

2019 FISCAL YEAR

FINANCIAL COMMUNICATION
OF BOA GROUP
2019 consolidated activity



BENIN • BURKINA FASO • BURUNDI • COTE D'IVOIRE • DJIBOUTI • DRC • ETHIOPIE • FRANCE • GHANA • KENYA • MADAGASCAR • MALI • NIGER • RWANDA • SENEGAL • TANZANIA • TOGO • UGANDA



BANK OF AFRICA

BMCE GROUP



2019 was characterised by:

- presidential elections in Senegal and Madagascar and the wait-and-see policy in the Democratic Republic of Congo
- a security situation that remains challenging in Burkina Faso and Mali
- the closure of borders with Nigeria impacting trade with Benin and Niger

Despite these disruptions, and thanks to the special efforts of all banks of the Group, the Gross Operating Income posted by BOA GROUP confirms its commercial dynamic. However, given the exceptionally high risk level in two subsidiaries, net income Group share declined by 16.5% to almost 69 million euros.

Total assets (MEUR)

8,547 +11.5%

The increase of 11.5% in total assets at the end of 2019 was driven by both the growth of investment securities outstanding (+25.6%) and **customer loans**, which **rose 5.2% to 4.3 billion euros**.

With **customer deposits up 9.3% to 5.9 billion euros**, the transformation rate stood at 73.7%.

Customer loans (MEUR)

4,336 +5.2%

The **sharp increase in commissions and income from banking operations (+23.7%)** made up for the moderate increase in **interest income (+1.6%)**, showing **net banking income up 8.9% to 542.6 million euros**.

General operating expenses continued to improve. They represented **61.5% of net banking income** (vs 63.4% in 2018).

Net banking income (MEUR)

542.6 +8.9%

Gross operating income thus crossed the 200 million euros mark, at **208.7 million euros**, or an **increase of 14.3%** over one year. **The growth in gross operating income reflects the sound and healthy fundamentals of the BANK OF AFRICA Group and efforts undertaken to develop the banking activity, resulting in a substantial increase in commissions, while maintaining tight control of operating expenses.**

Net income Group Share (MEUR)

68.9 -16.5%

Net provisions for contingencies and losses significantly increased this year: the cost of risk increased from 0.7% of average customer loans in 2018 to 1.5% in 2019. This exceptional increase is due to the weakening of BOA-MALI's portfolio against the backdrop of a difficult security situation, and the restructuring of BOA-KENYA's portfolio, following the ongoing banking crisis in Kenya in the last four years. Remediation plans have been initiated in these two subsidiaries with the aim of returning to a normal situation as the earliest possible. Excluding exceptional items, the cost of risk of BOA GROUP comes to 0.9% of average loans. **The cost of risk remains under control, in spite of its exceptional deterioration.**

ROE

11.9%

The **consolidated net income of BOA GROUP thus came in at 112.4 million euros**, a decline of **15.4%** between 2018 and 2019.

CONSOLIDATED KEY FIGURES

The **net income Group share fell by 16.5% to 68.9 million euros** at the end of December 2019. Relative to average equity Group share of 580.5 million euros, the **ROE stood at 11.9% at the end of 2019**.

	<i>in millions of euros</i>		
Network	2018	2019	Variation
Banking staff	5,973	6,069	1.6%
Number of branches	585	577	-1.4%
Main asset aggregates			
Total assets	7,667	8,547	11.5%
Customer loans	4,122	4,336	5.2%
Investment securities*	1,844	2,316	25.6%
Customer deposits	5,382	5,885	9.3%
Equity Group share	567	594	4.8%
Income and expenses account			
Net Operating Income	498.3	542.6	8.9%
Interest margin	308.8	313.6	1.6%
Margin on commissions and income from banking operations	137.9	170.6	23.7%
Net income from financial assets **	51.6	58.3	13.1%
General operating expenses	-315.8	-333.9	5.7%
Gross operating income	182.5	208.7	14.3%
Net provisions for contingencies and losses	-26.3	-70.1	166.2%
Net provisions for adjustments to goodwill	-4.4	-4.3	-1.1%
Operating income	151.8	134.2	-11.6%
Income from subsidiaries accounted for by the equity method	1.0	2.2	116.5%
Net gains or losses on fixed assets	0.8	1.7	40.9%
Pre-tax profit	153.6	137.6	-10.4%
Corporate income tax	-20.8	-25.3	21.3%
Consolidated net income	132.8	112.4	-15.4%
Net Income Group share	82.6	68.9	-16.5%
Ratios			
Cost to income ratio	63.4%	61.5%	
Cost of risk / Average outstanding customer loans	0.7%	1.5%	
ROE (Net income Group share / Average Equity Group share)	15.1%	11.9%	
ROA (Net income Group share / Average assets)	1.1%	0.9%	

* Bonds and other fixed income securities + Shares and other variable income securities

** Income from variable income securities + Gains or losses on portfolio transactions