Financial communication of BOA GROUP

2023 consolidated activity

BANK OF AFRICA
BMCE GROUP

Essentials

In 2023, the BOA Group operated in a complex economic and political environment, with a slowdown in economic growth in the countries where the Group operates.

Across the continent, interbank rates rose sharply, by as much as +600 basis points in some countries, and refinancing conditions in the WAEMU tightened significantly after an exceptional period of liquidity injections.

2023 was also marked by a depreciation of all the currencies of the countries in which the BOA Group operates, apart from the CFA franc, which had a negative impact on the consolidated financial statements.

On the political front, Niger was subjected to heavy economic and financial sanctions by ECOWAS in response to the military coup d'état in July 2023. Three ECOWAS countries are now under transition: Niger, Burkina Faso and Mali.

Thanks to the various measures taken in anticipation of a changing and unfavourable economic environment, BOA Group will post strong growth of 32% in NBI for 2023, reaching €180 million, driven by a 20% increase in Gross Operating Income and a controlled cost of risk (+0.6%).

Total assets

-0.6 % to €10 220 million

Net Banking Income

+10.8 % to €755 million

Customer loans

+3.0 % to €5 183 million

Net Income Group Share

+31.9 % to €180 million

ROE

22,2 %

Consolidated key figures

Network	2022	2023	Variation
Staff number	6,043	6,223	3.0 %
Number of branches	530	530	
Main asset aggregates (in euro million)			
Total assets	10,279	10,220	-0.6 %
Customer loans	5,034	5,183	3.0 %
Investment securities *	3,152	3,010	-4.5 %
Customer deposits	7,695	7,442	-3.3 %
Equity Group share	762	859	12.8 %
Profit and loss (in euro million)			
Net Banking Income	**681.4**	**755.1**	**10.8 %**
Net income from banking/customer activity	474.2	549.5	15.9 %
of which Net Interest Margin	226.0	274.6	21.5 %
of which Net Fee and commissions	248.2	274.8	10.7 %
Net income from market activity	207.1	205.6	-0.7 %
General Operating Expenses	**-356.8**	**-364.5**	**2.2 %**
Gross Operating Income	**324.5**	**390.6**	**20.4 %**
Net provisions for contingencies and losses	-70.9	-71.3	0.6 %
Net provisions for adjustments to goodwill	-1.6	-1.1	-28.7 %
Operating Income	**252.1**	**318.2**	**26.2 %**
Income from subsidiaries accounted for by the equity method	3.5	3.1	-10.6 %
Net gains or losses on fixed assets	2.4	3.0	28.6 %
Income before tax	**257.9**	**324.3**	**25.7 %**
Corporate income tax	-41.3	-61.4	48.4 %
Consolidated Net Income	**216.6**	**263.0**	**21.4 %**
Net Income Group Share	**136.4**	**179.9**	**31.9 %**
Key financial ratios			
Cost-to-income ratio	**52.4 %**	**48.3 %**	
Cost of risk / Average outstanding customer loans	**1.5 %**	**1.4 %**	
ROE (Net income Group share / Average Equity Group share)	**18.9 %**	**22.2 %**	
ROA (Net income Group share / Average Assets)	**1.4 %**	**1.8 %**	

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

Consolidated key figures

The balance sheet total remained virtually stable (-0.6%) at €10,220 million, due to growth in outstanding loans (+3%) to €5,183 million and a fall in investment securities (-4%), in line with forecasts. In agreement with the portfolio diversification strategy, loan growth was driven by individual customers (+12%), and to a lesser extent by SMEs (+4% in the number of loans in stock and +16% in the number of loans disbursed in 2023).

Customer deposits fell by 3.3% due to the depreciation of currencies (they were stable excluding the effect of exchange rates). This decline was mitigated by the relatively high level of foreign currency inflows in our subsidiaries affected by foreign currency inflows. Non-remunerated deposits will account for 55% of all deposits at the end of 2023.

Consolidated Net Income banking reach €755 million, growth 10.8%. This increase was driven by net income from customer business, mainly thanks to better intermediation margins and higher commission income. Banking activities now account for 73% of net banking income.

General operating expenses increased very little in 2023. They account for less than half of NBI, with an **operating ratio of 48.3%.**

Consequently, Gross Operating Profit rose sharply by +20.4 % to reach €391 million.

Net allocations to provisions for liabilities and charges remained relatively stable (+0.6%), thanks to a steadily declining volume of past-due receivables, resulting in an improving NPL ratio. As a result, **the cost of risk improved to 1.4% of average outstanding loans,** compared to 1.5 % in 2022.

The BOA Group's consolidated net profit for the year ended 31 December 2023 was €263 million, an annual increase of 21.4%.

Net income Group share rose sharply by 29.5 % to €180 million at the end of December 2023. With an average Equity Group share of €859 million, **ROE stood at 22.2 %.**