



**BANK OF AFRICA**

BMCE GROUP



# Financial Statements 2021

## Madagascar



- |         |               |            |
|---------|---------------|------------|
| BENIN   | BURKINA FASO  | BURUNDI    |
| CONGO   | COTE D'IVOIRE | DJIBOUTI   |
| DRC     | ETHIOPIA      | FRANCE     |
| GHANA   | KENYA         | MADAGASCAR |
| MALI    | NIGER         | RWANDA     |
| SENEGAL | TANZANIA      |            |
| TOGO    | UGANDA        |            |

## C O N T E N T S

|   |      |
|---|------|
| Corporate Information .....             | 2-3  |
| Directors' Report .....                 | 4    |
| Significant performances .....          | 6    |
| Highlights .....                        | 7    |
| Balance sheet and income statement..... | 8-10 |
| Corporate Social Responsibility .....   | 11   |



Integrated into BOA network in 1999



Capital as at 31/12/2021  
Ariary (MGA) 45.510 billion

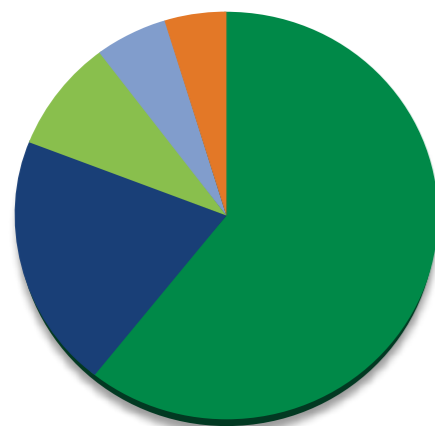


Auditors  
MAZARS FIVOARANA  
PRICEWATERHOUSECOOPERS SARL



boa@boa.mg  
www.boa.mg

## Shareholding as at 31/12/2021



|                              |        |
|------------------------------|--------|
| BOA GROUP S.A.               | 61.11% |
| MALGASI PRIVATE SHAREHOLDERS | 19.91% |
| MALGACHE STATE               | 9.37%  |
| OTHER SHAREHOLDERS           | 5.21%  |
| PROPARCO                     | 4.40%  |

## Presentation of results

In 2021, the change in the main components of the Bank's businesses reveals the consolidation and its financial performances. This is the result of its continuous support to the country's economic activity, supporting its customers - individuals, professionals and companies - in all sectors of the economy, despite the health crisis.

Within one year, BOA-MADAGASCAR increased its deposits by 7.4% to MGA 2,862.5 billion at 31 December 2021, thus consolidating the Bank's position.

The increase in loans was even more sustained with total net loans at MGA 2,024.2 billion at 31 December 2021, up 22.9% year-on-year.

BOA-MADAGASCAR's cost of risk is also fully under control with the rate of impaired loans at 7.1% compared with 7.7% in 2020, and an overall cost of risk contained at 0.6%, notwithstanding the impact of the health crisis on The Bank's portfolio.

The Bank's balance sheet recorded an annual increase of 12.5%, for a volume of MGA 3,606.2 billion at 31 December 2021.

2021 commercial performances enabled the Bank to achieve high levels of income:

- the net banking margin rising 6.6% to MGA 172.9 billion due to the +10% increase, in revenue from loans
- net operating income at MGA 287.3 billion, up 13.5% year-on-year.

Accompanied by operational rigour, the cost/income ratio is 49.7%, despite the significant expenses related to the implementation of the various IT/money market projects initiated by the Group and significant recurrent expenses in the framework of technical assistance provided to the Bank by the Central Structure.

In the light of all of these factors, the Bank's net income in 2021 stood at MGA 93.5 billion, up 27.8% compared to the previous year. This performance has enabled the Bank to contain its profitability ratios with ROE at 26.9% and ROA at 2.7%.

## 2021 Key figures

(in MGA million)

| Activity           | 2020      | 2021      | Variation |
|--------------------|-----------|-----------|-----------|
| Deposits           | 2,664,772 | 2,862,481 | 7.4%      |
| Loans              | 1,647,483 | 2,024,165 | 22.9%     |
| Number of branches | 93        | 96        | 3.2%      |

## Structure

|                      |           |           |       |
|----------------------|-----------|-----------|-------|
| Total Assets         | 3,204,514 | 3,606,175 | 12.5% |
| Shareholders' equity | 327,782   | 361,063   | 10.2% |
| Number of employees  | 888       | 853       | -3.9% |

## Income

|   |         |         |        |
|---|---------|---------|--------|
| Net operating income  | 252,910 | 287,330 | 13.6%  |
| Operating expenses<br>(including depreciation and amortization) | 135,003 | 142,751 | 5.7%   |
| Gross operating profit  | 117,908 | 144,578 | 22.8%  |
| Cost of risk in value (*)                                       | 18,007  | 10,844  | -41.2% |
| Profit after tax  | 73,178  | 93,513  | 27.8%  |
| Operating ratio   | 53.4%   | 49.7%   |        |
| Cost of risk  | 1.2%    | 0.6%    |        |
| Return on Assets (ROA)  | 2.4%    | 2.7%    |        |
| Return on Equity (ROE)  | 22.8%   | 26.9%   |        |

## Capital Adequacy Ratio

|                           |           |           |
|---------------------------|-----------|-----------|
| Tier 1                    | 209,019   | 227,920   |
| Tier 2                    |           |           |
| Risk Weighted Asset (RWA) | 1,767,439 | 2,280,240 |
| Tier 1 + Tier 2 / RWA     | 11.8%     | 10.0%     |

(\*) Including general provision.



## Board of Directors as at 31/12/2021



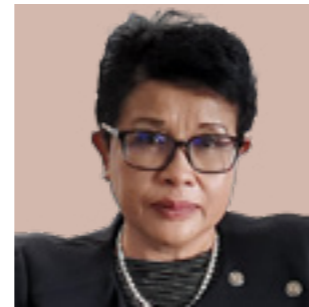
Alphonse RALISON  
Chairman



Amine BOUABID  
BOA GROUP S.A.  
Representative



Jean François  
MONTEIL



Vololomanitra  
RAKOTONDRALAMBO



Patrick  
RAZAFINDRAFITO



Abderrazzak ZEBDANI



Tsirofy Mihamina  
RATOVOHARINONY  
Malagasy State  
Representative



## Head office

Immeuble Financial District, Zone Galaxy Andraharo,  
Antananarivo 101 - MADAGASCAR  
SWIFT: AFRIMGMG



BOA-MADAGASCAR Head office



## Significant performances

(in MGA billion)

### Loans

2,024.1 +22.9%

2021

2020 1,647.4

### Net Income

93.5 +27.8%

2021

2020 73.2

## Stock information

(in MGA)

|  | 2019    | 2020    | 2021    | AAGR* |
|--|---------|---------|---------|-------|
| Earning per share  | 37,819  | 32,159  | 41,096  | 4.2%  |
| Shareholder's equity per share<br>(before profit distribution) | 138,360 | 144,049 | 158,675 | 7.1%  |
| Shareholder's equity per share<br>(after profit distribution)  | 111,890 | 117,579 | 130,110 | 7.8%  |
| Dividend per share   | 26,470  | 26,470  | 28,565  | 3.9%  |

(\*) Average annual growth rate.

## Highlights

### February and March

- Marketing campaigns for the «Vaha-Olana» and «Ny Findaiko» loans.

### May

- Deployment of a product communication campaign.
- Arrival of the Bank on social networks.

### June

- «Back to school» marketing campaign.

### August

- Opening of two new branches (Elite and Institutional) in Antaninarenina, on the outskirts of Antananarivo.

### September

- Participation in the 2021 BANK OF AFRICA Director's Meetings, in Istanbul, Turkey.

- Participation in the 15<sup>th</sup> Madagascar International Fair.

### October

- Participation in 3 trade shows (Salon e-saina Ankatso, International Days of the Regions in Itasy and Sofia) and 5 trade fairs (Economic Fair in Farafangana and Tulear, Housing Fair in Toamasina, Fishing Products Fair).

### November

- Participation in the 23<sup>rd</sup> «Salon International de l'Habitat».

### December

- Inauguration of the branch in Ivato, a town 15 km north-west of Antananarivo.
- «Vaha Olana Loan» marketing campaign.



Participation in the International Housing Fair



## Compared income statement for the past two fiscal years (in MGA)

| ASSETS                             | 2020                     | 2021                     | VARIATION  |
|------------------------------------|--------------------------|--------------------------|------------|
| CASH                               | 96,272,639,413           | 111,311,860,033          | 16%        |
| INTERBANK LOANS                    | 1,241,871,069,636        | 1,260,608,647,354        | 2%         |
| <b>CUSTOMER LOANS</b>              | <b>1,647,483,250,733</b> | <b>2,024,164,959,767</b> | <b>23%</b> |
| - PORTFOLIO OF DISCOUNTED BILLS    | 156,714,158,156          | 209,431,843,559          | 34%        |
| - OTHER CUSTOMER CREDIT FACILITIES | 1,172,431,290,866        | 1,485,281,309,311        | 27%        |
| - ORDINARY DEBTOR ACCOUNTS         | 318,337,801,711          | 329,451,806,897          | 3%         |
| - FACTORING                        |                          |                          |            |
| INVESTMENT SECURITIES              | 675,316,103,677          | 650,601,698,258          | -4%        |
| FINANCIAL ASSETS                   | 37,071,530,787           | 31,869,839,556           | -14%       |
| LEASING AND SIMILAR TRANSACTIONS   |                          |                          |            |
| FINANCIAL ASSETS AT EQUITY VALUE   |                          |                          |            |
| INTANGIBLE ASSETS                  | 4,190,661,326            | 8,099,168,256            | 93%        |
| FIXED ASSETS                       | 116,736,284,956          | 123,784,451,355          | 6%         |
| SHAREHOLDERS & ASSOCIATES          |                          |                          |            |
| OTHER ASSETS                       | 55,272,303,248           | 40,964,976,487           | -26%       |
| SUNDRY ACCOUNTS                    | 616,207,068              | 5,370,776,192            | -4%        |
| CONSOLIDATED GOODWILL              |                          |                          |            |
| <b>TOTAL ASSETS</b>                | <b>3,204,513,947,167</b> | <b>3,606,174,679,000</b> | <b>13%</b> |

| OFF-BALANCE-SHEET                  | 2020                   | 2021                   | VARIATION  |
|------------------------------------|------------------------|------------------------|------------|
| <b>COMMITMENTS GIVEN</b>           | <b>320,451,134,021</b> | <b>503,717,212,753</b> | <b>57%</b> |
| <b>* CREDIT COMMITMENTS</b>        | <b>320,451,134,021</b> | <b>503,717,212,753</b> | <b>57%</b> |
| • TO CREDIT INSTITUTIONS           |                        | 14,298,446,148         |            |
| • TO CUSTOMERS                     | 320,451,134,021        | 489,418,766,603        | 53%        |
| <b>* GUARANTEES GIVEN</b>          |                        |                        |            |
| • ON BEHALF OF CREDIT INSTITUTIONS |                        |                        |            |
| • ON BEHALF OF CUSTOMERS           |                        |                        |            |
| <b>* COMMITMENTS ON SECURITIES</b> |                        |                        |            |

At 31/12/2021, 1 euro = MGA 4,470.10.

## (in MGA)

| LIABILITIES                         | 2020                     | 2021                     | VARIATION  |
|-------------------------------------|--------------------------|--------------------------|------------|
| INTERBANK LIABILITIES               | 68,033,819,111           | 240,540,830,055          | 254%       |
| <b>CUSTOMER DEPOSITS</b>            | <b>2,664,771,840,788</b> | <b>2,862,481,014,411</b> | <b>7%</b>  |
| - SAVINGS DEPOSIT ACCOUNTS          | 834,806,543,193          | 860,048,791,860          | 3%         |
| - TIME DEPOSIT ACCOUNTS             |                          |                          |            |
| - SHORT-TERM BORROWINGS             | 49,576,905,316           | 57,863,577,385           | 17%        |
| - OTHER DEMAND DEPOSITS             | 1,505,630,403,552        | 1,669,589,890,973        | 11%        |
| - OTHER TIME DEPOSIT ACCOUNTS       | 274,757,988,727          | 274,978,754,193          | 0%         |
| DEBT SECURITIES                     |                          |                          |            |
| OTHER LIABILITIES                   | 57,799,150,113           | 59,687,011,250           | 3%         |
| SUNDRY ACCOUNTS                     | 75,002,249,131           | 71,035,429,472           | -5%        |
| RESERVES FOR CONTINGENCIES & LOSSES | 10,468,432,956           | 10,658,913,355           | 2%         |
| STATUTORY PROVISIONS                |                          |                          |            |
| EARMARKED FUNDS                     | 656,631,331              | 708,496,874              | 8%         |
| SUBORDINATED LOANS & SECURITIES     |                          |                          |            |
| INVESTMENT SUBSIDIES                |                          |                          |            |
| RESERVES FOR GENERAL BANKING RISKS  |                          |                          |            |
| CAPITAL OR APPROPRIATIONS           | 45,509,740,000           | 45,509,740,000           | 0%         |
| SHARE PREMIUMS                      | 25,642,392,144           | 25,642,392,144           | 0%         |
| RESERVES                            | 139,358,439,151          | 150,335,193,140          | 8%         |
| RETAINED EARNINGS ( + / - )         | 44,092,892,431           | 46,062,363,585           | 4%         |
| NET INCOME                          | 73,178,359,923           | 93,513,294,713           | 28%        |
| <b>TOTAL LIABILITIES</b>            | <b>3,204,513,947,167</b> | <b>3,606,174,679,000</b> | <b>13%</b> |

| OFF-BALANCE-SHEET                   | 2020                   | 2021                   | VARIATION   |
|-------------------------------------|------------------------|------------------------|-------------|
| <b>COMMITMENTS RECEIVED</b>         | <b>611,911,584,755</b> | <b>693,347,475,306</b> | <b>57%</b>  |
| <b>* CREDIT COMMITMENTS</b>         | <b>7,000,000,000</b>   | <b>11,818,694,845</b>  | <b>69%</b>  |
| • RECEIVED FROM CREDIT INSTITUTIONS | 7,000,000,000          | 11,818,694,845         | 69%         |
| • RECEIVED FROM CUSTOMERS           |                        |                        |             |
| <b>* GUARANTEES RECEIVED</b>        | <b>29,411,584,755</b>  | <b>61,028,780,461</b>  | <b>107%</b> |
| • RECEIVED FROM CREDIT INSTITUTIONS | 29,411,584,755         | 61,028,780,461         | 107%        |
| • RECEIVED FROM CUSTOMERS           |                        |                        |             |
| <b>* COMMITMENTS ON SECURITIES</b>  | <b>575,500,000,000</b> | <b>620,500,000,000</b> | <b>8%</b>   |



## Compared income statement for the past two fiscal years (in MGA)

| INCOME STATEMENT                       | 2020                   | 2021                   | VARIATION  |
|--|------------------------|------------------------|------------|
| INTEREST INCOME                        | 216,708,046,702        | 238,317,829,863        | 10%        |
| INTEREST EXPENSE                       | -54,588,008,204        | -65,439,025,105        | 20%        |
| <b>NET INTEREST INCOME</b>             | <b>162,120,038,497</b> | <b>172,878,804,759</b> | <b>7%</b>  |
| FEE AND COMMISSION INCOME              | 111,920,553,710        | 125,713,281,224        | 12%        |
| FEE AND COMMISSION EXPENSE             | -21,145,468,415        | -21,976,237,252        | 4%         |
| <b>NET FEE AND COMMISSION INCOME</b>   | <b>90,775,085,295</b>  | <b>103,737,043,972</b> | <b>14%</b> |
| NET OTHER INCOME                       | 15,327,117             | 10,713,960,441         | NS         |
| <b>NET OPERATING INCOME</b>            | <b>252,910,475,909</b> | <b>287,329,809,171</b> | <b>14%</b> |
| OPERATING EXPENSES                     | -135,002,589,833       | -142,751,973,904       | 6%         |
| <b>NET OPERATING INCOME</b>            | <b>117,907,886,076</b> | <b>144,578,335,268</b> | <b>23%</b> |
| IMPAIRMENT CHARGES                     | -24,106,985,006        | -23,025,883,844        | -4%        |
| NET PROVISION FOR GENERAL BANKING RISK |                        |                        |            |
| EXCEPTIONAL INCOME                     | -6,613,959             | -59,440,030            | 799%       |
| <b>PROFIT BEFORE INCOME TAX</b>        | <b>93,794,287,111</b>  | <b>121,493,011,394</b> | <b>30%</b> |
| INCOME TAX EXPENSE                     | -20,615,927,188        | -27,979,716,680        | 36%        |
| <b>NET INCOME</b>                      | <b>73,178,359,923</b>  | <b>93,513,294,714</b>  | <b>28%</b> |

## Corporate Social Responsibility

BANK OF AFRICA – MADAGASCAR, affirms its commitment to improving public health, education, environmental protection and inclusive development in Madagascar, by pursuing a wide range of corporate social responsibility initiatives.

### Education

- Inauguration of the rehabilitation works of the Fieferana-Manjakandriana and Belinta-Mahajanga EPPs (Ecole Primaire Publique).
- Contribution of MGA 11.1 million to the setting up of the school canteen at the Andranosoa-Ambohimalaza EPP.
- Solidarity Christmas: children from the CEDF - Mahajanga and the National Police orphanage in Mahajanga who have suffered abuse.
- Contribution of MGA 154.1 million to the AVOTSE Project with Association Fitia.
- Contribution of MGA 18 million the Presidential Project Kaly Tsinjo with the Ministry of Population.

### Social

- Inauguration of the rehabilitation works of the neurological pavilion of CHUPZAGA Androva-Mahajanga.
- Donations of food, equipment and hygiene products for the 2,000 inmates of the Marofoto-Mahajanga prison.
- Food and material donations for the elderly.



Students of EPP (Ecole Primaire Publique)