fitch Ratings, and the Japan Credit Rating Agency) reaffirmed the Bank's AAA and AA+ credit ratings for its senior debt, reflecting its strong capital base, the firm support of its shareholders, and its prudent financial and risk management. At the end of 2014, the Bank had paid-up capital amounting to UA 4.86 billion.

Table 0.1 Summary of Bank Group Operations, Resources and Finance, 2005-2014 (UA million)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Cumulative Total [a]
Operations											
Bank Group Approvals [b/]											
Number	102	137	100	133	181	139	184	199	317	**232**	**4,733**
Amount	2,293.63	2,596.88	3,097.64	3,528.73	8,064.49	4,099.75	5,720.29	4,253.75	4,385.78	**5,049.92**	**81,638.46**
of which HIPC	508.68	257.49	153.17	159.87	372.56	202.95	1,350.85	248.00	22.32	**-**	**6,111.32**
Disbursements	1,289.81	1,239.03	1,615.68	1,860.91	4,083.59	2,510.70	3,174.11	3,379.53	3,133.95	**3,156.96**	**48,415.06**
ADB Approvals [b/]											
Number	34	38	29	58	84	59	59	48	65	**79**	**1,510**
Amount	868.73	1,045.37	1,670.06	1,807.01	5,604.07	2,581.13	3,689.43	2,080.46	1,831.70	**3,201.30**	**46,810.95**
of which HIPC	75.99	102.21	-	113.75	112.77	144.14	1,178.04	134.58	9.64	**-**	**3,158.22**
Disbursements	595.35	548.44	884.75	727.53	2,352.29	1,339.85	1,868.79	2,208.17	1,430.78	**1,938.53**	**27,987.86**
ADF Approvals [b/]											
Number	65	84	54	62	77	65	87	98	156	**112**	**2,840**
Amount	1,421.71	1,544.57	1,381.75	1,665.34	2,426.96	1,456.72	1,831.86	1,890.17	2,269.55	**1,592.91**	**33,292.68**
of which HIPC	429.49	155.28	153.17	17.95	259.09	29.99	171.93	112.21	12.68	**-**	**2,889.95**
Disbursements	691.06	685.16	725.00	1,124.92	1,726.43	1,165.84	1,296.65	1,169.60	1,702.21	**1,215.30**	**20,185.62**
NTF Approvals											
Number	3	-	-	2	3	2	3	3	5	**2**	**95**
Amount	3.19	-	-	28.16	5.70	29.53	10.88	14.10	31.17	**11.49**	**438.97**
of which HIPC	3.19	-	-	28.16	0.70	28.83	0.88	1.20	-	**-**	**63.15**
Disbursements	3.39	5.43	5.94	8.45	4.87	5.02	8.67	1.76	0.96	**3.13**	**241.58**
Special Funds Approvals [c/]											
Number	-	15	17	11	17	13	35	50	91	**39**	**288**
Amount	-	6.94	45.83	28.21	27.76	32.38	188.12	269.03	253.36	**244.22**	**1,095.85**
Resources and Finance (at year's end)											
ADB											
Authorized Capital	21,870.00	21,870.00	21,870.00	21,870.00	22,120.00	67,687.46	66,054.50	66,975.05	66,975.05	**66,975.05**	
Subscribed Capital [d/]	21,717.67	21,794.00	21,693.16	21,765.14	21,817.58	23,924.62	37,322.00	65,215.04	65,210.13	**65,133.22**	
Paid-up Portion [d/]	2,269.06	2,357.78	2,351.53	2,356.01	2,359.32	2,375.63	3,289.06	4,962.68	4,962.34	**4,864.52**	
Callable Portion	19,367.00	19,436.76	19,341.63	19,409.14	19,458.25	21,548.99	34,032.95	60,252.36	60,247.80	**60,268.70**	
Borrowing (gross)	6,560.11	6,088.75	6,803.17	7,160.81	10,703.22	12,231.34	12,231.39	13,373.32	13,326.00	**14,353.42**	
Outstanding Debt	5,940.40	5,870.47	6,198.87	6,707.28	10,580.64	11,980.57	12,902.96	13,278.80	12,947.44	**14,375.95**	
Cumulative Exchange Adjustment on Subscriptions	(151.76)	(155.74)	(160.08)	(161.03)	(161.97)	(162.57)	(160.63)	(166.83)	(172.65)	**(173.54)**	
Reserves	2,266.39	2,305.48	2531.8	2475.47	2552.96	2627.28	2536.18	2667.44	2,856.88	**2,815.32**	
Gross Income [e/]	479.61	542.85	578.62	564.45	518.88	519.32	489.18	553.64	479.64	**484.73**	
Net Income [f/]	221.32	194.03	323.67	304.66	231.16	213.66	164.51	198.62	180.33	**151.69**	
ADF											
Subscriptions [g/]	13,261.76	14,314.51	15,218.76	16,566.02	17,854.02	19,030.32	20,428.32	21,622.28	23,084.05	**24,921.04**	
Other Resources [h/]	(476.02)	(776.38)	(703.50)	(656.59)	(493.44)	(437.23)	(375.27)	(400.28)	(401.16)	**(542.91)**	
NTF											
Resources (gross)	409.08	286.12	273.47	286.78	156.73	160.86	162.74	164.62	165.77	**168.28**	

Sources: AfDB Statistics Department for data on operations; AfDB Financial Control Department for data on Resources and Finance.

Notes:
a/ The cumulative figures go back to the initial operations of the three institutions (1967 for ADB, 1974 for ADF and 1976 for NTF).
b/ Approvals include loans and grants, private and public equity investments, emergency operations, HIPC debt relief, loan reallocations, guarantee and Post Conflict Country Facility.
c/ These are approvals on the operations of the African Water Facility and Rural Water Supply and Sanitation Initiative, Global Environment Facility, the Global Agriculture and Food Security Program, the Climate Investment Fund, the Congo Basin Forest Fund, the Fund for African Private Sector Assistance, the Zimbabwe Multi-Donor Trust Fund, and Migration and Development Trust Fund, the Microfinance Capacity Building Fund, the Governance Trust Fund, the Sustainable Energy Fund for Africa, the Middle East and North Africa Transition Fund and the Special Climate Change Fund.
d/ Subscribed capital and paid-up capital for 2005 were restated to exclude shares to be issued upon payment of future installments.
e/ Gross income for the year 2013 has been restated for dividend amounts reclassified from Other Income.
f/ Net income is after distributions approved by the Board of Governors.
g/ Subscriptions = Restated for the year 2005 to be amounts paid instead of amounts pledged.
h/ Other Resources = Accumulated Reserves/Loss + Net Income/Loss for the year + Miscellaneous.

The conversion rates are those for December 31 of each year.
The conversion rates of the ADB, ADF and NTF Unit of Account (UA) to US Dollar for various years are as follows:

2005	*1 UA = 1.42927 US dollars*	*2010*	*1 UA = 1.54003 US dollars*
2006	*1 UA = 1.50440 US dollars*	*2011*	*1 UA = 1.53527 US dollars*
2007	*1 UA = 1.58025 US dollars*	*2012*	*1 UA = 1.53692 US dollars*
2008	*1 UA = 1.54027 US dollars*	*2013*	*1 UA = 1.54000 US dollars*
2009	*1 UA = 1.56769 US dollars*	*2014*	*1 UA = 1.44881 US dollars*

Percentages in the charts and tables of the Report may not add up to 100 due to rounding-up.

Table 0.2 Summary of Bank Group Approvals, 2014
(UA million)

Bank Group Approvals by Sector

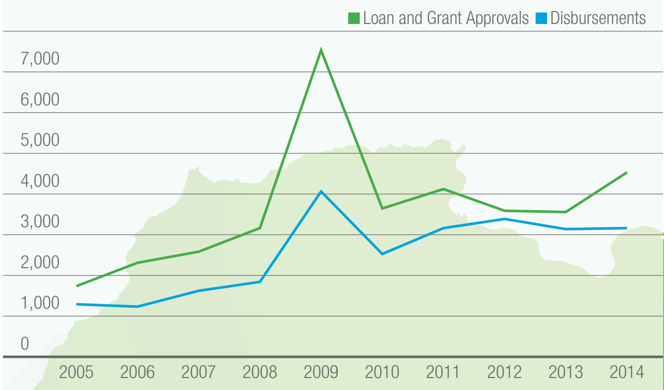
	ADB		ADF		NTF		Bank Group	
Sector	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Agriculture and Rural Development	12	204.71	22	277.14	1	6.49	35	488.34
Social	15	30.04	32	336.90	-	-	47	366.94
Education	2	1.1	5	100.25	-	-	7	101.34
Health	8	9.91	20	144.60	-	-	28	154.51
Other	5	19.04	7	92.05	-	-	12	111.09
Infrastructure	20	1,755.47	29	737.82	1	5.00	50	2,498.30
Water Supply and Sanitation	5	155.23	4	98.30	1	5.00	10	258.53
Energy Supply	6	1,114.59	9	205.67	-	-	15	1,320.27
Communication	1	0.80	-	-	-	-	1	0.80
Transport	8	484.86	16	433.85	-	-	24	918.71
Finance	14	774.19	1	32.59	-	-	15	806.78
Multisector	6	100.38	23	167.01	-	-	29	267.39
Industry, mining and quarrying	2	39.11	-	-	-	-	2	39.11
Urban Development	-	-	-	-	-	-	-	-
Environment	-	-	4	33.20	-	-	4	33.20
A. Total Loans and Grants	**69**	**2,903.89**	**111**	**1,584.67**	**2**	**11.49**	**182**	**4,500.05**
B. Other Approvals	**10**	**297.41**	**1**	**8.25**	**-**	**-**	**50**	**549.87**
HIPC Debt Relief	-	-	-	-	-	-	-	-
Post Conflict Country Facility	-	-	-	-	-	-	-	-
Equity Participation	6	132.58	-	-	-	-	6	132.58
Guarantees	4	164.83	1	8.25	-	-	5	173.07
Loan Reallocation	-	-	-	-	-	-	-	-
Special Funds	-	-	-	-	-	-	39	244.22
Total Approvals (A + B)	**79**	**3,201.30**	**112**	**1,592.91**	**2**	**11.49**	**232**	**5,049.92**

Bank Group Approvals by Financing Instrument

	ADB		ADF		NTF		Bank Group	
Financing Instrument	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Project Lending	**38**	**1,947.31**	**32**	**787.35**	**2**	**11.49**	**72**	**2,746.15**
Public and Publicly Guaranteed	10	708.51	32	787.35	2	11.49	44	1,507.34
Project Loans	10	708.51	32	787.35	2	11.49	44	1,507.34
Sector Investment and Rehabilitation	-	-	-	-	-	-	-	-
Lines of Credit	-	-	-	-	-	-	-	-
Private Non-Publicly Guaranteed	28	1,238.80	-	-	-	-	28	1,238.80
Project Loans	15	737.79	-	-	-	-	15	737.79
Lines of Credit	13	501.01	-	-	-	-	13	501.01
Policy-Based Lending	**5**	**923.78**	**5**	**85.27**	**-**	**-**	**10**	**1,009.05**
Sector Adjustment	3	826.18	1	12.46	-	-	4	838.64
Structural Adjustment	-	-	-	-	-	-	-	-
Budget Support	2	97.60	4	72.81	-	-	6	170.41
Grants	**25**	**16.43**	**73**	**703.79**			**98**	**720.22**
Technical Assistance	10	6.88	12	53.92	-	-	22	60.80
Project Cycle Activities	-	-	6	29.20			6	29.20
Institutional Support	-	-	6	24.72	-	-	6	24.72
of which Private Sector	-	-	-	-	-	-	-	-
Middle-Income Countries Grant	10	6.88	-	-	-	-	10	6.88
Project Grants	-	-	19	347.57	-	-	19	347.57
Structural Adjustment Grant	-	-	-	-	-	-	-	-
Budget Support Grant	-	-	7	47.63	-	-	7	47.63
African Food Crisis Response Grant	-	-	-	-	-	-	-	-
Transition Support Facility Grant	-	-	30	148.38	-	-	30	148.38
Special Relief Fund	15	9.55	-	-	-	-	15	9.55
Emergency Assistance	15	9.55	-	-	-	-	15	9.55
Emergency Post Conflict	-	-	-	-	-	-	-	-
Special Debt Relief Grant	-	-	-	-	-	-	-	-
Loans for Institutional Capacity Building	**1**	**16.37**	**1**	**8.26**	**-**	**-**	**2**	**24.63**
Loan for Transition Support Facility	**-**	**-**	**5**	**106.31**	**-**	**-**	**5**	**106.31**
Project Preparation Facility	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt and Debt Service Reduction	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SFM Debt Alleviation	-	-	-	-	-	-	-	-
HIPC Debt Relief	-	-	-	-	-	-	-	-
Post Conflict Country Framework	-	-	-	-	-	-	-	-
Equity Participation	**6**	**132.58**	**-**	**-**	**-**	**-**	**6**	**132.58**
Public Equity	-	-	-	-	-	-	-	-
Private Equity	6	132.58	-	-	-	-	6	132.58
Guarantees	**4**	**164.83**	**1**	**8.25**	**-**	**-**	**5**	**173.07**
Public Guarantees	-	-	1	8.25	-	-	1	8.25
Partial Risk Guarantees	-	-	1	8.25	-	-	1	8.25
Private Guarantees	4	164.83	-	-	-	-	4	164.83
Loan Reallocations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Special Funds	**-**	**-**	**-**	**-**	**-**	**-**	**39**	**244.22**
Total Approvals	**79**	**3,201.30**	**112**	**1,592.91**	**2**	**11.49**	**232**	**5,049.92**

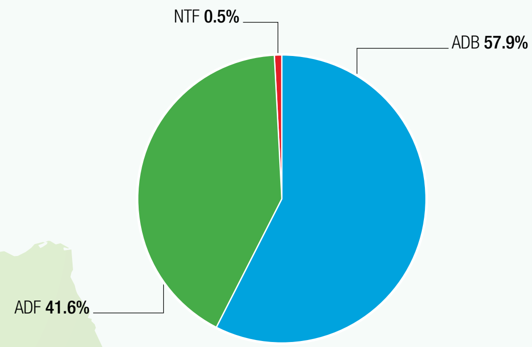
Source: AfDB Statistics Department.
Note: The conversion rate used is that for December 31, 2014 : UA 1 = USD 1.44881

Figure 0.4 Bank Group Loan and Grant Approvals and Disbursements, 2005-2014 (UA million)



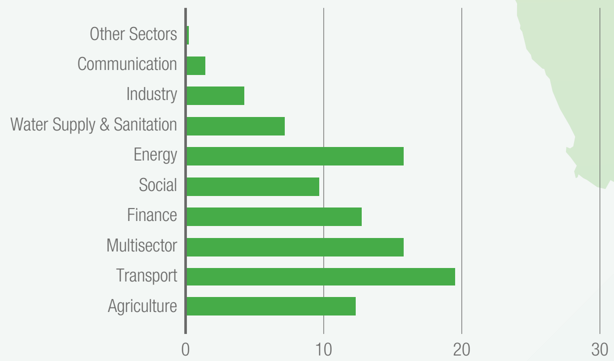
Source: AfDB Statistics Department.

Figure 0.5 Cumulative Bank Group Loan and Grant Approvals by Institution, 1967-2014



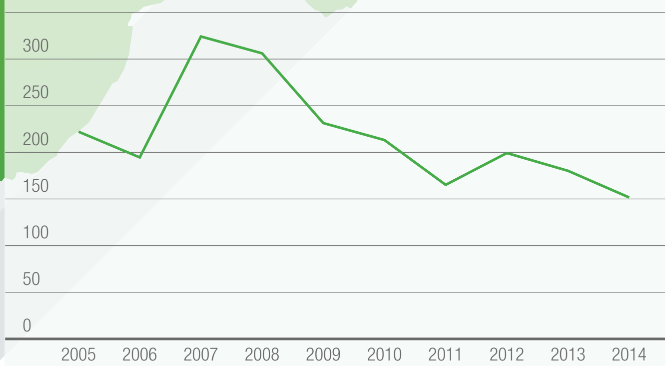
Source: AfDB Statistics Department.

Figure 0.6 Cumulative Bank Group Loan and Grant Approvals by Sector, 1967-2014 (%)



Source: AfDB Statistics Department.

Figure 0.7 ADB Net Income, 2005-2014 (UA million)



Source: AfDB Statistics Department.