

ACTIVITY REPORT 2019



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MESSAGE FROM THE MANAGEMENT

MESSAGE FROM THE BOARD OF DIRECTORS

The year 2019 was marked by significant developments at the shareholding, strategic and operational levels.

Indeed, the government has authorized the opening of the BNI's capital to CNPS. This decision will allow the bank to comply with banking regulations in terms of minimum capital.

At the strategic level, the implementation of the 2017-2021 strategic plan has been actively ongoing through the gradual digitization of Bank's activities, the formalization of all procedures and the audit of human resources.

At the operational level, the agency network has been expanded with the opening of 5 agencies, totaling 38 units.

These headways have had a positive impact on business. Bank therefore recorded for the year 2019:

- 50% increase in the balance sheet total;
- 57% increase in deposits;
- 26% increase in net credit;

The improvements recorded during 2019 will be sustained and even strengthened in the years to come. Bank should go back to its rightful place in the Ivorian banking environment. And all its bodies are committed to such challenge.

An improvement in the quality of the portfolio with a decrease in past due receivables;

Improvement in the gross portfolio deterioration rate;

- 18% increase in net bank income;
- 2% decrease in overhead costs;
- The improvement in the cost/income ratio, which stood at 67.6% at the end of 2019;

A net profit of 10.826 billion CFA francs in 2019, compared to a deficit of 6.384 billion CFA francs in 2018.

This performance was achieved thanks to the entire staff and the general management commitment to a process of continuous improvement.

Mister Souleymane CISSE

MESSAGE FROM THE GENERAL MANAGER



2019, the year of the celebration of the sixtieth anniversary of our Institution, was highlighted by the continuity of the implementation of the strategic plan «Excellence 2021» initiated in 2017, and the real taking of the reins by the new management team.

With growth averaging around 8% per year since 2012, the Ivorian economy has not faltered again this year, with an estimated 7.4% rate. Major sectors have performed strongly, including agriculture, with rising cocoa production and revenues in 2019.

The Ivorian banking system has expanded to include two new banks, and as a whole has taken advantage of this enabling environment. Indeed, the total balance sheet of Ivorian banks increased by 13% year-on-year and stood at CFAF 13,476 billion in December 2019 against CFAF 11,934 billion in December 2018. As for the interbank market, it recorded a 15% increase in activity, confirming the sector's dynamism.

Against this economic backdrop, BNI stayed the course by continuing to deliver on its mission as a financing and development bank, with a volume of established credit for FY 2019 worth CFAF 447 billion compared to CFAF 228 billion in 2018, or an increase of 96%.

Efforts made by the institution to position itself in the Ivorian banking landscape have enabled it hone in on its main customer segments and lines of business development.

The opening of five new sales outlets and the renovation of the Prestige Agency have strengthened Bank's presence in the retail and corporate sector, with a customized service offering that meets the highest standards of quality.

The continuous expansion of the range of digital products and services has led to the acquisition of modern solutions and the completion of a number of electronic banking projects, including the integration of new services into BNI Online, the installation of BNI ATMs that accept cash, the launch of B.free, a multi-service electronic wallet.

In addition, Bank's equity bailed out with the signing of the government decree operationalizing the opening of BNI's capital to the Caisse Nationale de Prévoyance Sociale (CNPS) up to 19.16% of its share capital.

BNI has also implemented structural reforms in order to improve the performance of its collection services as well as its IT and electronic money tools.

With all this momentum, the Institution closed the year 2019 with a positive result of CFAF 10.59 billion in 2019 against a loss of -6.38 billion CFAF in 2018.

After two years of losses, which were particularly influenced by the «clean-up» of its credit portfolio, Bank has gone back to profitability and a significant increase in all its main management indicators, thanks to the strengthening and implementation of its «Excellence 2021» strategic plan.

As a result, the main prospects for 2020 will focus on the continued implementation of this strategic plan, the recommendations of the various supervisory bodies, staff training and finally the consolidation of the progress made during 2019.

However, the onset of the Covid-19 pandemic in FY2020 may require us to review this prospect in light of the effects on the global economy. Yet, the deployment and monitoring of a rigorous Business Continuity Plan should allow our Institution to look forward to the end of the FY 2020 with relative serenity.

Thank you.

Youssouf FADIGA



THE BOARD OF DIRECTORS

A-1. COMPOSITION OF THE BOARD OF DIRECTORS

As at 31 December 2019 the Board comprises the nine (9) following members:

Mr Souleymane CISSE

Chairperson of the Board of Directors

Mr Yetjli Prosper TOURE

Administrator

Mr Emmanuel AHOUTOU KOFFI

Administrator

Mr Adama COULIBALY

Administrator

Mr Antoine Kacounseu MIMBA

Administrator

Mr Thiékoro DOUMBIA

Administrator

Mr Faman TOURE

Administrator

Mr Nicolas DJIBO

Administrator

Mr Pierre René Magne WOELFELL

Administrator

A-2. SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors includes five (5) Specialized Committees:

- Strategic Planning Committee
- Audit Committee
- Credit Counseling
- Compensation and Selection Committee
- Risk Committee



THE EXECUTIVE COMMITTEE

B-1-GENERAL MANAGEMENT

As regards the year 2019, the Bank's General Management consisted of:

Mr Youssef FADIGA

General Manager

Mr Malick T. TIO-TOURE

Acting Deputy General Manager (until February 2019)

Mr Jérôme AHUA

Deputy General Manager (since February 2019)

Mr Daniel DOULEY KOUADIO

Secretary General

B-2. COMPOSITION OF THE MANAGEMENT COMMITTEE

As at 31 December 2019, the Management Committee comprised the following members:



Mr Youssef FADIGA

General Manager



Mr Jérôme AHUA

Deputy General Manager



Mr Daniel Douley KOUADIO

Secretary General



Mr Mamadou SANOGO

Advisor to the General Manager



Mr Serge Williams DIBY

Advisor to the General Manager



Mr Raphaël SEA

Assistant to the General Manager



Mr Narcisse Roland ADJET

Finance and Accounting Manager



Mr Idrissa COULIBALY

Risk Management Manager



Mr Herman BOSSE

Internal Audit Manager



Mr Benjamin BAHONTO

Compliance and Internal Control Manager



Mrs Amelie KOLANTRIN

Manager in charge of Organization



Mr Jean-Marc GUEHI

Credit Manager



Mr Bertrand NIAGNE

Corporate and Financial Institutions Relations Manager



Mrs Oumou Henriette DIALLO

Retail and Network Manager



**Mr Patrice Karna
COULIBALY**
Operations Manager



Mr Aliou MARIKO
legal advisory and litigation
Manager



Mr Olivier Ghislain BOHO
Human Resource
Manager



Mr Thierry ASSANDE
Assets, Logistics and Security Mana-
ger



Mr Anatole Olo NOUFE
Information Systems Manager



Mrs Maya AKRE WATANABE
Head of the Sales, Marketing and
Communication Department

The major changes in the Executive Committee are as follows:

Key changes that occurred within the Management Committee were the following:

- Appointment of Mr. Jerome AHUA as Deputy General Manager to replace Mr. Malick T.TIO-TOURE;
- Appointment of Mr. Olivier Ghislain BOHO as Human Resource Manager;
- Appointment of Mr. Anatole Olo NOUFE as Information Systems Manager to replace Mr. Georges N'GUESSAN;
- Appointment of Mr. Patrice Karna COULIBALY as Operations Manager;
- Appointment of Mr. Aliou MARIKO as Legal Affairs and Litigation Manager;
- Adoption of an new organization chart with the inception of the position of Assistant to the General Manager.

II- SPECIALIZED COMMITTEES

The Bank recorded thirteen (13) specialized committees which are:

- Management committee
- Operations committee
- Credit committee
- Assets and Liabilities Management committee
- Excellence 20\21 committee
- Off Strategic Projects committee
- Human capital committee
- Collection committee
- Banking risk committee
- Business and marketing committe
- IT ccommittee
- Commitment committee
- Treasury committee



I.MANAGEMENT REPORT FROM THE BOARD OF DIRECTORS

I.I BACKGROUND

1-The Bank

Arising from the desire of the Ivorian authorities to base the development of Côte d'Ivoire on a strong and credible institution, the National Investment Bank (BNI) was created in 1959 (by decree n° 59-209 of October 21, 1959) under the name of Caisse Autonome d'Amortissement (CAA) which ensured, among other mission:

- Research and mobilization of internal and external resources to finance the country's development;
- Servicing the Public Debt ;
- EPN (National Public Institutions) Deposits Management.

In 1998, new objectives were assigned to the Bank. It thus became an investment bank after obtaining a banking establishment license from the Banking Commission of the WAMU and the BCEAO, with the status of a state-owned company. It carries out the triple function of an investment, a refinancing and an advisory bank. These activities are broken down into six (06) areas that make the institution:

- 1- an equalization body for public savings;
- 2- a financing organization for investments in the agricultural sector;
- 3- a refinancing agency for banks and financial institutions;
- 4- a player in the public-private partnership in the financing of profitable public investments and Small and Medium Enterprises;
- 5- a player in the capital market;
- 6- an implementation agency of contractual public service missions.

In order to enable the institution to adapt to these new businesses, the corporate name of CAA was changed to Banque Nationale d'Investissement (National Investment Bank) in 2004 and the share capital was increased to CFA F 20.5 billion. In addition, BNI has created two subsidiaries:

- **BNI-FINANCES** a Management and Intermediation Company (MIS) whose role is to support BNI's investment banking and advisory businesses;
- **BNI-GESTION** an institution specialized in asset management whose mission is to create and manage funds, collecting investors' savings and making investments on their behalf.

As of December 31, 2019, the Bank has a staff of 616, with 38 branches, 5 of which began operations in fiscal 2019.

In addition, the bank manages on behalf of the State of Côte d'Ivoire, a dozen national funds involved in education, access to water, financing of local communities, support for the tourism and cultural industry, and sustainable development.

2 - The Economic and financial environment

A. Global economic environment

Globally, the economy was marked by tensions between the United States of America and its main trading partners, notably with Europe over the taxation of the activities of companies grouped under the name of GAF A (Google, Amazon, Facebook and Apple), and with China, mainly over the conditions for importing steel and aluminum as well as the use of telephone equipment by the Chinese company HUAWEI. It is also important to note the uncertainties related to the terms of the United Kingdom's exit from the European Union (BREXIT). Also, the International Monetary Fund anticipates a slowdown of the world economy in 2019 with a GDP growth rate of 3.2% against an initial forecast of 3.3% and a realization in 2018 of 3.6%.

Economic growth in Africa remained at 3.4 percent in 2019 and is expected to accelerate to 3.9 percent in 2020 and 4.1 percent in 2021. This would represent a decline from the higher performance recorded in the past. The primary determinants of growth are also improving, with a gradual shift from private consumption to investment and exports.

Despite the many security challenges, the WAEMU region will continue to grow at the same rate as in 2019, i.e., 6.6 percent, which is more than double the average rate for sub-Saharan Africa (3.2 percent). The security crisis in the Sahel, the closure of land borders between Nigeria and Benin, and the risk of instability related to the upcoming elections are the main risk factors that could weaken the Union's economic outlook.

B. National economic environment

The national economy continues to show good metrics. Real GDP growth was 7.4 percent in 2018 and 2019 and could remain above 7.0 percent over the 2020-2021 period assuming good rainfall and favorable terms of trade.

The fiscal deficit, financed mainly by bond borrowing, was 3.9 percent of GDP in 2018, and was estimated at 3.1 percent in 2019.

The decomposition of growth from the demand side highlights a strong response from private investment. For 2019-2020, the services sector and private investment will remain the main sources of growth and should benefit from the dynamism driven by new activities in trade, transport and telecommunications. Cocoa production accounts for 15 percent of GDP and about 38 percent of exports. Market prices are expected to be favorable for the 2019-2020 season. In September 2019, Côte d'Ivoire and Ghana (62% of global production) signed an agreement to improve the bean purchase price from farmers. Agricultural processing will benefit from private investment growth, which is expected to remain above 10% through 2021

Over the past three years, authorities have undertaken tax reforms, but the tax burden, estimated at 15.6 percent in 2019, remains below the WAEMU target of a minimum of 20 percent. Reforms are underway to improve public revenue collection.

ordinary debit accounts held by the banking system as a whole account for 61% of the value of the interbank market; and investment securities and portfolio securities account for 69% of the value of the securities market.

C. National banking environment

The Ivorian banking sector is run by 31 credit institutions and 2 financial institutions. This year, the sector has seen the arrival of new players such as MANSABANK and ORANGE BANK.

Overall, the total assets of Ivorian banks grew by 8% year-on-year to CFAF 13,621 billion in December 2019 compared to CFAF 12,112 billion in December 2018. The interbank market is experiencing a 15% increase in activity.

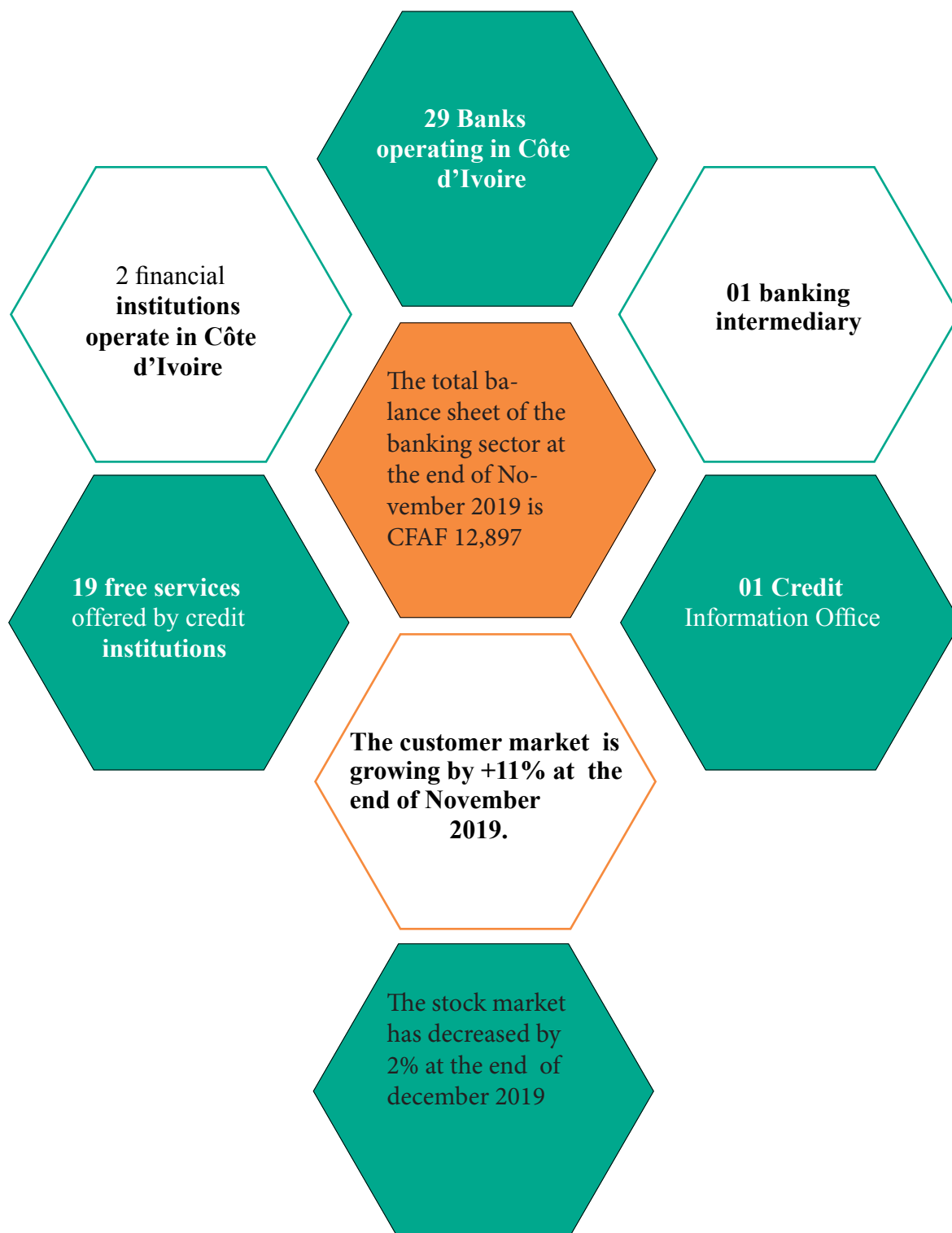
The figures for this market stand at FCFA 1,546 billion in December 2019 against FCFA 1,123 billion in December 2018. The securities market is experiencing a 15% decrease in the value of its activities from FCFA 2,723 billion in December 2018 to FCFA 2,313 billion in December 2019.

Finally, the retail market has experienced an 11% increase in activity from CFAF 7,133 billion in December 2018 to CFAF 7,776 billion in December 2019.

The structure of banking activity remains broadly the same with 58% of customer market share; 28% on securities and 12% from operations on the interbank market.

Term loans, mainly to domestic customers, alone account for 82% of the value of the customer market;

OVERVIEW OF THE IVORIAN BANKING SECTOR



Year Highlights

January 2019	Share in the capital increase of Loyale Vie up to 300 million FCFA
February 2019	Restructuring of the Management Committee / Arrival of a new DDG, HRM and creation of the Risk Management Department (RMD)
March 2019	Approval by the government of the extension of the BNI share capital to CNPS up to 19.16% representing 485 885 new shares for a value of 20 billion FCFA
May 2019	Effective opening of Angré 9è Tranche, Abatta, Abobo PK18, Yopougon Cosmos and Koumassi branches
June 2019	Holding on June 28, 2019 of the extraordinary general assembly to ratify the entry of CNPS in the capital of BNI Initiation of studies aimed at improving the quality of information and securing the bank's activity (formalization of procedures, IT master plan, and Business Continuity Plan strategy)
July 2019	Launch of a tax audit mission covering fiscal years 2016, 2017 and 2018
December 2019	<ul style="list-style-type: none"> - Launch of OPAR (Collection software) - Launch of the budget monitoring software - Diagnosis and upgrading of the information and payment systems
December 2019	<ul style="list-style-type: none"> - Signing of the decree related to the entry of CNPS in BNI capital - Launching of B. FREE
December 2019	<ul style="list-style-type: none"> - Establishment of the Disciplinary Council - Strengthening of collection and monitoring of portfolio - Improvement of general expenses and launching of GMAO

BANK OPERATIONS

KEY FIGURES

	2017	2018	2019
TOTAL STAF	595	593	616
Number of Branches	36	33	38
Net Banking Income	33 332	31 987	35 331
Operating ratio	75,7%	81.2%	67,53%
Net income	- 21 000	-6 383	10 594
General expenses	- 21 109	21 723	20 531
Customer Deposits	501 770	492 180	771 359
Net risk cost	- 29 309	-12 369	-2 022,17
Balance sheet total	545 333	549 733	824 455
Net cost of the risk	- 29 309	-12 369	-2 022,17
Total balance sheet	545 333	549 733	824 455

The bank opened 5 new branches in 2019 : Riviera Abatta ; Abobo PK 18 ; Koumassi Mairie ; Yopougon Cosmos and Angré 9eme tranche.

Item	Regulatory norms	Status as at 12/31/2018	Status as at 12/31/2019
Effective Equity	>=10 000	-6 062	-11 212
CET 1 Equity Ratio	>=6,875%	-4,73%	-1,69%
T1 Base Equity Ratio	>=7,875%	-5,68%	-2,23%
Solvency ratio	>=10,375%	-5,50%	-2,15%
Leverage Ratio	>=3,000%	-1,68%	-1,36%
Stable employment to stable resources Coverage Ratio	>= 50%	89,56%	98%
Risk sharing Standard	<=45,000%	740,16%	-15,53%

SAVINGS COLLECTION

BNI experienced an increase in deposits, resulting in an increase in resources. Indeed, outstanding deposits increased from 492,180 million FCFA in 2018 to 771,359 million FCFA at the end of 2019, a jump of 57%. Deposits are broken down by industry sector, customer type and maturity as follows:

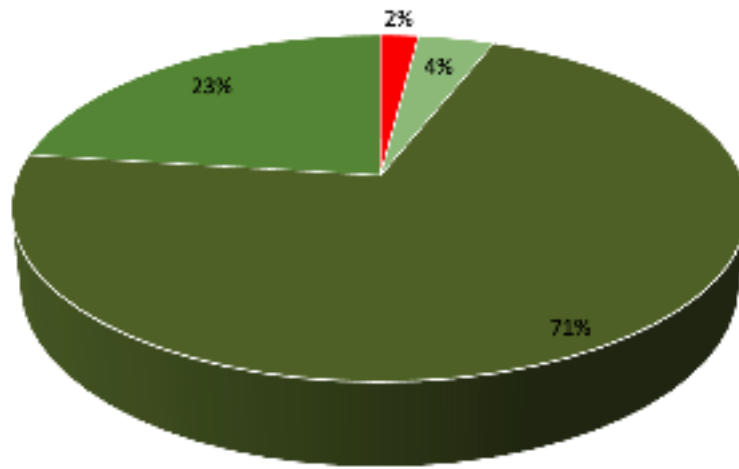
I-1- Resources collected by business segment

Resources increased by CFAF 279 billion. This increase comes mainly from the services sector (total of CFAF 594 billion; +70%) and the manufacturing sector (total of CFAF 43 billion; +102%) (CFAF 594 billion; +70%) and the secondary sector (CFAF 43 billion; +102%).

ECONOMIC SECTOR	2018	%	2 019	%	VAR(2018-2019)	
PRIMARY SECTOR	7 627	2%	10 486	1%	2 859	37%
SECONDARY SECTOR	21 251	4%	42 910	6%	21 659	102%
TERTIARY SECTOR	350 000	71%	593 784	77%	243 784	70%
INDIVIDUAL	113 302	23%	124 179	16%	10 877	10%
TOTAL	492 180	100%	771 359	100%	279 179	57%

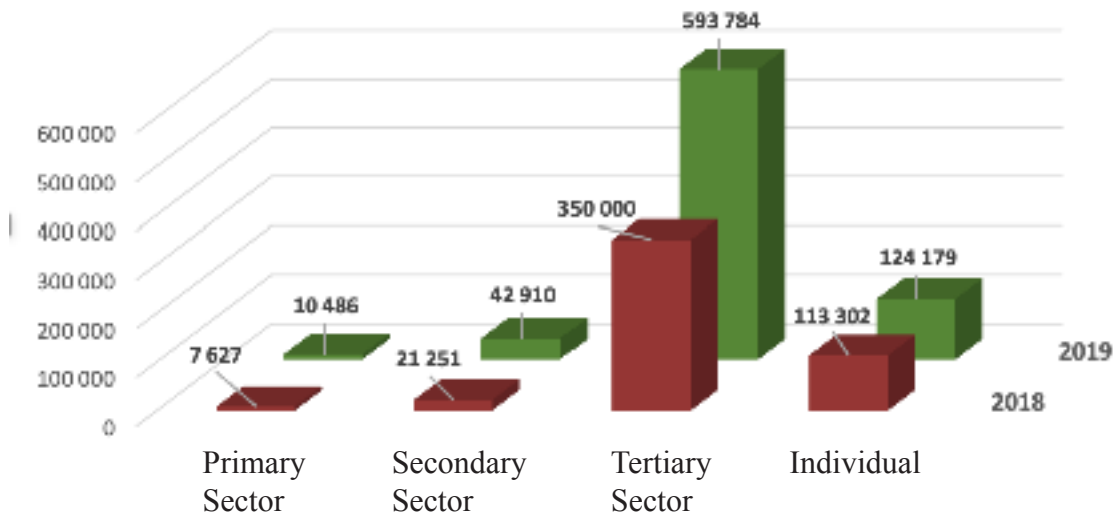
(figures in millions of CFAF)

DISTRIBUTION OF RESOURCES BY BUSINESS SEGMENT



■ Primary Sector
 ■ Secondary Sector
 ■ Tertiary Sector
 ■ Individual

TREND IN RESOURCES BY BUSINESS SEGMENT



I-2-Resources collected by type of customer

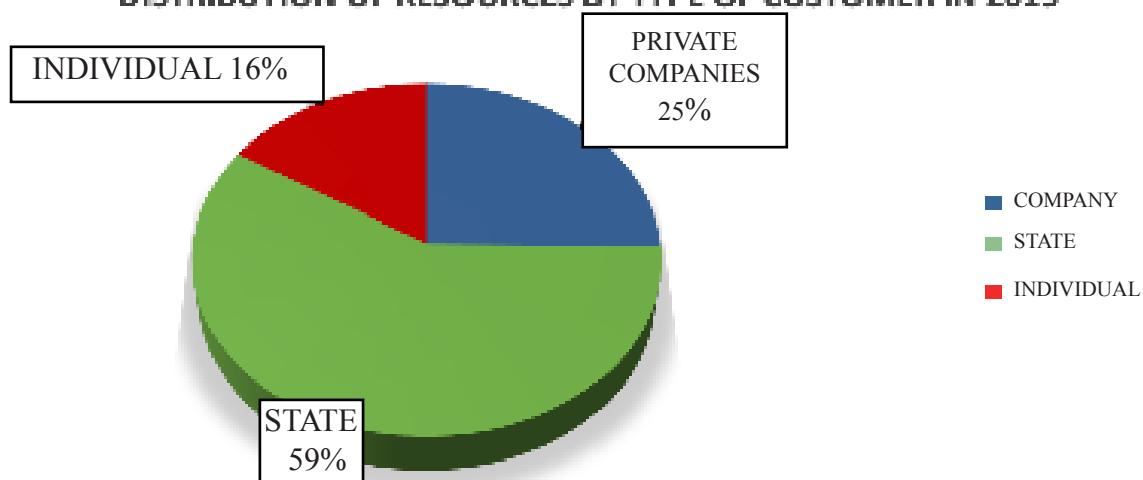
Resources collected in 2019 are broken down into 59% state resources, 25% resources collected from private businesses and 16% from retail customers.

TYPE OF CUSTOMER	2018	%	2 019	%	VAR.(2018-2019)	
PRIVATE COMPANIES	125 041	25%	194 863	25%	69 822	25%
GOVERNMENT(*)	253 047	51%	452 231	59%	199 184	71%
INDIVIDUALS	114 092	23%	124 265	16%	10 173	4%
TOTAL	492 180	100%	771 359	100%	279 179	57%

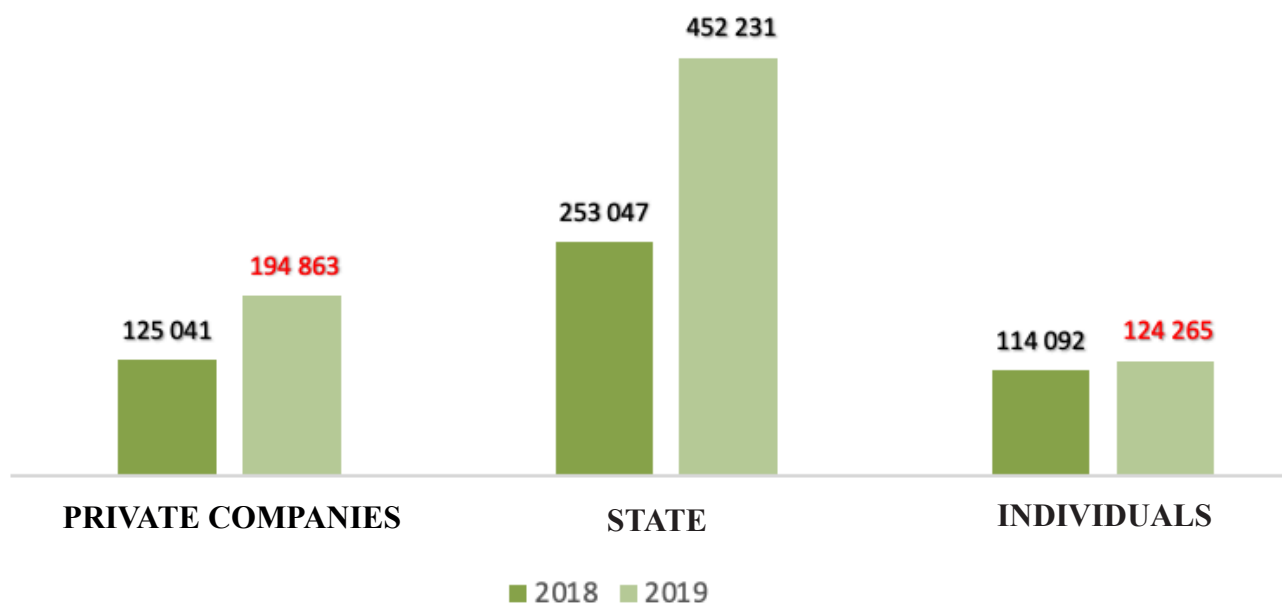
(*) Government includes the public treasury, local authorities, national public establishments, sectoral funds and companies with majority public participation.

(Data in millions of FCFA)

DISTRIBUTION OF RESOURCES BY TYPE OF CUSTOMER IN 2019



TREND IN RESOURCES BY TYPE OF CUSTOMER



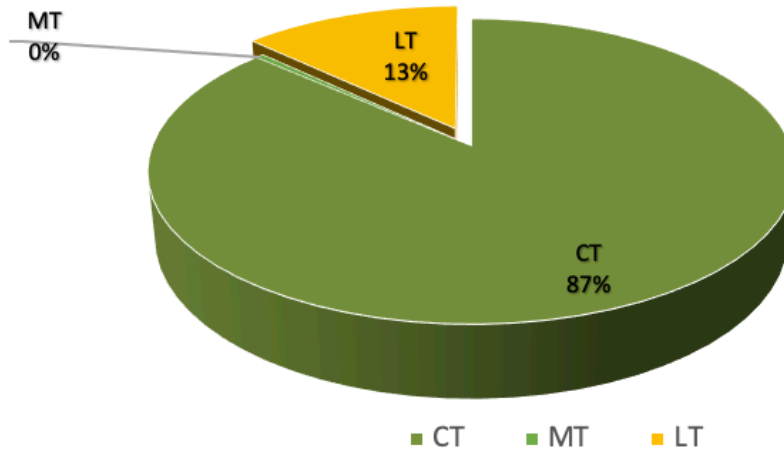
I-3- Resources collected by maturity

Deposits collected as at December 31, 2019 and estimated at CFAF 771,359 million, are mostly made up of short-term deposits (ordinary credit accounts, guarantee deposits, savings accounts), which account for 87% of total resources (compared to 83% in 2018), i.e., CFAF 667,532 million in 2019 compared to CFAF 409,985 million in 2018.

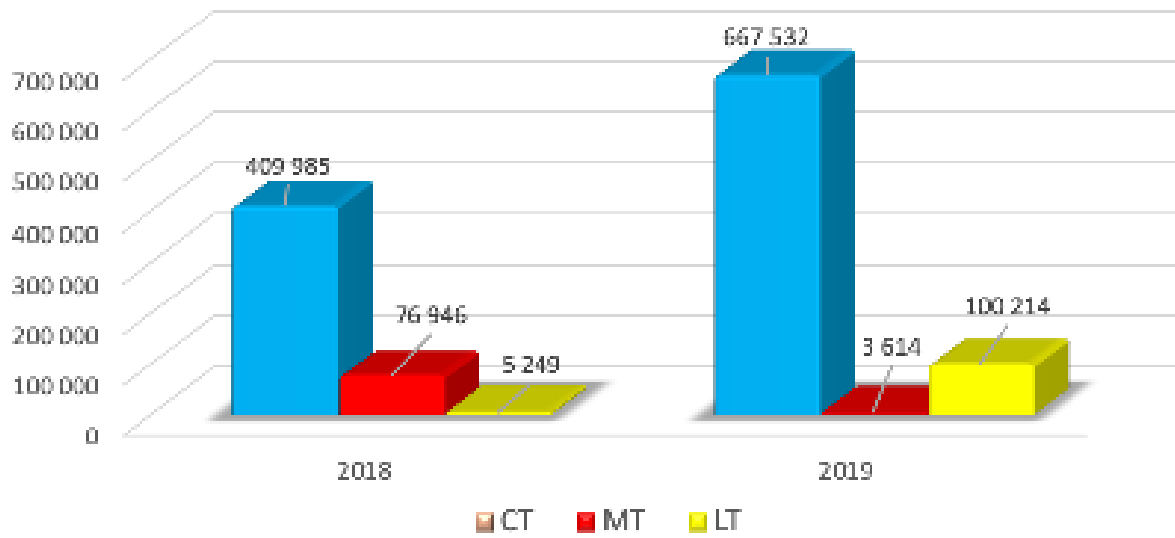
MATURITY	2018	%	2019	%	VAR(2018-2019)	
ST	409 985	83%	667 532	87%	257 547	92%
MT	76 946	16%	3 614	0%	-73 332	-26%
LT	5 249	1%	100 214	13%	94 965	34%
TOTAL	492 180	100%	771 359	100%	279 179	57%

(figures in millions of FCFA)

MATURITY



TREND OF RESOURCES BY MATURITY IN 2019



I. CREDITS FOR THE ECONOMY

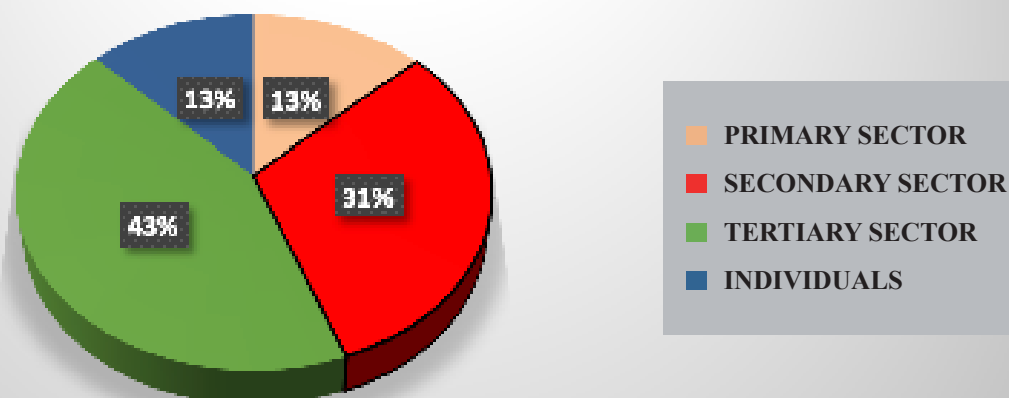
The credits made by BNI to the economy have improved between 2018 and 2019. Indeed, established credits have seen an increase of 219,516 million FCFA (+96%) from 228,004 million FCFA in 2018 to 447,522 million FCFA at the end of 2019. A total of 43,845 credit files were approved, of which the 15 largest c vga-mounted to 174,016 million FCFA, or 39% of the credits granted during the year.

II-1- CREDITS SET UP PER SECTOR

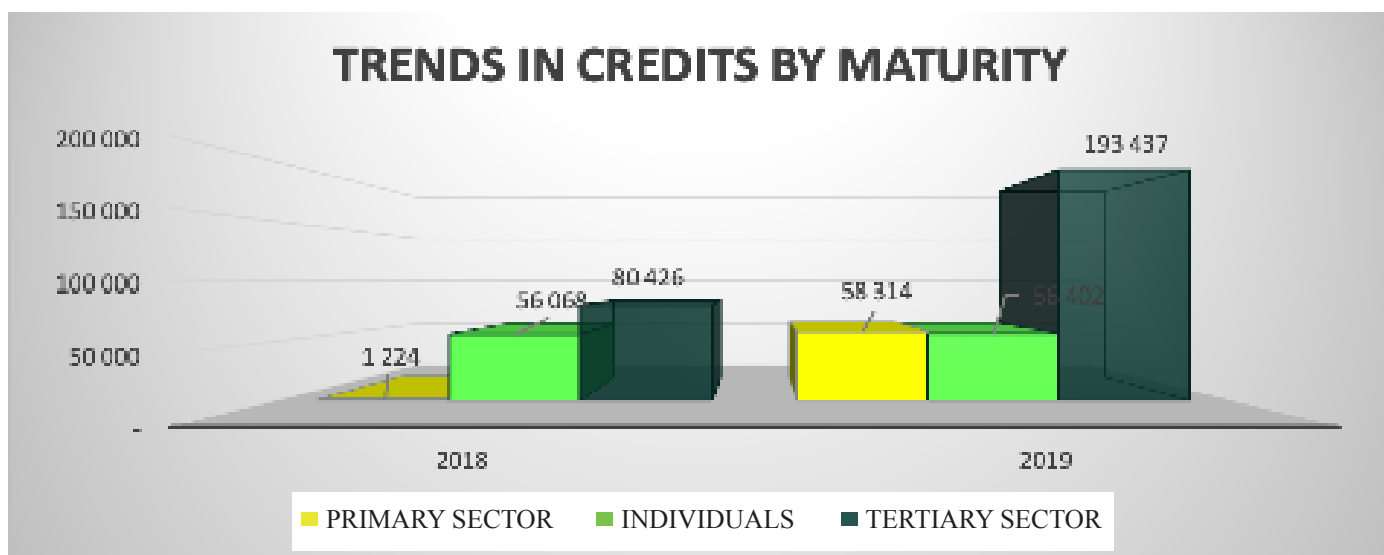
Of the CFAF 447,522 million put in place as of December 31, 2019, CFAF 58,314 million, representing 13%, was allocated to the primary sector compared to CFAF 1,224 million in 2018. Customers received overall financing of CFAF 56,402 million in 2019 (+13%) compared to CFAF 56,068 million in 2018. Credits to the secondary and service sectors increased by 54% and 141%

BUSINESS SEGMENT	2018	%	2019	%	VAR(2018-2019)	
PRIMARY SECTOR	1 224	1%	58 314	13%	57 090	4 664 %
SECONDARY SECTOR	90 286	40%	139 369	31%	49 083	54 %
TERTIARY SECTOR	80 426	35%	193 437	43%	113 011	141 %
INDIVIDUALS	56 068	25%	56 402	13%	334	1 %
TOTAL	228 004	100%	447 522	100%	219 516	96%

DISTRIBUTION OF APPROPRIATIONS BY BUSINESS SEGMENT IN 2019



TRENDS IN CREDITS BY MATURITY



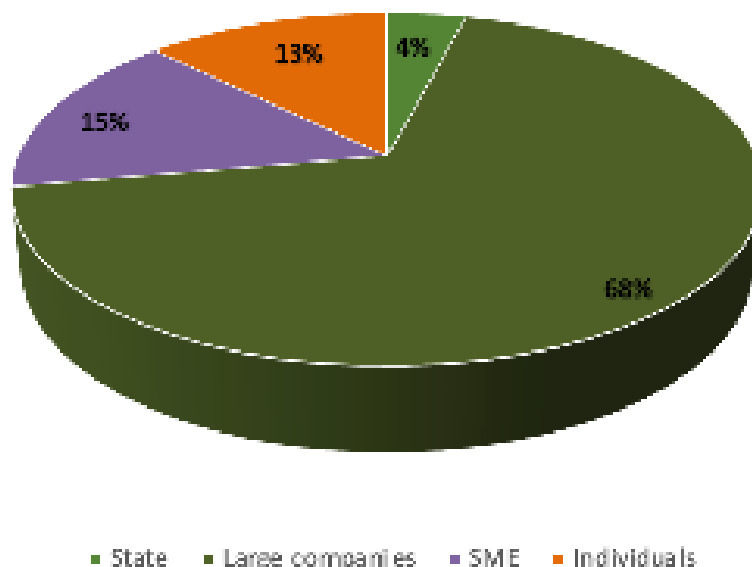
II-2- Established credit by type of customer

Credits to large companies amounted to CFAF 304,996 million in 2019 compared to CFAF 137,024 million in Credits in FY 2018, or an increase by 123%, representing 68% of all credits granted for the year. SMEs recorded financing increase from 34,659 million in 2018 to 68,047 million in 2019 (+96%). Loans to the State show a sharp increase from CFAF 175 million to CFAF 18,077 million.

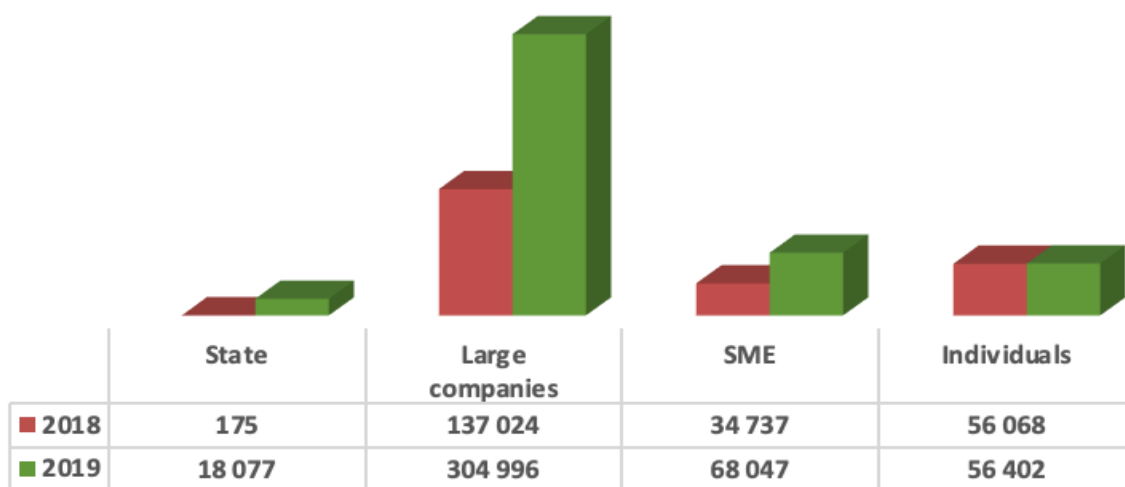
CUSTOMER TYPE	31/12/2018	%	31/12/2019	%	VARIATION(2018-2019)	
State	175	0%	18 077	4%	17 902	10 230 %
Large Companies	137 024	60%	304 996	68%	167 972	123 %
SME	34 737	15%	68 047	15%	33 310	96 %
Individuals	56 068	25%	56 402	13%	334	0%
TOTAL	228 004	100%	447 522	100%	219 516	96%

figure in millions of CFAF)

DISTRIBUTION OF CREDITS BY TYPE OF CUSTOMER IN 2019



TREND IN CREDITS BY TYPE OF CUSTOMER IN 2019



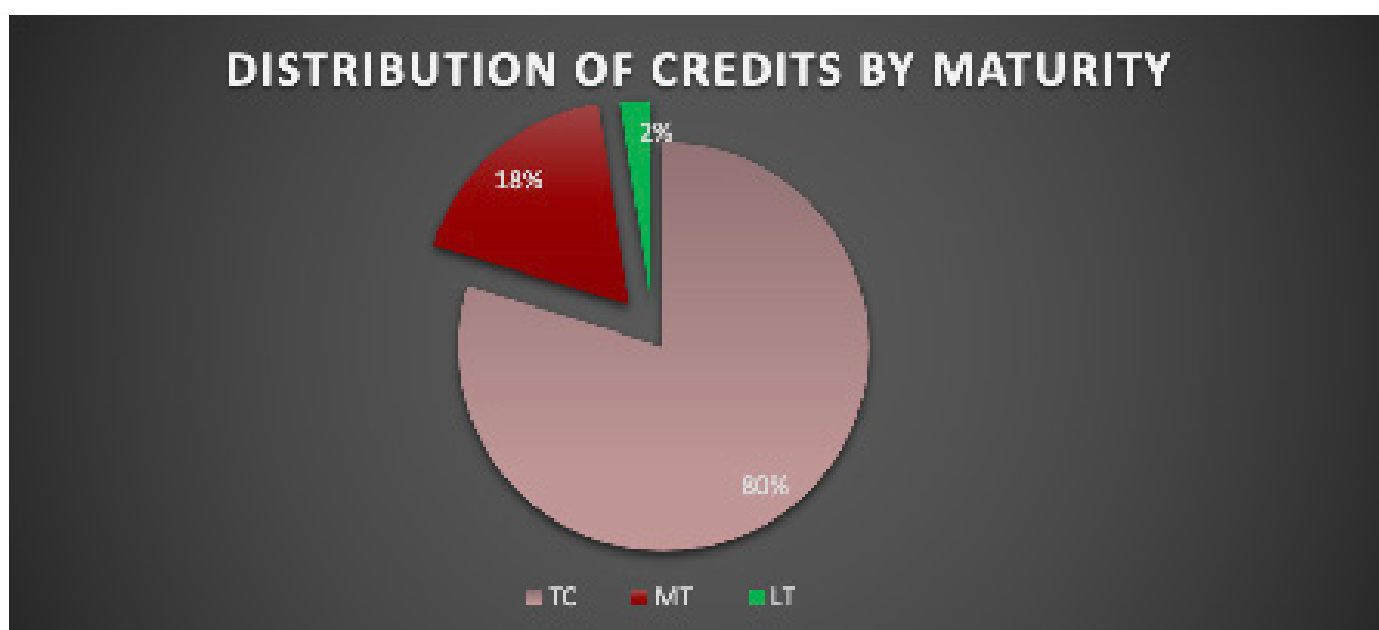
II-3-Established credits by maturity

Credits established as at December 31, 2019 and estimated at CFAF 447,522 million, are mostly made up of short-term loans (overdrafts, advances, discounts, etc.), representing 80% of all credits granted (against 73% in 2018), or CFAF 356,839 million in 2019 against CFAF 165,466 million in 2018, followed by medium-term credits at 18% (CFAF 79,903 million) meaning 34% increase compared to 2018 and long-term credits which represent only 2% (CFAF 10,778 million of the aggregate).

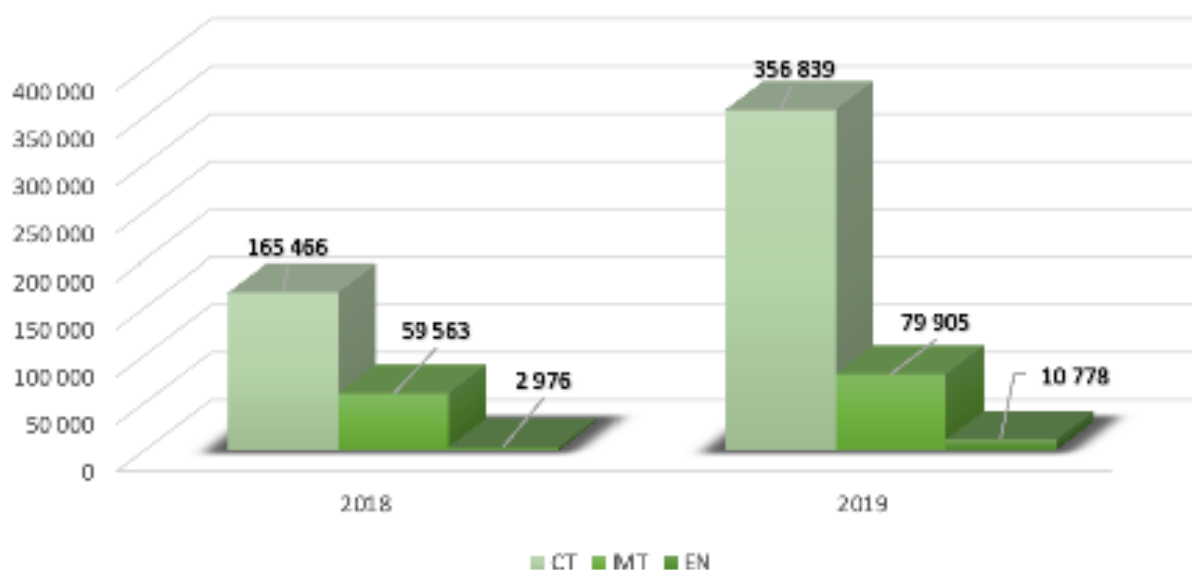
This distribution is almost identical to the findings as at December 31, 2018, where established credits for an amount of CFAF 228,005 million were made up of 73% short-term commitments and 1% long-term commitments.

MATURITY	2018	%	2019	%	VARIATION(2018-2019)	
SHORT TERM	165 466	73%	356 839	80%	191 373	116 %
MID-TERM	59 562	26%	79 905	18%	20 343	34 %
LONG TERM	2 976	1%	10 778	2%	7 802	262 %
TOTAL	228 004	100%	447 522	100%	219 517	96%

figure in millions of FCFA)



MATURITY



DELEGATED MANAGEMENT OF NATIONAL FUNDS

In order to mobilize resources allocated to the financing of a policy or a sectoral program deemed to be a priority, the State, in agreement with development partners, notably the World Bank, has established and housed National Funds within the National Investment Bank (BNI).

To ensure management of these funds, a legal framework has therefore been defined by the State through:

- Order n° 87 366 of April 1, 1987, ratified by Law n° 87 805 of July 28, 1987, establishing and managing National Funds within the CAA;
- Decree No. 94-194 of July 30, 1994, implementing the aforementioned order, specifying the general framework for the organization and operation of these funds;
- The decree of establishment of each Fund.

The National Funds supports a Management Committee and a Technical Secretariat consisting of members from state or parastatal bodies related to the activity of the Fund.

In FY 2019, the National funds collected resources and carried out interventions in areas prioritized by the state and in accordance with their purposes and subject-matters.

Resources of the National Funds

In 2019, the national funds mobilized overall resources worth CFAF 4,457 million compared to CFAF 6,414 million in 2018, i.e., a 31% decrease linked to the significant drop in the parafiscal levy allocated (-55%)

32% of the resources collected in 2019 come from parafiscal charges compared to 48% in 2018. The national funds manage to be self-financing in the proportion of 36% in 2019 against 29% in 2018. The state subsidy enjoyed a 2% decrease in 2019 compared to 2018.

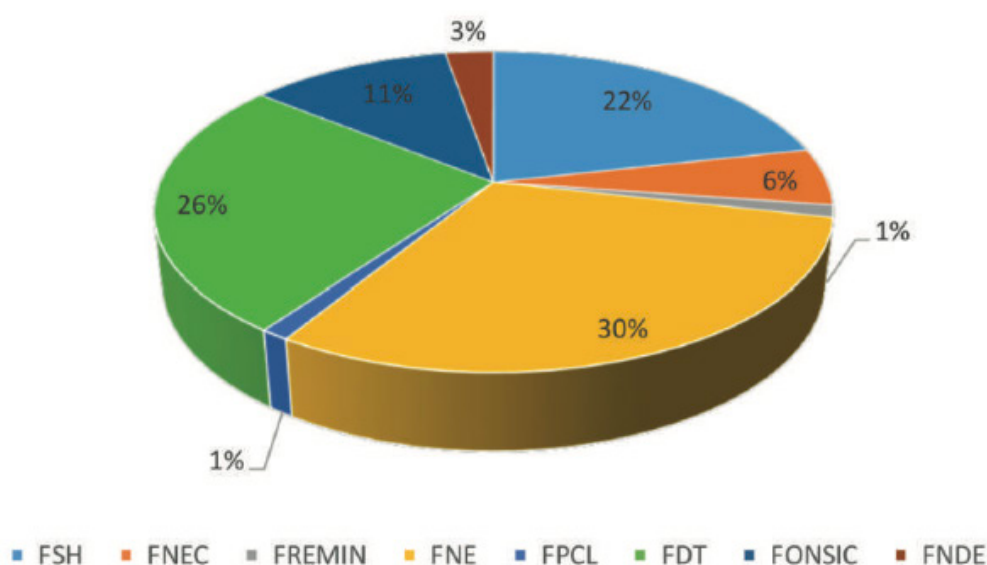
RESOURCES	2018	%	2019	%	VAR(2019-2018)	
Self-financing	1 835	29%	1 610	36%	- 225	-12%
Parafiscality	3 103	48%	1 405	32%	- 1 698	-55%
State subsidy	1 475	23%	1 442	32%	- 33	-2%
TOTAL	6 414		4 457		- 1 957	-31%

(Figures in millions of FCFA)

The distribution of resources by fund displays as follows:

FUND	2017	2018	2019
Housing Support Fund (FSH)	791	731	587
Housing Mobilization Account (CDMH)	1 211	742	796
Urban Land Account (CTU)	5	6	6
National Educational Fund (FNEC)	188	216	229
National Fund for Restructuring and Upgrading Industrial Enterprises (FREMIN)	50	250	-
National Water Fund (FNE)	4 212	2 830	1 181
Local Government Loan Fund (FPCL)	218	240	106
Tourism Development Fund (FDT)	620	775	1 004
Movie Industry Support Fund (FONSIC)	500	450	437
National Environment Fund (FNDE)	147	172	109
TOTAL	7 941	6 414	4 457

DISTRIBUTION OF RESOURCES BY FUND IN 2019



Interventions of the National Funds

During FY 2019, National Funds interventions amounted to CFAF 4,049 million compared to CFAF 3,811 million in 2018 (+6%) in connection with the increase in interventions in the education and training sector (+213%), in the water and environment sector (+65%) and in the cultural sector (+40%), and this is so in spite of a drop in financing granted to housing sector (+42%) and the industry (-67%).

INTERVENTION/SECTOR	2018	%	2019	%	VAR(2019-2018)	
HOUSING	1 495	39%	871	22%	-	624 -42%
EDUCATION	75	2%	234	6%	159	213%
INDUSTRY AND COMMERCE	150	4%	50	1%	-	100 -67%
WATER AND ENVIRONMENT	811	21%	1 334	33%	523	65%
DECENTRALIZED ADMINISTRATION	-	0%	47	1%	47	47%
TOURISM	950	25%	1 048	26%	98	10%
CULTURE	331	9%	465	11%	134	40%
TOTAL	3 811	100%	4 049	100%	238	6%

THE BALANCE SHEET

THE BALANCE SHEET AS AT 31/12/2019

	Amount	
	31/12/2019	31/12/2018
ASSETS		
CASH, CENTRAL BANK, CCP	230 982 046 709	64 225 582 499
PUBLIC BILLS AND SIMILAR VALUERS	135 949 954 186	112 169 275 928
INTERBANK AND SIMILAR RECEIVABLES	5 695 420 569	2 977 766 899
CUSTOMER RECEIVABLES	383 646 235 024	304 847 820 173
BONDS AND OTHER FIXED INCOME SECURITIES	12 821 400 000	28 057 750 270
SHARES AND OTHER VARIABLE INCOME SECURITIES	590 236 599	590 236 599
SHAREHOLDERS FOR ASSOCIATES	0	0
OTHER ASSETS	12 597 556 835	4 947 293 957
ADJUSTMENT ACCOUNT	11 531 559 812	7 386 048 318
EQUITY INVESTMENTS AND OTHER LONG-TERM INVESTMENTS	4 652 525 103	4 240 797 298
SHARES IN AFFILIATED COMPANIES	475 000 000	475 000 000
SUBORDINATED LOANS	307 510 031	293 256 464
INTANGIBLE ASSETS	3 942 923 233	2 901 900 319
PROPERTY, PLANT AND EQUIPMENT	21 262 212 344	16 620 695 264
TOTAL ASSETS	834 454 580 245	549 733 423 988
LIABILITIES		
CENTRAL BANK, CCP	0	0
INTERBANK AND SIMILAR LIABILITIES	10 072 693 073	26 423 294 797
LIABILITIES TO CUSTOMERS	771 359 112 997	492 179 777 628
DEBTS REPRESENTED BY A SECURITY	0	0
OTHER LIABILITIES	4 179 601 569	4 060 778 287
ADJUSTMENT ACCOUNTS	10 717 316 899	7 843 919 621
PROVISIONS	10 153 460 952	11 847 535 923
Subordinated loans and securities issued	0	0
EQUITY AND SIMILAR RESOURCES	17 972 394 755	7 378 117 732
Subscribed capital	20 500 000 000	20 500 000 000
Reserves	8 984 420 089	8 984 420 089
Reserve (excluding allocation)	0	0
Retained earnings	-22 106 502 358	15 723 166 104
Reserve for the year	10 594 277 024	-6 363 126 253
TOTAL LIABILITIES	834 454 580 245	549 733 423 988
OFF-BALANCE SHEET		
	Amount	
	31/12/2019	31/12/2018
COMMITMENTS GIVEN	59 685 097 472	62 176 724 972
1 FUNDING COMMITMENTS	238 417 763	305 906 299
2 GUARANTEE UNDERTAKING	59 446 679 709	61 870 818 673
3 COMMITMENTS ON SECURITIES	0	0
COMMITMENTS RECEIVED	764 014 341 502	555 381 512 187
4 FUNDING COMMITMENTS	136 536 170	136 536 170
5 GUARANTEE COMMITMENT	763 877 805 332	555 244 976 017
6 COMMITMENTS ON SECURITIES	0	0

THE INCOME STATEMENT

INTERIM MANAGEMENT BALANCES AS AT 12/31/2019 (in FCFA)

FCB IGOR	HEADINGS	Amount	
		31/12/2019	31/12/2018
1	INTEREST AND SIMILAR INCOME	28 869 134 771	27 799 843 460
2	INTEREST AND SIMILAR CHARGES	- 9 187 282 296	- 7 987 260 602
3	INCOME FROM VARIABLE INCOME SECURITIES	358 377 153	274 964 197
4	COMMISSIONS (Income)	12 909 793 910	11 017 664 672
5	COMMISSIONS (expenses)	- 437 026 292	- 284 823 012
6	NET GAINS OR LOSSES ON TRADING PORTFOLIO OPERATIONS	241 744 899	228 275 256
7	NET GAINS OR LOSSES ON INVESTMENT PORTFOLIO AND SIMILAR TRANSACTIONS	-	-
8	OTHER BANKING OPERATING INCOME	2 498 572 506	2 933 773 380
9	OTHER BANKING OPERATING EXPENSES	- 927 363 680	- 1 025 435 443
10	NET BANKING INCOME	35 330 950 568	31 986 500 105
11	CAPITAL GRANT	-	-
12	GENERAL OPERATING EXPENSES	- 20 412 596 637	- 21 723 332 389
13	DEPRECIATION AND AMORTIZATION ON FIXED ASSETS	- 3 444 328 650	- 4 241 983 589
14	GROSS OPERATING INCOME	11 474 025 281	6 021 184 127
	COST OF RISK (CUSTOMER)	- 2 942 380 063	- 12 933 232 290
	COST OF RISK (RISKS AND EXPENSES)	920 205 442	564 214 910
15	TOTAL RISK COST	-2 022 174 621	-12 369 320 380
16	OPERATING INCOME	9 451 850 660	-6 348 136 253
17	NET GAINS OR LOSSES ON FIXED ASSETS	1 177 428 364	
18	PROFIT BEFORE TAX	10 629 277 024	-6 348 136 253
19	INCOME TAXES	- 35 000 000	- 35 000 000
20	NET INCOME	10 594 277 024	-6 383 136 253

I. TREND IN BALANCE SHEET POSITION

- Balance sheet total

The balance sheet total rose from CFAF 549,733 million at the end of 2018 to CFAF 824,455 million at the end of 2019, or an increase of CFAF 274,721 million (+50%). This increase is linked, on the one hand, to the increase in cash assets and at the Central Bank (+260%), investments on the interbank market (+91%) and increase in Bank's fixed assets (+29%), and on the other hand, to the increase in customer deposits (+57%) and a better result performance over 2019.

- Receivables from customers

As at December 31, 2019, customer receivables net of provisions rose to CFAF 383,646 million from CFAF 304,848 million at the end of 2018, an increase of CFAF 78,798 million (+26%).

- Customer deposits

The balance of customer deposits between December 31, 2018 and December 31, 2019 increases by CFAF 279,179 million from CFAF 492,180 million to CFAF 771,359 million, or an increase of 57%.

- Financial assets

They increased in net value from CFAF 145,532 million in 2018 to CFAF 154,487 million in 2019, or an increase of CFAF 8,955 million (+16%).

The financial assets are composed of (in millions FCFA):

	2018	2019	Variation	%
- Bonds	140 227	148 770	8 543	6%
- Long-term investment	4 240	4 652	412	10%
- Share in affiliated companies	475	475	-	0%
- Other variable income securities	590	590	-	0%
TOTAL	145 532	154 487	8 955	16%

The change in financial assets is accounted for by the subscription in 2019 to two TPCI loans for a total amount worth CFAF 32,770 million, the subscription to the capital increase of Loyale Vie valued at CFAF 300 million and the repayment of TPCI maturities for an amount worth CFAF 10,599 million.

• Tangible and intangible assets

They increased in net value from CFAF 19,523 million in 2018 to CFAF 25,205 million in 2019, or an increase of CFAF 5,682 million, or 64%.

The fixed assets are composed of (in millions FCFA):

	2018	2019	Variation	%
- Intangible assets	2 902	3 943	1 041	36%
- Property, plant and equipment	16 621	21 262	4 641	28%
TOTAL	19 523	25 205	5 682	29%

II. TREND IN MANAGEMENT FIGURES

- Other banking income and expenses

Other banking income fell from CFAF 2 934 million in 2018 to CFAF 2 617 million in 2019, i.e. a decrease of CFAF 317 million (-11%), mainly due to rents received and the re-invoicing of staff made available to the Ministries of Economy and Planning.

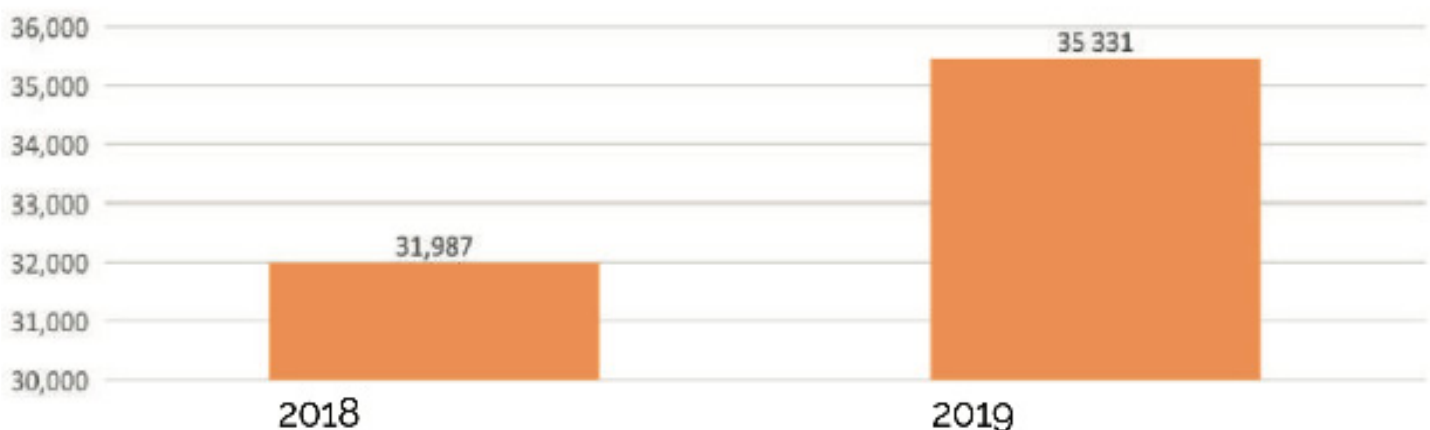
- **Net banking income**

Net banking income for FY 2019 stood at + 35,331 million FCFA against +31,987 million FCFA in 2018, or an increase of 3,344 million FCFA (+10%).

The increase in GNP is essentially linked to the performance of commission-generating activities, notably bancassurance (+200 million CFA francs), international transfers (+200 million CFA francs), short-term bond investments (343 million CFA francs) and e-money products (+40 million CFA francs).

HEADING	2018	2019	Variation	%
NET BANKING INCOME	31 987	35 331	3 344	10%
TOTAL	31 987	35 331	3 344	10%

NET BANKING INCOME



- **Overhead costs**

Overhead costs decreased by CFAF 1,311 million (-6%) between 2018 and 2019. They amounted to CFAF 21,723 million and CFAF 20,412 million respectively. This decrease is mainly due to the cost control policy initiated by the Bank.

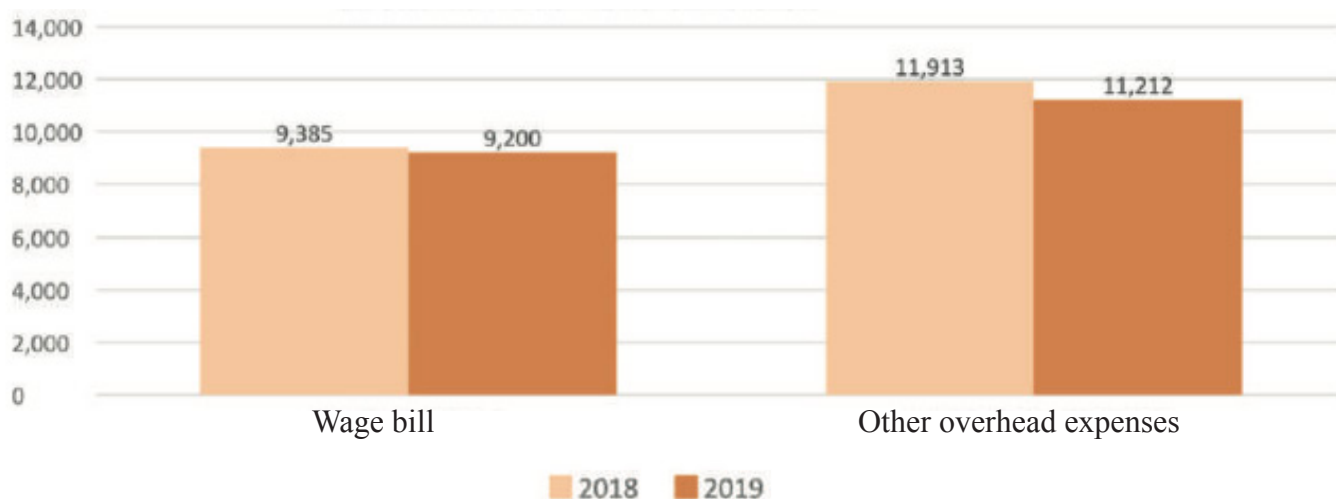
The 2019 overhead costs are distributed as follows:

- Payroll 9,200 million FCFA compared to 9,385 million FCFA in 2018.
- Other general expenses CFAF 11,212 million compared to CFAF 11,913 million in 2018.

The cost/income ratio (operating expenses + depreciation as a percentage of net banking income) fell significantly from 81% to 67%, in line with the performance noted in terms of net banking income and the control of operating expenses.

HEADING	2018	2019	Variation	%
TOTAL PAYROLL	9 385	9 200	-185	-2%
OTHER GENERAL EXPENSES	11 913	11 212	-701	-6%
TOTAL	21 723	20 412	-1 311	-6%

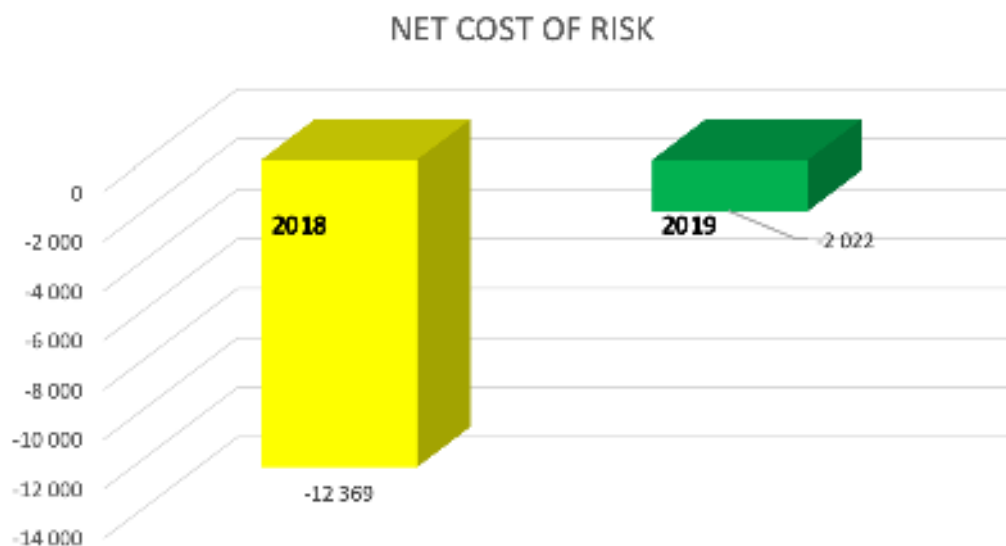
EVOLUTION OF OVERHEADS



• Net cost of risk

We note a significant improvement in the net cost of risk from - CFAF 12,369 million in 2018 to - CFAF 18,2569 million in 2019

LIBEL	2018	2019
NET COST OF RISK	-12 369	2 022
TOTAL	-12 369	- 2 022

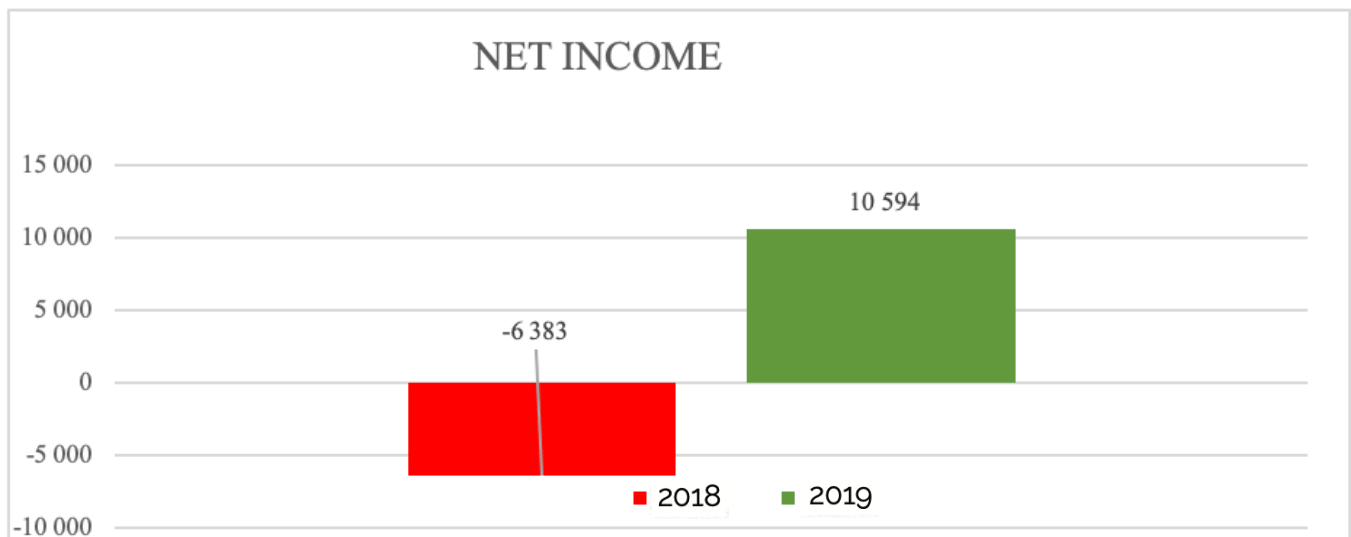


• **Income/Result**

The net income for FY 2019 shows a gain of CFAF 10,594 million against a loss of CFAF 6,383 million in 2018, i.e. an improvement of CFAF 16,977 million. This performance derived from:

- The improvement in business activity, which led to an increase in net banking income;
- A better control of operating expenses;
- Progress made in cleaning up the credit portfolio, which has had a positive impact on the net cost of risk.

CUSTOMER TYPE	31/12/2018	%	31/12/2019	%	VARIATION(2018-2019)	
NET INCOME	-6 383	100%	10 594	100%	16 977	266%
TOTAL	-6 383	100%	10 594	100%	16 977	266%



• Trend in Regulatory Ratios

Bank's actual equity stood at CFAF -11,2012 million as at 31/12/2019. The opening up and increase in the Bank's capital announced by the State shareholder, which should be completed in the first quarter of 2020, will lead to a substantial improvement in actual equity.

Heading	Regulatory standard	Status as at 12/31/2018	Position on 31/12/2019
Actual equity	$\geq 10\,000$	-6 062	-11 212
CET I capital ratio	$\geq 6,875\%$	-4,73%	-1,69%
Tier I capital ratio	$\geq 7,875\%$	-5,68%	-2,23%
Solvency ratio	$\geq 10,375\%$	-5,50%	-2,15%
Leverage ratio	$\geq 3,000\%$	-1,68%	-1,36%
Ratio of stable employment to stable resources	$\geq 50\%$	89,56%	98%
Risk sharing norms	$\leq 45,000\%$	740,16%	-15,53%

- Social balance sheet

BNI has set out to mark 2019. Year of the celebration of the sixtieth anniversary, as the year of social activities, by supporting various structures operating in patients awareness and assistance or in support of actions of public utility.

Thus, externally, it has participated as a partner:

- At the Gala Dinner of ICA Heart and Stroke Foundation;
- At the Gala Dinner of SERVIR Foundation;
- At the Gala Dinner of CHILDREN OF AFRICA Foundation.

In addition, in order to improve the care of autistic children, support was provided by the BNI for the training of their supervisors.

BNI further participated alongside Club Services in the «Pink October» campaign to raise awareness and fight breast cancer.

The cornerstone of these actions was a blood donation operation and the refurbishment of the paintwork of the Kouassi Lenoir Primary School in Treichville, by the entire staff of the National Investment Bank.

Moreover, internally, in addition to the traditional medical check-up instituted and free of charge for all staff members, the BNI Staff, through its association MABNI, benefited from a donation of 7,000,000 FCFA, offered by the Board of Directors chaired by Mr. Souleymane CISSE.

As a reminder, this amount is the reward for the «Board of Directors Efficiency Award» given to BNI, during the ceremony of the AWARD FOR EXCELLENCE IN GOVERNANCE OF PUBLIC COMPANIES, organized by the State shareholder represented by the Minister of the Budget and the State Portfolio.

I-IV-PROSPECTS

The main prospects envisaged in terms of improved governance of the Board of Directors are as follows:

- Follow-up on the implementation of the 2017-2021 strategic plan;
- Follow-up on the full implementation of the Banking Commission's injunctive orders;
- Follow-up on the implementation of the recommendations of the human resources audit, the various audits commissioned by the Board of Directors, notably the human resources audit, the review of procedures, the legal audit and the master plan;
- Strengthening Bank's internal control system;
- Strengthening the debt recovery system;
- Staff training ;
- And the consolidation of the progress made during the year in improving operations and governance in general.



THE IMPACT OF COVID-19 AND THE SUPPORT BANK MAY NEED

INTRODUCTION

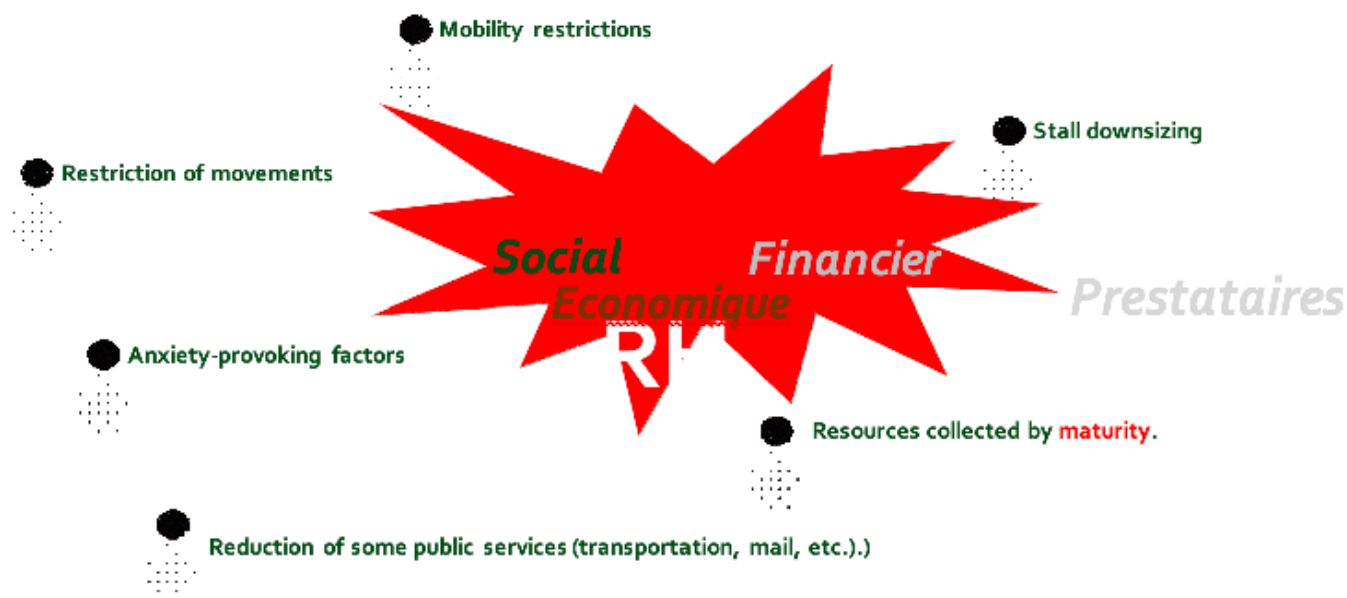
The news for FY 2020 is the new health threat imposed by the Coronavirus (Covid-19) pandemic, a virus of animal origin appeared in China in December 2019. Faced with the significant spread of Covid-19 in Asia and Europe, numerous measures have been taken by the governments of these countries and, for the past few weeks, in West Africa and particularly in Côte d'Ivoire. These measures have, directly or indirectly, impacted on our economies and therefore on our companies.

The purpose of this note is to assess the impact of Covid-19 and the support that the Bank may need from certain partners, the monetary authorities and the State for business continuity by this challenging times.

It is understood that the measures taken and those to come are in line with the logic of Bank's business continuity.

A. WHAT ARE THE FORESEEABLE CONSEQUENCES OF COVID-19 FOR THE BANK?

A-1 Background and stakes



A-2 Impacts on Staff (HR)

- Exposure to the virus through contact with (i) customers, whether or not they come from high-risk areas, and (ii) people in the course of their activities outside the bank, but also through the handling of monetary values (bills, cash),
- Anxious socio-economic situation impacting on the operational efficiency of employees,
- Increased social charges due to the closure of schools, the slowdown in certain sectors and, above all, the soaring prices of basic foodstuff,
- Restriction of movement and circulation.

A-3 Impacts on Business

- Budgetary impact linked to the exceptional measures required to activate the Business Continuity Plan,
- Impact on activity related to the general slowdown of economic activities,
- Impact on the quality of services in case of significant absenteeism due to contamination or unavailability of outsourced service providers.

B. WHAT ARE THE CONSEQUENCES ON THE ACTIVITY AS A CREDIT INSTITUTION?

Specific consequences:

- A contraction of Bank's GNP in the second quarter of 2020, due to the slowdown in credit activity and to the measures to postpone maturities,
- Increased risk of deterioration in the quality of the related credit portfolio,
- Restrictions on the movement of goods and people, and hence on the inputs to several industries,
- Cash flow challenges due to the current economic situation or to restrictive measures,
- Restrictive measures taken by the Government and directly impacting on specific sectors such as catering, transport, hotels, trade...
- Budgetary impact linked to the exceptional measures required to activate the Business Continuity Plan,
- Impact on the quality of services in case of important absenteeism due to contamination.
- Impact on the quality of outsourced services in the event that Bank's service providers encounter challenges in activating their Business Continuity plans or due to major HR impacts within the Bank in connection with Covid-19, but also due to the impact of restrictive travel measures taken by the State.

C. WHAT MEASURES HAS THE BANK TAKEN?

In accordance with Bank's business continuity strategy, the Operational Follow-Up Committee was activated the week of March 2 under the supervision of the General Management. The objective is to ensure proper implementation of the various measures taken by the Bank. The Committee met at least twice a week with a daily update to General Management to follow-up on the progress of these measures. In line with recent developments in the pandemic and the measures taken at national level, new measures have been adopted and will be implemented as of March 24, 2020 by a Crisis Committee in place of the Operational Committee initially mobilized.

C- 1 Raising awareness among staff, customers and partners

The first action consisted in disseminating information and awareness messages to staff, clients and partners on preventive actions and good practices in line with the measures taken at the national level. These messages are regularly relayed on all the Bank's communication platforms.

In addition, an online awareness workshop for all staff was organized on March 19 with the collaboration of the Risk Management Department, the medical staff, the Hygiene Committee and Human Resources to further strengthen the fight against the spread of the virus.

C-2 Sanitary and logistical measures

The main measures already in force are presented below:

- The operational implementation, as of March 31, of dedicated solutions for the transportation of BNI staff providing minimum service both in agencies and at headquarters, in order to reduce their exposure to Covid-19 and facilitate travel,
- For employees designated to provide minimum service (both in person and remotely), health and logistical arrangements have been made to guarantee their health and safety at the various sites,
- Strengthening the cleaning and disinfection policy at all our sites and agencies,
- Rescheduling of working hours (7:30 a.m. - 3:30 p.m.) and branch opening hours (Monday to Friday 8:00 a.m. 2:00 p.m. / No more agency openings on Saturdays)
- Suspension until further notice of missions outside of Cote d'Ivoire,
- Suspension of any external service mission from, and in particular from, risk zones, except in exceptional cases,

Identification and systematic care by the medical corps with the collaboration of the Human Resources

Department of any staff member travelling, particularly in high-risk areas,

- Posting INHP awareness messages and recommendations from our medical staff at all of our locations and agencies,

- Distribution (continuously) of stocks of sanitizers (gels), facial masks and gloves throughout the network,
 - Installation of a hand washing device with soap and water at the entrance of each site,
 - Increasing the frequency of cleaning of work areas and washrooms by ensuring that service providers comply with the specifications,
 - Specific arrangements for agencies concerning the application of barrier measures
 - Updating key resource directories in line with the requirements of the business continuity plan.
- Increase financing lines to enable banks to provide more support to businesses operating in sectors directly affected by the effects of the pandemic: catering, transportation, hotels and coffee and cocoa. The credit portfolio impact assessment (currently underway at BNI) will help quantify and assess the financing need in these sectors.

D. WHAT ARE THE BANK'S EXPECTATIONS VIS-A-VIS THE PUBLIC AUTHORITIES?

D-1 The Human Resource component

- Reinforce the security of the staff of the agencies by providing devices around the headquarters and bank branches, especially at the end of the month, given the impact of the 1-meter distance measures on the management of queues. Also provide this device in case of total or partial confinement with authorized opening of bank agencies,

D-2 Banking Activity Component

- Ensure the security of ATM/ABM supply movements,
- Facilitate the issuance of traffic permits for outsourced service providers involved in ATM management and cash delivery,
- Take measures to mitigate the risk of default in sectors directly impacted by the restrictions (trade, restaurants, industry, etc.), but also for individual customers impacted by short-time working measure

E. WHAT ARE THE BANK'S EXPECTATIONS VIS-A-VIS MULTILATERAL DEVELOPMENT BANKS?

E-1 Easing of the rules for financial support for banks

- Establish a support system for banks with more flexible conditions tailored to to the current context. For example, review the minimum capital requirements and minimum loss ratios of the portfolio of some banks. In view of the downward trend in the level of CDL on the one hand and the good prospects for the levels of equity and income on the other, this measure could be good for our Institution.

E-2 Increased funding lines for the most affected sectors

- Increase financing lines to enable banks to provide more support to businesses operating in sectors directly affected by the effects of the pandemic: catering, transportation, hotels and coffee and cocoa. The credit portfolio impact assessment (currently underway at BNI) will help quantify and assess the financing need in these sectors.

The General Manager

The Chairperson of the Board of Directors

Done in Abidjan on.....



STATUTORY AUDITOR'S REPORT

(Free translation into english of our statutory report, the original of wich was prepared in french. All possible care has been taken to ensure that.

The translation is an accurate representation of the original.

However, in all matters of interpretationof informal therein, the original language version of our report takes precedence over this translation.)

Banque Nationale d'Investissement (BNI)

Auditors' Report

Annual Financial Statements

Year ended December 31, 2019

Goodwill Audit & Consulting
Abidjan Cocody II Plateaux
06 B.P 1075 - Abidjan
TPPCR CI-ABJ-2006-B 2679
Taxpayer's Account: 4104919-Y

Ernst & Young, S.A.
5, Avenue Marchand
01 BP 2715-Abidjan 01
S.A. au capital de FCFA 12.000.000
T.P.P.C.R Abidjan 7118

Goodwill Audit & Consulting
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06 B.P 1075 - Abidjan
TPPCR CI-ABJ-2006-B 2679
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01 BP 2715-Abidjan 01
S.A. au capital de FCFA 12.000.000
T.P.P.C.R Abidjan 7118

Banque Nationale d'Investissement
BNI
01 BP 670
Abidjan 01

On April 10, 2020

Auditors' Report

Annual Financial Statements

Year ended December 31, 2019

In compliance with the assignment entrusted to us by your general meeting, we hereby report to you, for the year ended December 31, 2019, on :

- the audit of the annual financial statements of Banque Nationale d'investissement (BNI) as attached to this report.
- the specific verifications and information required by law and banking regulations,
- the functioning of corporate bodies and internal control.

I. Audit of the annual financial statements

Opinion

We have audited the annual financial statements of the Banque Nationale d'Investissement (BNI), S.A., which include the balance sheet and off-balance sheet as at December 31, 2019, the income statement and the notes attached to the annual financial statements.

In our opinion, the annual financial statements give a true and fair view of the results of operations for the year ended and of the financial position and assets and liabilities of the Company at the end of the year in accordance with the accounting rules and methods set out in the Revised Banking Accounting Plan (Revised BAP) of the West African Monetary Union (WAMU).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as required by Regulation No. 01/2017/CM/OHADA on the harmonization of the practices of accounting and auditing professionals in the OHADA member countries. Our responsibilities under these standards are more fully described in the section "Responsibilities of the Auditor in relation to the audit of the annual financial statements" of this report. We are independent of the company in accordance with the Code of Ethics and Accounting and Auditing Professionals enacted by Regulation No. 01/2017/CM/OHADA on the harmonization of the practices of accounting and auditing professionals in OHADA member countries and the independence rules that govern the auditor, and we have satisfied the other ethical responsibilities incumbent upon us under these rules and codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors with respect to the annual financial statements

The annual financial statements have been prepared and approved by the Board of Directors.

The Board of Directors is responsible for the preparation and fair presentation of the annual financial statements in accordance with the accounting rules and methods laid down by the WAMU Bank Accounting Plan, as well as the internal control it deems necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Board of Directors is responsible for evaluating the company's ability to continue its activities, to provide, where appropriate, information relating to the going concern and to apply the going concern basis, unless the Board of Directors intends to liquidate the company or to cease its activities or if there is no other realistic alternative available to it.

The Board of Directors is responsible for overseeing the company's financial reporting process.

Responsibilities of the Auditors relating to the audit of the annual financial statements

Our objectives are to obtain reasonable assurance that the annual financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance represents a high level of assurance, which does not, however, guarantee that an audit conducted in accordance with ISAs will always detect any existing material misstatements. Misstatements may result from fraud or errors and are considered material when it is

reasonable to expect that, taken individually or in the aggregate, they could influence the economic decisions that users of the annual financial statements make based on them.

Our responsibilities for the audit of the annual financial statements are set out in more detail in note 1 to this auditor's report.

II. Specific verifications required by law and banking regulations

II.1. Specific verifications and other information

The other information is the responsibility of the Board of Directors. The other information consists of the information contained in the management report (but does not include the annual financial statements and our auditor's report on these annual financial statements), the Prudential Declaration Form for Credit Institutions and Financial Companies (FODEP) and the draft resolutions.

Our opinion on the annual financial statements does not extend to other information and we express no assurance whatsoever on this information.

Our responsibility as statutory auditors is to carry out the specific verifications and other information required by law and, in doing so, to verify the fairness and consistency with the annual financial statements of the information given in the management report of the Board of Directors, and in the documents sent to the shareholders on the financial position and the annual financial statements, and to verify, in all material respects, compliance with some legal and regulatory requirements. If, in the light of the work we have performed, we conclude that there are any significant anomalies in the other information and specific verifications, we are required to report this fact. We have nothing to report in this regard.

II.2. Implementation of the budget for the financial year 2019

Pursuant to the provisions of Law No. 97-519 dated December 4, 1997 on the definition and organization of state-owned companies, we present our observations on the implementation of the BNI budget for the fiscal year ended December 31, 2019.

The BNI budget for the financial year 2019 was adopted by the Board of Directors and approved in the first quarter of 2019 by the Minister to the Prime Minister in charge of the budget and the State portfolio.

For the fiscal year 2019, the differences presented in the table below have been noted between the forecasts of the budget referred to above and the achievements for the main aggregates:

In millions FCFA

Wordings	Budget (A)	Realisation (B)	Actual-budget variance (B-A)	Budget implementation rate (B/A)
Outstanding deposits	527,442	769,953	242,511	146%
Gross reinvestments value(*)	386,798	502,173	115,375	130%
Net Banking Income	34,177	35,332	1,155	103%
Net Cost of Risk	-3 957	-2 022	-1935	51%
General Expenses	20,696	20,414	-282	99%
Investments	27 024	25 694	-1330	95%

(*) With a realisation of 366,180 million FCFA in 2019 in terms of outstanding healthy reinvestments per fund: i.e. 105% of the budgetary objectives.

However, we would like to point out that budget overruns were observed. They relate to various operating expenses, taxes and social security charges as mentioned in the table below.

In millions FCFA

Wordings	Realisation 12/31/2019	Budget 12/31/2019	Actual-budget variance	Implementation rate
Other operating expenses	824	470	354	175%
Taxes, duties, levies, fees /remuneration	175	145	30	121%
Social security charges	1046	978	68	107%

II.3. Specific verifications required by banking regulations

Within the framework of compliance with banking regulations (circular n°004-2011/CB/C dated January 4, 2011), we have carried out specific verifications relating to compliance with prudential regulations, in accordance with the standards of the profession. We must bring the following information to your attention as mentioned in the table below :

No	WORDINDS	FODEP	STANDARD	SITUATION AS AT 12/31/2019	OBSERVATIONS
1	Total solvency ratio	EP02	10,375	-2,15	NOT RESPECTED
2	Risk Division Standard	EP29	45%	-15,53%	NOT RESPECTED
3	Leverage Ratio	EP33	3%	-1,36%	NOT RESPECTED
4	Individual limit on holdings in commercial entities (25% company capital)	EP35	25%	56%	NOT RESPECTED
5	Individual limit on holdings in commercial entities (15% of the establishment's TI shareholders' equity)	EP35	15%	0%	NOT RESPECTED (*)
6	Aggregate limit on holdings in commercial entities (60% of the institution's effective equity)	EP35	60%	-31%	NOT RESPECTED
7	Limit on non-operating capital assets	EP36	15%	-31%	NOT RESPECTED

No	WORDINDS	FODEP	STANDARD	SITUATION AS AT 12/31/2019	OBSERVATIONS
8	Limit on total capital assets and holdings	EP37	100%	-198%	NOT RESPECTED
9	Limit on loans to shareholders, officers and employees	EP38	20%	-41%	NOT RESPECTED
10	Declaration of the 50 biggest commitments	EP32		248,952%	

() The third party on which this ratio is calculated is negative, which explains why the ratio presented as at 12/31/2019 is 0%.*

II.4. Verification of indemnities and other compensation paid to corporate officers

The Prime Minister's Circular Note No 001-2011, relating to the harmonization of the conditions of service and remuneration of the corporate officers of State-owned companies and companies with majority public financial holdings, issued on July 15, 2011, sets the ceiling of the remuneration allocated to the Chairman of the Board of Directors and to the Managing Directors at 3.3 million FCFA and 4.3 million FCFA and the ceiling of the indemnities paid to the Directors as attendance fees at 3 million FCFA.

Our audit revealed that for the 2019 financial year, the indemnities paid to the Chairman of the Board of Directors, the attendance fees granted to the Directors and the remuneration of the Managing Director did not exceed the aforementioned maximum thresholds.

II.5. Verification of compliance with regulations on the awarding of public procurement contracts

In our capacity as Auditors, in accordance with Note 123 MEF/DGE/DPP/KGA dated February 23, 2008 of the Privatization and Equity Interests Department, supplemented by Article 3 of Order No. 200/MEF/DGBF/DMP dated April 21, 2010, it is our responsibility to report on whether or not the provisions of the Public Procurement Code have been applied by state-owned companies.

These provisions require that any public contract awarded by a state-owned company be awarded only after a competitive bidding procedure with an obligation to :

- have the tender documents validated by the Directorate General of the State Portfolio (DGPE) before their publication in the authorized media for contracts above the reference threshold of 100 million FCFA;
- set up a commission for opening and judging bids (COJO) whose constitution is defined by the Public Procurement Code, which will proceed to award the contract; the proposals for awarding the COJO must be validated by the Administrative Entity in charge of Public Procurement for contracts above 300 million FCFA;

- and have all public contracts approved by the Board of Directors, it being understood that the Board may delegate this power to the Managing Director according to a threshold that it shall set by deliberation.

The controls carried out by us on the basis of surveys did not bring to light any major anomalies that should be brought to your attention.

However, we would like to inform you that the following contracts were the subject of "direct agreement" as mentioned in the table below:

In millions FCFA

N°	Name of Service Providers	Nature of services	Amount
1	SOCITECH	Acquisition of servers and storage arrays for electronic payment systems	237
2	NEURONES TECHNOLOGIES	Acquisition of routers for the encryption of flows between the free ATMs and the electronic money server (PCI-DSS)	149
TOTAL			386

III. Functioning of corporate and internal control bodies

We have assessed the Bank's corporate governance, control environment and internal control procedures. The main purpose of our review of internal control was to provide guidance for our audit of the financial statements. As it did not consist of an in-depth study of the organisation, it did not necessarily reveal all the weaknesses in the current organisation.

However, our review did identify areas for improvement which are the subject of a separate report addressed to the Bank's Management, in accordance with Article 8 of Circular No. 004-2011/CB/C on the conditions for carrying out the audit of WAMU credit institutions.

The Auditors

Goodwill Audit & Consulting

Ernst &Young, S.A.

Annex: Original French Translation

Banque Nationale d'Investissement(BNI)

Rapport des Commissaires aux Comptes

États financiers annuels

Exercice clos le 31 décembre 2019

Goodwill Audit & Consulting
Abidjan Cocody II PlateaOux
06 B.P 1075 - Abidjan
RCCM CI-ABJ-2006-B 2679
CC : 4104919- Y

Ernst & Young, S.A.
5, Avenue Marchand
01 BP 2715 - Abidjan 01
S.A. au capital de FCFA 12.000.000
R.C.C.M. Abidjan 7118

Goodwill Audit & Consulting
Abidjan Cocody II Plateaux
06 B.P 1075 - Abidjan
RCCM CI-ABJ-2006-B 2679
CC : 4104919- Y

Ernst & Young, S.A.
5, Avenue Marchand
01 BP 2715 - Abidjan 01
S.A. au capital de FCFA 12.000.000
R.C.C.M. Abidjan 7118

Banque Nationale d'Investissement
BNI
01 BP 670
Abidjan 01

Le 10 Avril 2020

Rapport des Commissaires aux Comptes

Etats financiers annuels

Exercice clos le 31 décembre 2019

En exécution de la mission qui nous a été confiée par votre assemblée générale, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2019, sur :

- le contrôle des états financiers annuels de la Banque Nationale d'Investissement (BNI) tels qu'ils sont joints au présent rapport,
- les vérifications spécifiques et les informations prévues par la loi et la réglementation bancaire,
- le fonctionnement des organes sociaux et du contrôle interne.

I. Audit des états financiers annuels

Opinion

Nous avons effectué l'audit des états financiers annuels de la Banque Nationale d'Investissement (BNI), S.A., comprenant le bilan et le hors bilan au 31 décembre 2019, le compte de résultat, ainsi que les notes annexes aux états financiers annuels.

A notre avis, les états financiers annuels sont réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la Société à la fin de cet exercice conformément aux règles et méthodes comptables édictées par le Plan Comptable Bancaire Révisé (PCB Révisé) de l'Union Monétaire Ouest Africaine (UMOA).

Fondement de l'opinion

Nous avons effectué notre audit selon les normes internationales d'audit (ISA), conformément au Règlement N°01/2017/CM/OHADA portant harmonisation des pratiques des professionnels de la comptabilité et de l'audit dans les pays membres de l'OHADA. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités du commissaire aux comptes relatives à l'audit des états financiers annuels » du présent rapport. Nous sommes indépendants de la société conformément au Code d'éthique et des professionnels de la comptabilité et de l'audit édicté par le Règlement N°01/2017/CM/OHADA portant harmonisation des pratiques des professionnels de la comptabilité et de l'audit dans les pays membres de l'OHADA et des règles d'indépendance qui encadrent le commissariat aux comptes, et nous avons satisfait aux autres responsabilités éthiques qui nous incombent selon ces règles et codes. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Responsabilités du Conseil d'Administration relative aux états financiers annuels

Les états financiers annuels ont été établis et arrêtés par le Conseil d'Administration.

Le Conseil d'Administration est responsable de la préparation et de la présentation sincère des états financiers annuels conformément aux règles et méthodes comptables édictées par le Plan Comptable Bancaire de l'UMOA, ainsi que du contrôle interne qu'il estime nécessaire pour permettre la préparation d'états financiers annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de la préparation des états financiers annuels, il incombe au Conseil d'Administration d'évaluer la capacité de la société à poursuivre son exploitation, de fournir, le cas échéant, des informations relatives à la continuité d'exploitation et d'appliquer la base de continuité d'exploitation, sauf si le Conseil d'Administration a l'intention de mettre la société en liquidation ou de cesser ses activités ou s'il n'existe aucune autre solution alternative réaliste qui s'offre à elle.

Il incombe au Conseil d'Administration de surveiller le processus d'élaboration de l'information financière de la société.

Responsabilités des Commissaires aux Comptes relatives à l'audit des états financiers annuels

Nos objectifs sont d'obtenir l'assurance raisonnable que les états financiers annuels pris dans leur ensemble ne comportent pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, et d'émettre un rapport d'audit contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes « ISA » permettra de toujours détecter toute anomalie significative existante. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, prises individuellement ou en cumulé, elles puissent influencer les décisions économiques que les utilisateurs des états financiers annuels prennent en se fondant sur ceux-ci.

Nos responsabilités pour l'audit des états financiers annuels sont décrites de façon plus détaillée dans l'annexe 1 du présent rapport du commissaire aux comptes.

II. Vérifications spécifiques prévues par la loi et la réglementation bancaire

II.1. Vérifications spécifiques et autres informations

La responsabilité des autres informations incombe au Conseil d'Administration. Les autres informations se composent des informations contenues dans le rapport de gestion (mais ne comprennent pas les états financiers annuels et notre rapport du commissaire aux comptes sur ces états financiers annuels), le Formulaire de Déclaration Prudentielle des établissements de crédit et des compagnies financières (FODEP) et le projet de résolutions.

Notre opinion sur les comptes annuels ne s'étend pas aux autres informations et nous n'exprimons aucune forme d'assurance que ce soit sur ces informations.

Dans le cadre de notre mandat de commissariat aux comptes, notre responsabilité est de procéder aux vérifications et autres informations spécifiques prévues par la loi, et ce faisant, de vérifier la sincérité et la concordance avec les états financiers annuels des informations données dans le rapport de gestion du Conseil d'Administration, et dans les documents adressés aux actionnaires sur la situation financière et les états financiers annuels, et de vérifier, dans tous leurs aspects significatifs, le respect de certaines obligations légales et réglementaires. Si à la lumière des travaux que nous avons effectués, nous concluons à la présence d'anomalie significative dans les autres informations et vérifications spécifiques, nous sommes tenus de signaler ce fait. Nous n'avons rien à signaler à cet égard.

II.2. Exécution du budget de l'exercice 2019

En application des dispositions de la loi n° 97-519 du 4 décembre 1997 portant définition et organisation des sociétés d'Etat, nous vous présentons nos observations sur l'exécution du budget de la BNI pour l'exercice clos le 31 décembre 2019.

Le budget de la BNI pour l'exercice 2019 a été adopté par le Conseil d'Administration et approuvé au premier trimestre de 2019 par le Ministre auprès du Premier Ministre chargé du budget et du portefeuille de l'Etat.

Au titre de l'exercice 2019, les écarts présentés dans le tableau ci-dessous ont été notés entre les prévisions du budget visé ci-dessus et les réalisations pour les principaux agrégats :

En millions de FCFA

Libellés	Budget (A)	Réalisation (B)	Ecart budget-réalisé (B-A)	Taux d'exécution du budget (B/A)
Encours de dépôts	527 442	769 953	242 511	146%
Encours de emplois bruts(*)	386 798	502 173	115 375	130%
Produit Net Bancaire	34 177	35 332	1 155	103%
Coût net du Risque	-3 957	-2 022	-1 935	51%
Frais Généraux	20 696	20 414	-282	99%
Investissements	27 024	25 694	-1 330	95%

() Avec une réalisation en 2019 du montant de FCFA 366 180 millions des encours de emplois sains par caisse : soit 105% des objectifs budgétaires.*

Toutefois, nous tenons à signaler que des dépassements budgétaires ont été observés. Ils sont relatifs aux charges diverses d'exploitation, aux impôts et taxes ainsi que les charges sociales comme mentionnés dans le tableau ci-dessous.

En millions de FCFA

Libellés	Réalisation 31/12/2019	Budget 31/12/2019	Ecart budget-réalisé	Taux d'exécution
Charges diverses d'exploitation	824	470	354	175%
Impôts, taxes, vers, assimilés/rémunération	175	145	30	121%
Charges sociales	1 046	978	68	107%

II.3. Vérifications spécifiques prévues par la réglementation bancaire

Dans le cadre du respect de la réglementation bancaire (circulaire n°004-2011/CB/C du 4 Janvier 2011), nous avons procédé aux vérifications spécifiques relatives au respect de la réglementation prudentielle, conformément aux normes de la profession. Nous devons porter l'information suivante à votre attention comme mentionnée dans le tableau ci-après :

N°	LIBELLES	FODEP	NORME	SITUATION AU 31.12.2019	OBSERVATIONS
1	Ratio de solvabilité totale	EP02	10,375	-2,15	NON RESPECTE
2	Norme de division des risques	EP29	45%	-15,53%	NON RESPECTE
3	Ratio de levier	EP33	3%	-1,36	NON RESPECTE
4	Limite individuelle sur les participations dans les entités commerciales (25% capital de l'entreprise)	EP35	25%	56%	NON RESPECTE
5	Limite individuelle sur les participations dans les entités commerciales (15% des fonds propres T1 de l'établissement)	EP35	15%	0%	NON RESPECTE (*)
6	Limite globale de participations dans les entités commerciales (60% des fonds propres effectifs de l'établissement)	EP35	60%	-31%	NON RESPECTE
7	Limite sur les immobilisations hors exploitation	EP36	15%	-31%	NON RESPECTE

N°	LIBELLES	FODEP	NORME	SITUATION AU 31.12.2019	OBSERVATIONS
8	Limite sur le total des immobilisations et des participations	EP37	100%	-198%	NON RESPECTE
9	Limite sur les prêts aux actionnaires, aux dirigeants et au personnel	EP38	20%	-41%	NON RESPECTE
10	Déclaration des 50 plus gros engagements	EP 32		248 952	

(*) Le tiers sur lequel est calculé ce ratio est négatif, ce qui explique que le ratio présenté au 31.12.2019 soit de 0%.

II.4. Vérification des indemnités et autres rémunérations versées aux dirigeants sociaux

La note circulaire n°001-2011 du Premier ministre, relative à l'harmonisation des conditions de service et de rémunérations des dirigeants sociaux des sociétés d'Etat et des sociétés à participation financière publique majoritaire, prise le 15 juillet 2011, fixe le plafond des rémunérations allouées au Président du Conseil d'Administration et aux Directeurs Généraux à FCFA 3,3 millions et FCFA 4,3 millions et le plafond des indemnités versées aux Administrateurs à titre de jetons de présence à FCFA 3 millions.

Il ressort de nos vérifications qu'au titre de l'exercice 2019, les indemnités versées au Président du Conseil d'Administration, les jetons de présence accordés aux administrateurs et les rémunérations du Directeur Général n'ont pas excédé les seuils maximums précités.

II.5. Vérification du respect de la réglementation sur les passations de marché public

En notre qualité de Commissaires Aux Comptes, conformément à la note 123 MEF/DGE/DPP/KGA du 23 février 2008 de la Direction de la Privatisation et des Participations, complétée par l'article 3 de l'Arrêté N° 200/MEF/DGBF/DMP du 21 avril 2010, il nous appartient d'informer de la mise en application ou non par les sociétés d'Etat des dispositions du Code des Marchés Publics.

Ces dispositions imposent que tout marché public passé par une société d'Etat ne soit attribué qu'après une procédure d'appel à concurrence avec obligation de :

- faire valider les dossiers d'appel d'offre par la direction générale du portefeuille de l'Etat (DGPE) avant leur publication dans les supports autorisés pour les marchés supérieurs au seuil de référence de FCFA 100 millions ;
- constituer une commission d'ouverture et de jugement des offres (COJO) dont la composition est définie par le code des marchés publics, qui procédera à attribution du marché ; les propositions d'attribution de la COJO devant faire l'objet de validation par la Structure administrative chargée des Marchés Publics pour les marchés supérieurs à FCFA 300 millions ;
- et faire approuver tous les marchés publics par le Conseil d'Administration, étant entendu que le Conseil peut déléguer cette compétence au Directeur Général selon un seuil qu'il fixe par délibération.

Les contrôles réalisés par nos soins sur la base de sondages, n'ont pas mis en évidence d'anomalie majeure à porter à votre attention.

Cependant, nous tenons à vous signaler que les marchés suivants ont fait l'objet « d'entente directe » comme mentionné dans le tableau ci-après :

En millions de FCFA

N°	Nom des Prestataires	Nature des prestations	Montant
1	SOCITECH	Acquisition de serveurs et baies de stockage pour la monétique	237
2	NEURONES TECHNOLOGIES	Acquisition de routeurs pour le chiffrement des flux entre les GABs libres et le serveur monétique (PCI-DSS)	149
TOTAL			386

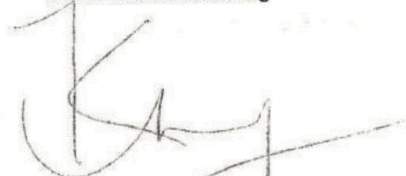
III. Fonctionnement des organes sociaux et du contrôle interne

Nous avons procédé à l'évaluation du gouvernement d'entreprise, de l'environnement de contrôle et des procédures de contrôle interne au sein de la Banque. Notre revue du contrôle interne avait essentiellement pour objectif d'orienter nos travaux d'audit des états financiers. Ne consistant pas en une étude approfondie de l'organisation, elle n'a donc pas nécessairement mis en évidence toutes les faiblesses de l'organisation actuelle.

Notre examen a toutefois mis en évidence des axes d'améliorations qui font l'objet d'un rapport distinct adressé à la Direction de la Banque, conformément à l'article 8 de la circulaire n°004-2011/CB/C relative aux conditions d'exercice du commissariat aux comptes auprès des établissements de crédits de l'UMOA.

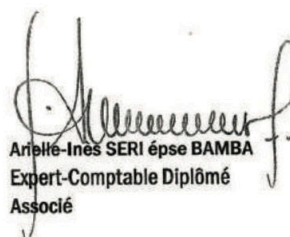
Les Commissaires aux Comptes

Goodwill Audit & Consulting



Abou-Bakar Ouattara
Expert-Comptable Diplômé
Associé

Ernst & Young, S.A.



Ariette-Ines SERI épse BAMBA
Expert-Comptable Diplômé
Associé