



ACTIVITY REPORT 2018

2018 ACTIVITY REPORT

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MESSAGE FROM MANAGEMENT



MESSAGE FROM THE BOARD OF DIRECTORS

The year 2018 is undoubtedly a pivotal year in the existence of BNI. That year was marked by profound changes both at the level of governance, with the introduction of a new management team, and structural and procedural reforms in accordance with its strategic plan, currently in its second year of implementation. The government's decision to open up the bank's capital confirms, if need be, the authorities' determination to strengthen the bank's areas of intervention and thus enable it to better fulfil its mission in this highly competitive sector.

Significant efforts have been made by the new management to comply with the new prudential rules, with those relating to the implementation of the new Banking Accounting Plan, and with the new regulations resulting from Bale 2 and 3. In addition, the new management team was able to motivate the entire staff, who immediately took ownership of the major orientations of the strategic plan. Finally, particular emphasis was placed on the vigorous restructuring of the portfolio, on the receivables collection and on the digitalization of numerous processes.

All these measures have made it possible to make our present clearer and to identify better prospects for the years to come.

In the context of an Ivorian economy benefiting from a strong and stable growth rate of around 7% for the coming years and better targeting of its scope of intervention, the National Investment

Bank should play a more active role in financing the economy.

In accordance with its strategic "Excellence 2021" plan, the network will continue its expansion, as will the diversification of products for its customers.

At the end of the year under review, the Bank has met many challenges in a short space of time, not least of which are still many others that it has to face.

Elle dispose, à présent, des outils et des atouts lui permettant d'affronter le marché bancaire ivoirien en pleine évolution. A cet effet, elle prendra, appui sur la culture d'excellence, l'innovation et la recherche permanente de la satisfaction du client.

The bank is now equipped with the tools and assets that will enable it to face the evolving Ivorian banking market. To this end, it will rely on the culture of excellence, innovation and the permanent quest for customer satisfaction.

With the entry into its capital of a new credible shareholder, the desire of the staff to make the institution play a major role in the economy, and the concern for balance sheet optimization likely to strengthen the capitalization of the bank, there is no doubt that the National Investment Bank is gathering all the ingredients that will enable it win its bet: that of becoming a major bank in the Ivorian banking system.

M. Souleymane CISSÉ



MESSAGE FROM THE GENERAL MANAGER

Against a national background of strong economic growth, 2018 was marked by the continued implementation of the major public infrastructure development programme which is one of the main components of the 2016-2020 National Development Program (PND).

Indeed, real GDP growth was estimated at 7.5 % in 2018, compared to 7.7 % percent in 2017, driven by foreign demand for agricultural and oil products and by increased domestic demand resulting from major investment projects and household consumption.

With a banking penetration rate of 16 %, the Ivorian banking sector has been an integral part of this growth. Indeed, according to APBEF-CI, the assets of banks operating in Côte d'Ivoire reached FCFA 12.760 billion as of 31 December 2018, or 15 % higher compared to 13 December 2017. As concerns the total balance and overall employment, increases of 14 % and 16 %, as well as an amount of FCFA 7.107 billion of credits to the national economy were observed. This trend should be maintained with the rise of new products such as digital banking, leasing, and factoring, etc.

In this highly competitive sector marked by an increase in the pace of banking services, BNI took a set of bold and appropriate measures to maintain its position among benchmark banks in Côte d'Ivoire. Even though the bank recorded a drop in deposits, leading to a decrease in resources, the pursuit of the well-developed Excellence Strategic Plan enabled it to pave the way for a gradual replenishment of its equity. In 2018, the approach

consisted in seeking a perfect match between more rigorous management and the improvement of tools and productivity efforts.

Through a new organization of its functions, the bank continued diversifying its range of services with the launch of new products and the improvement of the reception points of its branch networks.

Following the perspectives, outcomes generated in 2019 should record a clear progression through the implementation of 2021 Excellence projects essentially translated by:

- The expansion of the network, the diversification of products through greater digitalization, and the development of offers aimed at the diaspora;
- The strengthening of synergies with our subsidiaries in particular with BNI Finances;
- The reorganization of credit granting and monitoring processes;
- Etc.

In addition, the opening up of capital, decided during the Council of Ministers on 13 October, resulted in the acquisition of shares by the National Social Insurance Fund – CNPS in the bank's capital amounting to 19.16 %.

Consequently, the bank's equity will increase by FCFA 20 billion.

The bank has also started a process of partial disposal of its non-operating property holdings; this operation will substantially increase the bank's equity.

These combined actions will enable the bank to return to a brighter prospects and therefore bring it into line with prudential ratios.

Based on all these indications, and in view of the economic outlook, 2019 is full of promises and great prospects for our common bank, our staff, our clients, and our partners.

Together, we will make it!

M. Youssef FADIGA



I- BOARD OF DIRECTORS

I-1. Composition of the Board of Directors

As at the end of December 2018, the Board of Directors was made up of the following eight (8) members:

M. Souleymane CISSE	<i>Representing the President of the Republic Chairman of the Board of Directors</i>
M. Emmanuel AHOUTOU KOFFI	<i>Representing the Prime Minister Administrator</i>
M. Adama COULIBALY	<i>Representing the Minister of Economy and Finance Administrator</i>
M. Antoine Kacounseu MIMBA	<i>Representing the Minister of Economy and Finance Administrator</i>
M. Thiékoro DOUMBIA	<i>Representing the Prime Minister's Secretary of State in charge of Budget and State Portfolio Administrator</i>
M. Faman TOURE	<i>Representing the Private Sector Administrator</i>
M. Nicolas DJIBO	<i>Representing the Private Sector Administrator</i>
M. Pierre René Magne WOELFELL	<i>Representing the Private Sector Administrator</i>

I- 2. Committees of the Board of Directors

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

Strategic Planning Committee

Audit Committee

Credit Council

II- MANAGEMENT COMMITTEE

II-1. General Management

In 2018, the Bank's General Management consisted of the following members:

M. Youssouf FADIGA	<i>General Manager (since September, 2018)</i>
M. Eugène KASSI N'DA	<i>Acting General Manager (until September, 2018)</i>
M. Malick T.TIO-TOURE	<i>Acting Deputy General Manager</i>

II-2. Presentation of the Management Committee

As at 31 December, 2018, the Management Committee was made up of the following members:

M. Youssouf FADIGA	<i>General Manager</i>
M. Daniel Douley KOUADIO	<i>Secretary Acting Human Resource Manager</i>
M. Malick T.TIO-TOURE	<i>Advisor to the General Manager</i>
M. Jean-Louis GAULY	<i>Advisor to the General Manager</i>
M. Mamadou SANOGO	<i>Advisor to the General Manager</i>
M. Narcisse Roland ADJET	<i>Financial Manager and Accountant</i>
M. Jean Marc GUEI	<i>Credit Manager</i>
M. Hermann BOSSE	<i>Internal Audit Manager</i>
M. Benjamin BAHONTO	<i>Chief Compliance and Internal Control Officer</i>
M. Bertrand NIAGNE	<i>Manager of Business Enterprise Clients and Relations with Financial Institutions</i>
Mrs Oumou Henriette DIALLO	<i>Manager of Individual Clients and Networking</i>
M. Georges N'GUESSAN	<i>Manager of Information Systems</i>
Mrs Amélie KOLANTRIN	<i>Manager in charge of Organization</i>
M. SEA Raphaël	<i>Manager in charge of Operations</i>
M. ASSANDE Thierry	<i>Manager in charge of Heritage, General Infrastructure and Security</i>
Mrs Maya AKRE WATANABE	<i>Head of Department, Markets, Marketing and Communication</i>

The major changes that occurred within the Management Committee were the following:

1) Appointment of Mr. Youssef FADIGA as General Manager to replace Mr. Eugène KASSI-N'DA

2) Adoption of a new organizational chart with the following changes:

- Creation of a position of Secretary General, two positions of Advisors to the General Manager and a Risk Management Department;
- Merger of the Relations Department with the Financial Institutions Department and the Individual Clients' and Relations Department with the Financial Institutions Department,
- Merger of the Department of Heritage and General Services with that of Security to establish the Department of Heritage, General Services and Security;
- Extension of the mandates of the Marketing and Communications Department to cover the Market

III- SPECIALIZED COMMITTEES

The Management Committee is made up of ten (10) specialized committees as follows:

Management Committee

Operations Committee

Credit Committee

Assets and Liabilities Management Committee

20/21 Excellence Committee

Off Strategic Projects Committee

Human Capital Committee

Recovery Committee

Bank Risk Committee

Commercial and Marketing Committee

01

**BOARD OF DIRECTORS'
ANNUAL REPORT**



I- BACKGROUND

1. Presentation of the Bank

Based on the will of the Ivorian Authorities to establish the development of Côte d'Ivoire upon a strong and credible institution, the National Investment Bank (BNI) was created in 1959 (by Decree No. 59-209 of 21 October, 1959) under the name Caisse Autonome d'Amortissement (CAA) which, among others, had the following terms of reference:

- **Source and mobilize domestic and external resources to finance the development of the country;**
- **Service Public Debt;**
- **Manage deposits of National Public Establishments- EPN (Etablissement Public National).**

In 1998, new guidelines were given to the Bank. Thus, it became an Investment Bank after obtaining approval from UMOA and BCEAO as a banking institution with the status of State-owned company. It played a three-pronged role as an investment bank, a refinancing bank and an advisory bank. These vocations are broken down into six (6) areas, thus making the institution:

- 1- An organization for the redistribution of public savings;**
- 2- A financing organization for agricultural sector investments;**
- 3- A refinancing organization for banks and financial institutions;**
- 4- A stakeholder in public-private sector partnership in financing profitable public sector investments and small and medium-scale businesses;**

- 5- A stakeholder in capital markets;**
- 6- An implementing agent of public service contractual missions**

To enable the institution to adapt to these new terms of reference, the corporate name of CAA was changed to National Investment Bank with effect from 2004 and its capital stock increased to 20.5 Billion CFA francs. Furthermore, the BNI established two subsidiaries:

- **BNI-FINANCES** was established in January 2004, to play the role of a Management and Intermediation Company (SGI) by providing support to investment banking and advisory services-related vocations of the BNI.
- **BNI-GESTION** established at the end of 2008, to function as a specialized institution for assets management and to launch and manage funds by collecting savings from investors (including private individuals) and then investing the amounts on their behalf.

As at 31 December, 2018, the Bank had a staff strength of 593 employees and had established itself in about twenty Ivorian cities with about thirty branches; 5 new branches will soon be opened.

Furthermore, it manages about ten National Funds on behalf of the Government of Côte d'Ivoire in areas such as education, access to water and local government financing and also provides support for tourism and the cultural industry.



II- ECONOMIC ENVIRONMENT

1. International Economic Environment ¹

World economic growth in 2018 is estimated at 3.7 %, but signs of slow growth during the second half of 2018 led to downward reviews in several countries. The slow growth rates in the second half of 2018 will have an effect on the upcoming quarters as world growth is estimated to decline to 3.5 % in 2019 before adjusting upward slightly to 3.6 % in 2020.

This trend is on the back of a persistent sluggish growth rates in the advanced countries and a temporary downturn of growth in emerging and developing countries in 2019, attributable to contractions in Argentina and Turkey as well as to effects of trade tensions between the United States and China.

More precisely, the growth in advanced economies is expected to fall by about 2.3% in 2018 to 2% in 2019 and to 1.7% in 2020. This 2018 estimate and the projection for 2019 are lower by 0.1 percentage point to the figures of PEM in October, 2018, mainly as a result of downward reviews for the Euro zone.

In Sub-Saharan Africa, growth is projected to rise from 2.9 % in 2018 to 3.5 % in 2019 and to 3.6 % in 2020. For the two years, the projection is lower by 0.3 percentage point to that of last October, the fall in prices of oil led to a downward review for Angola and Nigeria. The figures published for the region conceal the wide variations in the results, as more than one third of Sub-Saharan African countries are expected to experience a growth of more than 5 % in 2019–20.

In the UEMOA zone, economic growth is expected to reach about 6.8% in 2018 after 6.7% in 2017, driven by a good showing in the area of building and civil engineering works (BTP), the consolidation of manufacturing activities and the intensification of investments. The GDP trend is expected to be strong in all the countries, mainly in Côte d'Ivoire (+7.7%), in Senegal (+7.0%), in Burkina Faso (+7.0%) and in Benin (+6.1%).

2. National Economic Environment ²

In 2018, the Ivorian economy recorded a growth rate of 7.7% just as in 2017 and this performance, on the supply side, was attributed to agricultural production, agro-food industries, petroleum products, building and civil engineering works and services and on the demand side, to investments and final consumption.

¹ : Perspectives économiques mondiales, janvier 2019, www.imf.org

² : Economic and Financial Report of the Appropriations Act 2019 page 9&10

In the light of the economic situation at the end of December 2018, on the supply side, growth in 2018, was based essentially on the tertiary (+10,8%) and secondary sectors (+8,5%). The primary sector, however, recorded an upward trend of 3.1%.

Indeed, the primary sector recorded a growth rate of 3.1% as against 11.2% in 2017 as a result of the dynamism of subsistence food production (+3.7%) and cash crop exports (+2.3%) in spite of the 3.8% decline in cocoa production.

For the secondary sector, it recorded a growth rate of 8.5% after the 3.0% upward adjustment recorded in 2017 and it was driven by the building and civil engineering works - BTP (+22.0%), energy (+4.2%), petroleum products (+14.2%), the other manufacturing industries (+8.4%) and the agro-food industry (+14.2%).

Regarding the tertiary sector, it grew at 10.8%, thanks to all the components which include transportation (+10.6%), telecommunications (+12.6%), trade (+9.4%) and other services (+11.1%). This trend was driven by the performance of the primary and secondary sectors.

The annual average inflation rate was contained at 0.5%. This level of inflation is attributable to the increase in domestic supply of food products and to the government's implementation of strategies to curb the high cost of living. On the demand side, the growth was driven by the continuation of investments (+14.1%) and the buoyancy of final consumption (+7,8%), linked to the relative improvement in the employment market. Concerning external trade, imports and exports of goods and services increased by 8% and 6.9% respectively.

3. National Banking Environment³

The Ivorian Banking Sector remains the leader in the West African Economic and Monetary Union (WAEMU) with a bancarization rate of 16%; 70% of active accounts of the region (these rates do not include Mobile Money Account holders).

Money supply (M2) increased by 10.9% and reached 9 023.1 billion CFA francs. This increase can be attributed to the rise in net external assets by 0.5% (+11.7 billion CFA francs) and to domestic debts of 15.7% (+1087.2 billion CFA francs). The net external assets the level of which was boosted by the issuance of Euro bonds in March 2018 started a slow decline and was found to be practically at the same level as the preceding year in spite of the surplus trade balance.

The net domestic claims increased due to the upward trend of the net claims on the central government at the rate of 27.8% (+345.4 billion CFA francs) and the net claims on the economy of 13.1% (+741.9 billion CFA francs). The favourable trend of net claims on the economy is due both to consumer credits, real estate credits and credits for equipment.

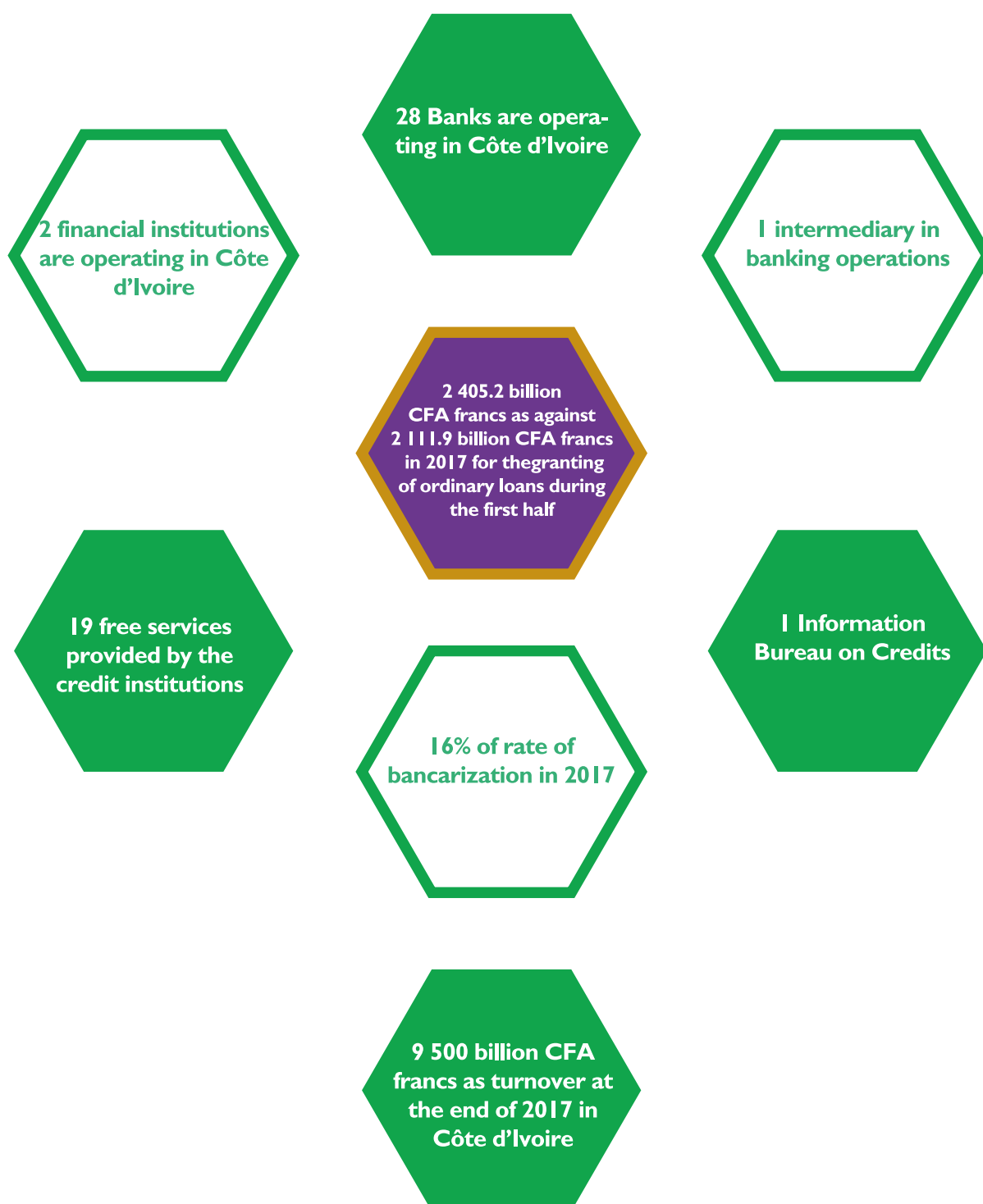
Concerning banking conditions, in cumulative terms, it recorded an increase in the grant of new ordinary credits (+13.9%), discounting of bills of exchange (+7.0%) and deposits (+4.8%). The cumulative amount of new ordinary credits granted at the end of the first six months of 2018 came to 2 405.2 billion CFA francs as against 2 111.9 billion CFA francs over the same period in 2017, accounting for an increase of 13.9% (+293.4 billion CFA francs). This upsurge resulted from the increase in credits granted to "individuals" (+204.6 billion CFA francs), to "various clients" (+72.8 billion CFA francs), to the "Government and related organizations" (+42.3 billion CFA francs), to "financial clients" (+4.2 billion CFA francs), to "bank employees" (+3.7 billion CFA francs) and to "State-owned Companies and EPIC" (+2.8 billion CFA francs). However, these increases were lessened by the decline in credits granted to "other Companies" (-18.9 billion CFA francs), to "individual businesses" (-11.5 billion CFA francs), to "Cooperatives and Village

³ :Rapport Économique et Financier pour la Loi de Finances 2019, page 10&12

Associations” (-10.8 billion CFA francs) and to “Insurance and Pension Funds” (-1.3 billion CFA francs).

The accumulated amounts of bills of exchange discounted and deposits stood at 494.7 billion CFA francs and 950.8 billion CFA francs respectively, an increase of 7.0% (+32.3 billion CFA francs) for the discounts and 4.8% (+43.3 billion CFA francs) for the deposits. The average interest rate applied to ordinary credits declined by 0.2 percentage point to reach 6.2% while the average discount rate came to 6.9%, similar to the rate in 2017. Concerning deposits, the average interest rate dropped by 0.1 percentage point to reach 4.9%.

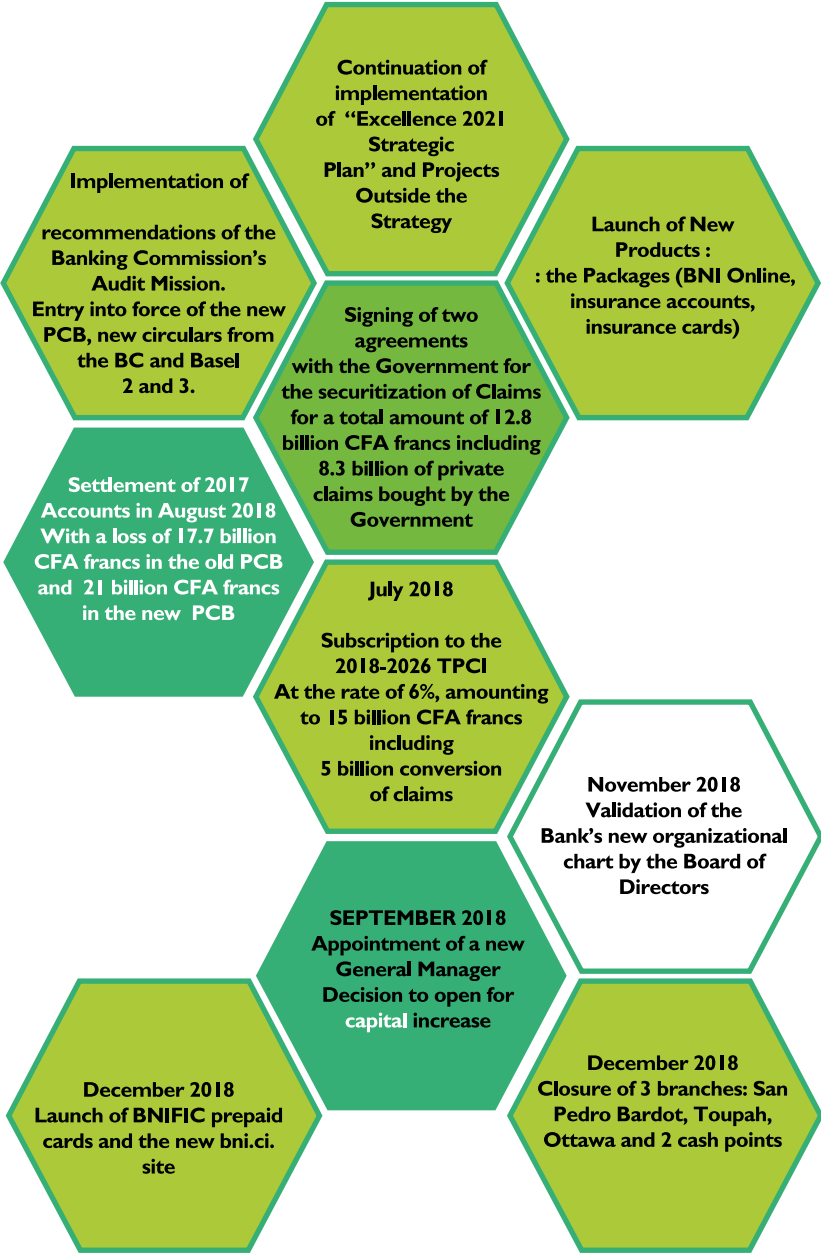
OVERVIEW OF THE IVORIAN BANKING SECTOR





III- HIGHLIGHTS

Highlights of the financial year



02

BANKING ACTIVITY

Key figures

	2017	2018
Staff Strength	595	593
Number of Branches	36	33
Turnover	41 977	41 373
Net Banking Product	33 332	31 987
Coefficient of Operation	75%	81.2%
Net Income	- 21 000	- 6 383
Overhead Expenses	21 109	21 723
Customers' Deposits	501 770	492 180
Claims by Customers	298 836	304 848
Net Cost of Risk	- 29 309	- 12 369
Total Balance Sheet	545 333	549 733

Description	Regulatory Standard	Situation as at 31/12/2018
Effective Equity Capital	≥10 000	-6 062
CET 1 Equity Ratio	≥5,625%	-4,73%
T1 Base Equity Ratio	≥6,625%	-5,68%
Debt Ratio	≥8,625%	-5,50%
Leverage Ratio	≥3%	-1,68%
Stable Employment Coverage Ratio by Stable Resources	≥ 50%	89,56%
Risk Sharing Standard	≤65%	740,16%

(1) The Bank closed three (3) branches and two (2) cash points on 31 December, 2018.

I- COLLECTION OF SAVINGS

The bank has observed a decline in deposits, leading to a shrinking of resources. Indeed, the outstanding deposits dropped from 501 770 million CFA francs in 2017 to 492 180 million CFA francs at the end of 2018, accounting for a 2% drop.

The deposits are distributed per sector of activity, per type of customers and per maturity as follows:

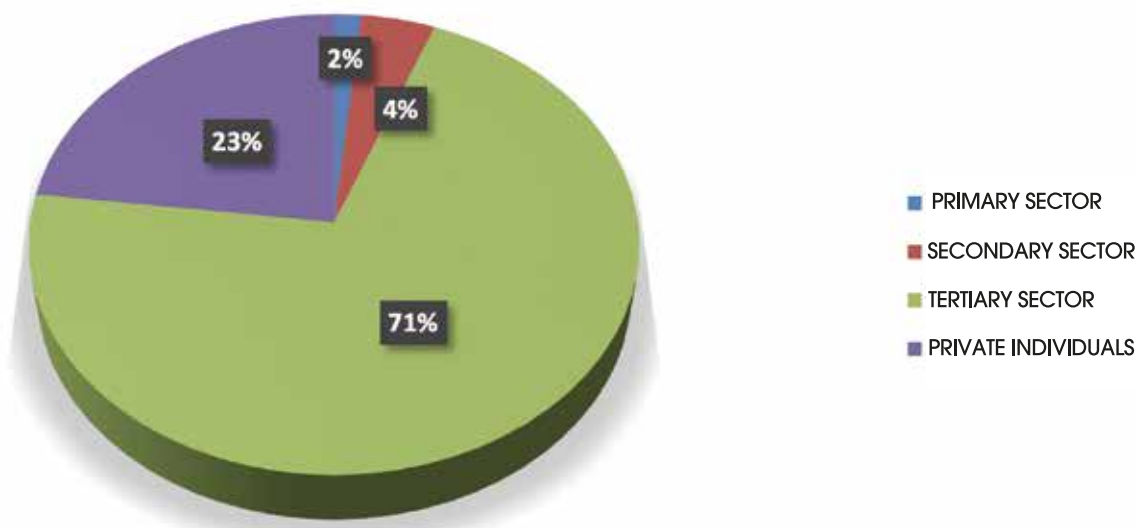
I-I. Resources Collected Per Sectors of Activity

The resources declined by about 9.6 billion CFA francs. This decline can be attributed mainly to the tertiary sector (- 17 784 billion CFA francs; -5%) principally as a result of the decline in resources brought up by MTN Company and the departure of some competing clients (SNE).

ECONOMIC SECTOR	2017	%	2018	%	VAR(2017-2018)	
PRIMARY SECTOR	5 043	1%	7 627	2%	2 584	51%
SECONDARY SECTOR	20 942	4%	21 251	4%	308	1%
TERTIARY SECTOR	367 784	73%	350 000	71%	- 17 784	-5%
PRIVATE INDIVIDUALS	108 001	22%	113 302	23%	5 278	5%
TOTAL	501 770	100%	492 180	100%	- 9 613	-2%

(Data in millions of CFA francs)

DISTRIBUTION OF RESOURCES PER SECTORS OF ACTIVITY



EVOLUTION OF RESOURCES PER SECTORS OF ACTIVITY

(in Millions of FCFA)



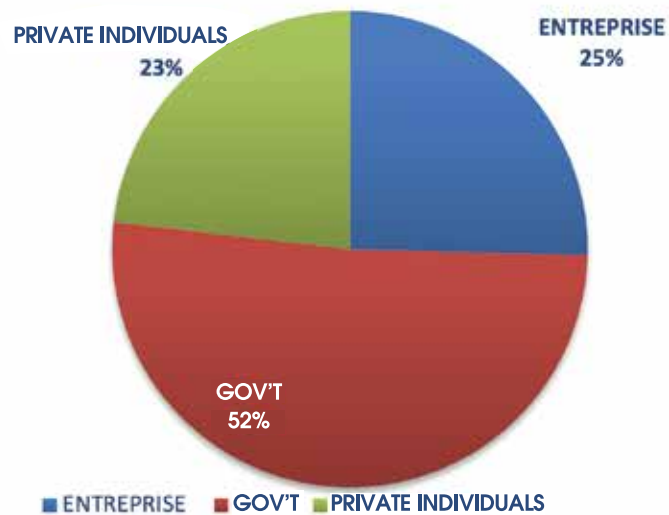
I-2. Resources Collected Per Type of Client

Resources collected per type of client in 2018 can be distributed into 51% of government's resources in 2017, 25% of resources collected from private businesses against 27% in 2017 and 23% for private customers against 22% in 2017.

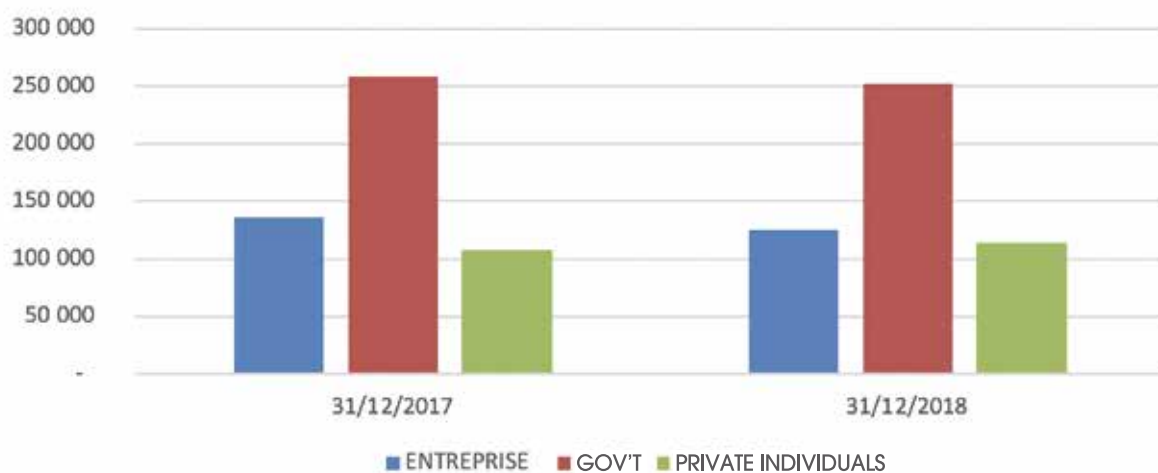
TYPE OF CUSTOMER	2017	%	2018	%	VAR(2017-2018)	
ENTREPRISE	135 399	27%	125 041	25%	- 10 358	-8%
GOV'T	258 307	51%	253 047	51%	- 5 260	-2%
PRIVATE INDIVIDUALS	108 064	22%	114 092	23%	6 004	6%
TOTAL	501 770	100%	492 180	100%	- 9 613	-2%

(Data in millions of CFA)

DISTRIBUTION OF RESOURCES PER TYPE OF CLIENT IN 2018



EVOLUTION OF RESOURCES PER TYPE OF CLIENT



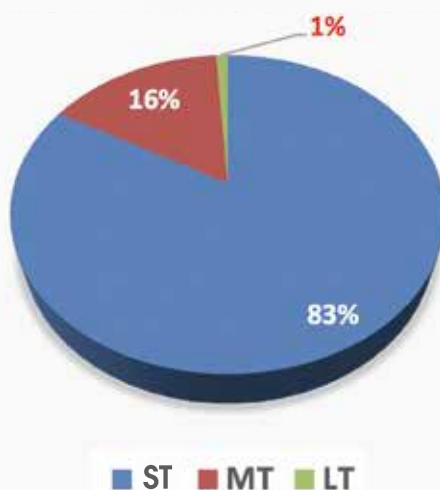
I-3. Resources Collected Per Maturity

The deposits collected as at 31 December, 2018 and estimated at 492 180 million CFA francs are mainly in the form of short-term deposits (ordinary credit account, guaranteed deposits, savings accounts) which account for 83% of all the resources (against 86% in 2017), or 409 985 million CFA francs in 2018 against 432 397 million CFA francs in 2017.

MATURITY	2017	%	2018	%	VAR(2017-2018)	
ST	432 397	86%	409 985	83%	-	22 435
MT	58 247	12%	76 946	16%	-	18 698
LT	11 126	2%	5 249	1%	-	5 877
TOTAL	501 770	100%	492 180	100%	-	9 613

(Data in millions of CFA francs)

DISTRIBUTION OF RESOURCES PER MATURITY
IN 2018



EVOLUTION OF RESOURCES PER MATURITY



II- CREDITS MADE AVAILABLE TO THE ECONOMY

Credits granted to the economy improved slightly between 2017 and 2018. Indeed, the credits granted declined by 14 196 million CFA francs (-6 %) from 242 201 million CFA francs in 2017 to 228 005 million CFA francs at the end of 2018. A total of 35 869 credit requests was approved with an amount of 228 005 million CFA francs, the 15 most significant of which amounted to 112 549 million CFA francs, representing 49% of the credits for the year.

NAME	AMOUNT
1 SIR	20 000
2 AFRICA SOURCING CI	16 000
3 CIE	15 000
4 TOUTON NEGOCE CI	15 000
5 SODECI	10 000
6 COIC-SA	6 000
7 COIC-SA	6 000
8 SMB	5 000
9 S3C	5 000
10 SOTRA	3 749
11 CIE CAOUTCHOUCS PAKIDIE	3 000
12 SODECI	2 500
13 SOROUBAT-CI	2 000
14 SDTM-CI	2 000
15 NSE-CI	1 300
TOTAL	112 549

(Data in millions of CFA francs)

II-1. Credits granted per sector of activity

Out of the volume of 228 005 million CFA francs arranged as at 31 December 2018, 1 225 million CFA francs, representing 1% was allocated to the primary sector against 912 million CFA francs in 2017. Individual persons received an overall financing of 56 068 million CFA francs in CFA in 2018 (+27%) against 58 588 million CFA francs in 2017. Credits to the tertiary sector declined by 14% as against credits allocated to the secondary sector which saw an upturn of 1%.

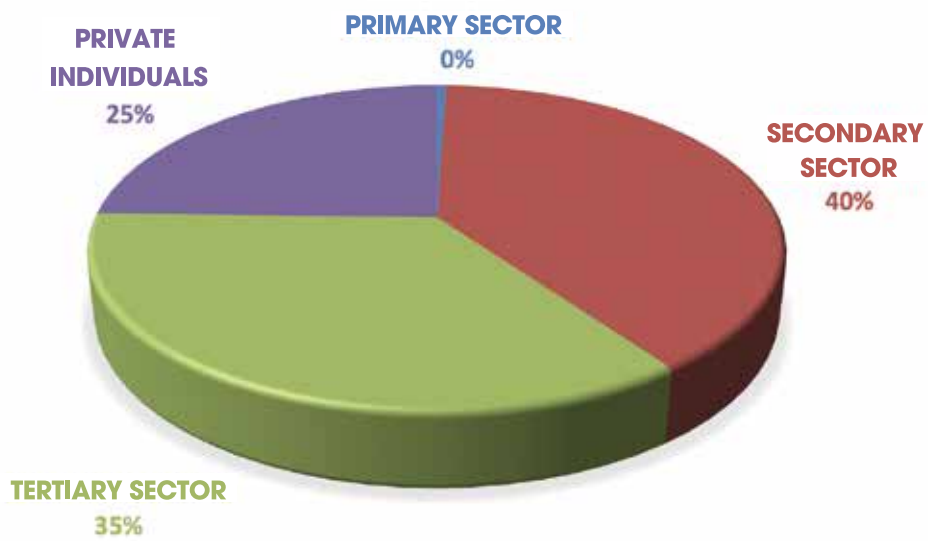
ECONOMIC SECTOR	31/12/2017	%	31/12/2018	%	VARIANCE (2017-2018)	
PRIMARY SECTOR	912	0%	1 225	1%	313	34%
SECONDARY SECTOR	89 225	36,8%	90 286	40%	1 061	1%
TERTIARY SECTOR	93 476	39%	80 426	35%	- 13 050	-14%
INDIVIDUAL PERSONS	58 588	24%	56 068	25%	- 2 520	-4%
TOTAL	242 201		228 005	100%	- 14 196	-6%

(Data in millions of CFA francs)

EVOLUTION OF CREDITS PER SECTOR OF ACTIVITY



DISTRIBUTION OF EMPLOYMENT PER SECTOR OF ACTIVITY



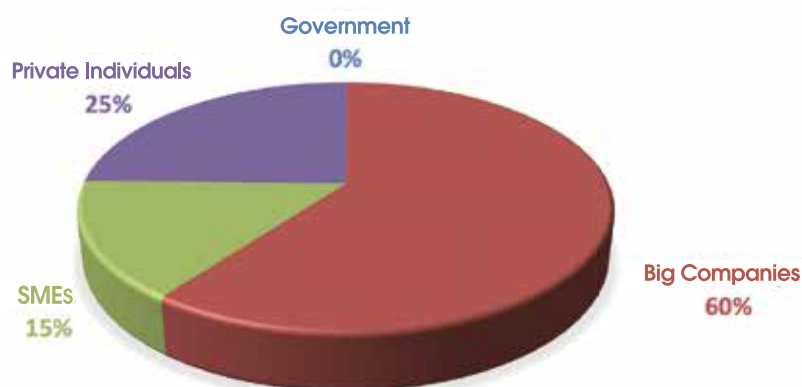
II-2. Credits allocated per types of Customer

Credits to big businesses stood at 137 024 million CFA francs in 2018 against 138 121 million CFA francs of credits during the 2017 financial year, accounting for a drop of 1 %, representing 58% of all the credits allocated for the year. The financing of SMEs grew from 30 367 million in 2017 to 34 659 million in 2018 (+14%). Credits granted to individuals and the government declined by 4% and 99% respectively.

TYPE OF CLIENT	31/12/2017	%	31/12/2018	%	VARIANCE (2017-2018)	
Government	15 124	6%	175	0%	- 14 949	-99%
Big Companies	138 121	57%	137 024	60%	- 1 097	-1%
SMEs	30 367	13%	34 659	15%	4 292	14%
Individuals	58 588	24%	56 147	25%	- 2 441	-4%
TOTAL	242 200	100%	228 005	100%	- 14 195	-6%

(Data in millions of CFA francs)

DISTRIBUTION CREDITS PER TYPES OF CUSTOMER IN 2018



EVOLUTION OF CREDITS PER TYPES OF CUSTOMER



II-3. Credits allocated per maturity

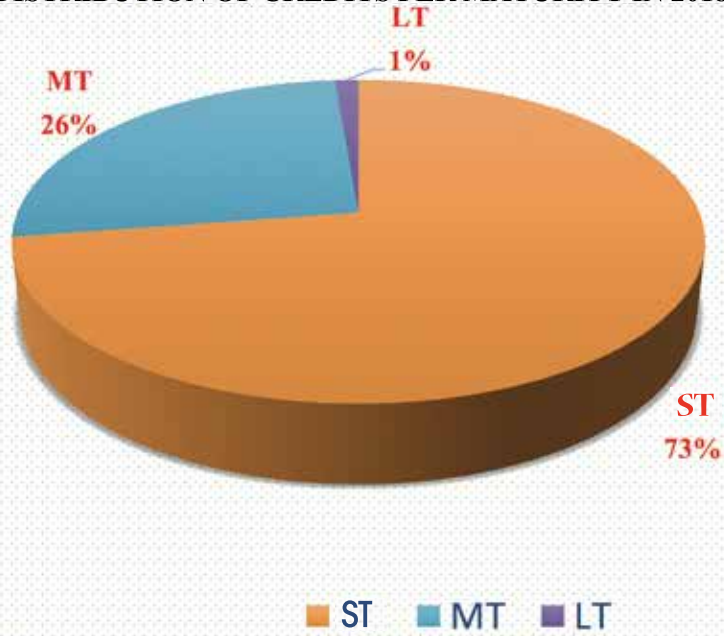
Credits allocated as at 31 December 2018 and estimated at 228 005 million CFA francs were made up mainly of short-term credits (overdrafts, advances, discounts, depreciable loans), which account for 73% of all the credits granted (against 67% in 2017), or 165 466 million CFA francs in 2018 against 162 058 million CFA francs in 2017, followed by medium-term credits with 26% (59 563 million CFA francs) a decline of 23% compared to 2017 and long-term credit facilities which account for only 1% (2 976 million CFA francs) altogether.

This distribution is almost similar to the situation observed on 31 December, 2017, where credits allocated for an amount of 242 201 million CFA francs were made up of 67% of short-term commitments and 1% of long-term commitments.

MATURITY	31/12/2017	%	31/12/2018	%	VARIANCE (2017-2018)	
ST	162 058	67%	165 466	73%	3 408	2%
MT	77 378	32%	59 563	26%	- 17 815	- 23%
LT	2 765	1%	2 976	1%	211	8%
TOTAL	242 201	100%	228 005	100%	- 14 196	-6%

(Data in millions of CFA francs)

DISTRIBUTION OF CREDITS PER MATURITY IN 2018



EVOLUTION OF CREDITS PER MATURITY





III- DELEGATED MANAGEMENT OF NATIONAL FUNDS

In order to mobilize resources to finance a sector policy or programme considered as a priority, the government, in collaboration with its financial partners, in particular, the World Bank, has created and lodged National Funds at the National Investment Bank (BNI).

This decision was taken with the aim of establishing these Funds with an existing corporate entity to ensure proper management of high-consuming institutions.

Thus, to ensure the management of these funds, a legal framework was developed by the government through the promulgation of:

- Ordinance No. 87 366 of 1 April 1987, ratified by Law No. 87 805 of 28 July 1987, on the establishment and management of National Funds within the CAA setup;
- Decree No. 94-194 of 30 July 1994, on the implementation of the aforementioned Ordinance stipulating the general framework for the organization and operationalization of these Funds;
- Decree for the establishment of each Fund.

A Management Committee and Technical Secretariat have been provided for these National Funds made up of members from bodies linked with the activity of these Funds.

In the 2018 financial year, the National Funds collected resources and made interventions in areas considered to be priority ones by the government.

III-I. Resources from National Funds

In 2018, the National Funds mobilized total resources estimated at 6 413 million CFA francs as against 7 941 million CFA francs in 2017, representing a decline of 19% on the back of the decline in self-financing (-33%) and quasi-taxation (-87%).

48% of resources collected in 2018 came from quasi-taxation as against 56% in 2017. The National Funds are self-financing according to the proportion of 29% in 2018 just as in 2017. The grant by the Government increased by 20% in 2018 as compared to 2017.

RESOURCES	2017	%	2018	%	VAR(2018-2017)	
Self-financing	2 339	29%	1 835	29%	- 504	-22%
Quasi-taxation	4 433	56%	3 103	48%	- 1 329	-30%
Grant by Government	1 169	15%	1 475	23%	306	26%
TOTAL	7 941		6 414		- 1 527	-19%

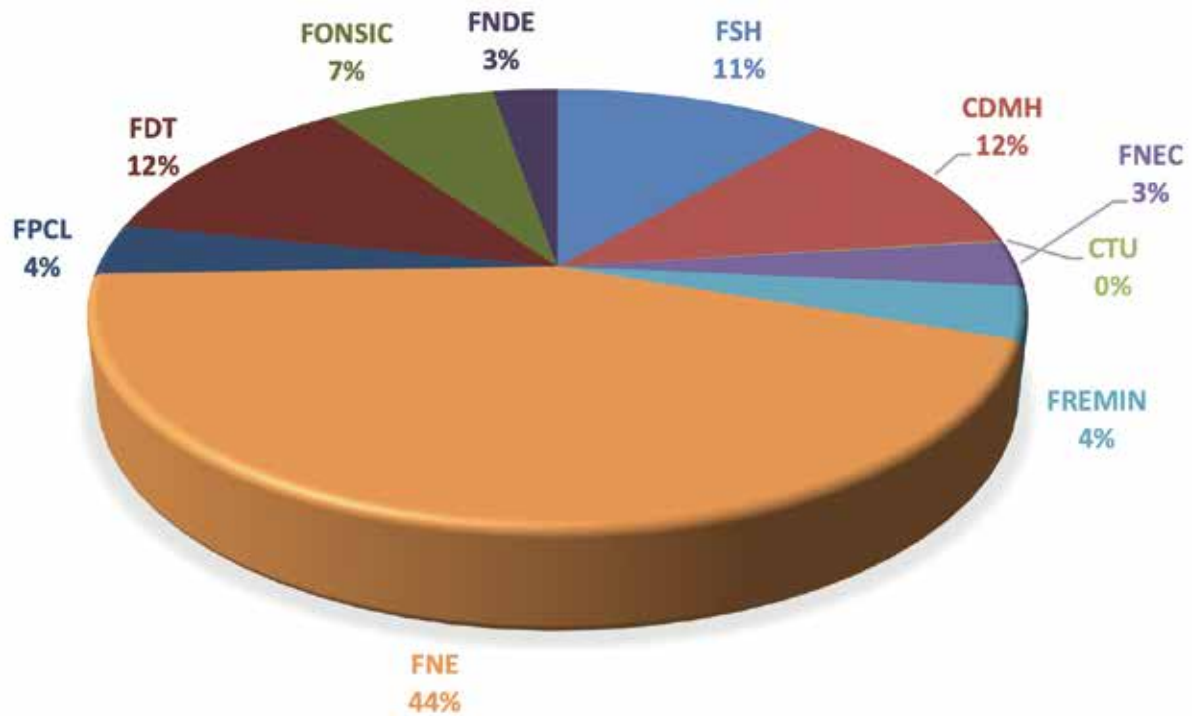
(Data in millions of CFA francs)

The distribution of the resources by the Fund is broken down as follows:

FUND	2017	2018
FSH	791	731
CDMH	1 211	742
CTU	5	6
FNEC	188	216
FREMIN	50	250
FNE	4 212	2 830
FPCL	218	240
FDT	620	775
FONSIC	500	450
FNDE	147	172
TOTAL	7 941	6 414

(Data in millions of CFA francs)

DISTRIBUTION OF RESOURCES BY THE FUND IN 2018



III-2. Interventions under the National Funds

In 2018, interventions under the National Funds amounted to 3 811 million CFA francs as against 8 786 million CFA francs in 2017 linked to the decline of interventions in the water and environment sector (-65%).

SECTOR	2017	%	2018	%	VAR (2018-2017)	
HOUSING	2 886	33%	1 495	39%	-	1 391 -48%
EDUCATION	239	3%	75	2%	-	165 -69%
INDUSTRY AND TRADE	-	0%	150	4%		150 100%
WATER AND ENVIRONMENT DECENTRALIZED ADMINISTRATION	4 065	46%	811	21%	-	3 254 -80%
TOURISM	340	4%	950	25%		609 179%
CULTURE	466	5%	331	9%	-	135 -29%
TOTAL	8 787	100%	3 811	100%	-	4 975 -57%

(Data in millions CFA Francs)

SECTEUR	2017	%	2018	%	VAR (2018-2017)	
HOUSING	2 886	33%	1 495	39%	-	1 391 28%
EDUCATION	239	3%	75	2%	-	165 3%
INDUSTRY AND TRADE	-	0%	150	4%		150 -3%
WATER AND ENVIRONMENT DECENTRALIZED ADMINISTRATION	4 065	46%	811	21%	-	3 254 65%
TOURISM	340	4%	950	25%		609 -12%
CULTURE	466	5%	331	9%	-	135 3%
TOTAL	8 787	100%	3 811	100%	-	4 975 -57%

(Data in millions of CFA francs)

03

FINANCIAL STATEMENTS

BALANCE SHEET

BALANCE SHEET AT 31/12/2018 (in CFA francs)

	Amount		Amount	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
ASSETS			LIABILITIES	
FUND, CENTRAL BANK, CCP	64 225 582 499	67 408 278 612	CENTRAL BANK, CCP	0
GOVT BONDS AND RELATED VALUES	0	0	INTERBANK AND RELATED CLAIMS	26 423 294 797
INTERBANK AND RELATED CLAIMS	2 977 766 899	2 913 407 456	CLAIMS OWED TO CUSTOMERS	492 179 777 628
CUSTOMERS' CLAIMS	304 847 820 173	298 836 576 331	CLAIMS ACCOUNTED FOR BY SECURITIES	0
BONDS AND OTHER FIXED INCOME SECURITIES	140 227 026 198	128 132 330 831	OTHER ASSETS	4 060 778 287
SHARES AND OTHER VARIABLE INCOME SECURITIES	590 236 599	590 236 599	EQUALIZATION ACCOUNT	7 843 919 621
SHAREHOLDERS OR PARTNERS	0	0	PROVISIONS	11 847 535 923
OTHER ASSETS	4 947 293 957	15 309 139 502	Borrowings and subordinated securities issued	0
EQUALIZATION ACCOUNT	7 386 048 318	6 992 088 301	EQUITY CAPITAL AND RELATED RESOURCES	7 378 117 732
SHAREHOLDINGS AND OTHER LONG-TERM SECURITIES HELD	4 240 797 298	4 307 336 754	Subscribed Capital	20 500 000 000
SHARES IN AFFILIATED COMPANIES	475 000 000	475 000 000	Reserves	8 984 420 089
SUBORDINATED LOANS	293 256 464	0	Provisions Required by Law	0
INTANGIBLE ASSETS	2 901 900 319	2 701 385 438	Balance Carried Forward	-15 723 166 104
CAPITAL ASSETS	16 620 695 264	17 667 248 683	Net Income for the period	-6 383 136 253
TOTAL ASSETS	549 733 423 988	545 333 028 507	TOTAL PASSIF	549 733 423 989
				545 333 028 507
OFF BALANCE SHEET	NET AMOUNTS			
COMMITMENTS MADE	31/12/2018	31/12/2017		
FINANCING COMMITMENTS	60 765 301 695	57 132 170 582		
SURETY COMMITMENTS	305 906 299	102 640 216		
SECURITIES COMMITMENTS	60 459 395 396	57 029 530 367		
COMMITMENTS RECEIVED	555 381 512 187	502 525 582 666		
FINANCING COMMITMENTS	136 536 170	136 536 170		
SURETY COMMITMENT	555 244 976 017	502 389 046 496		
SECURITIES COMMITMENTS	-	-		

INCOME STATEMENT

INTERMEDIATE MANAGEMENT BALANCES AS AT 31 12 2018 (in CFA francs)

PCB IGOR	HEADINGS	Amount	
		31/12/2018	31/12/2017
1	INTERESTS AND RELATED PRODUCTS	27 799 640 460	28 434 932 296
2	INTERESTS AND RELATED CHARGES	-7 987 560 605	-8 022 599 322
3	INCOME ON VARIABLE INCOME SECURITIES	274 964 197	756 752 158
4	COMMISSIONS (Products)	10 047 664 672	9 254 977 375
5	COMMISSIONS (Charges)	-284 823 012	-259 267 340
6	NET PROFITS OR LOSSES ON NEGOTIATION PORTFOLIO OPERATIONS	228 276 256	38 330 131
7	NET PROFITS OR LOSSES ON PORTFOLIO OPERATIONS ON INVESTMENTS AND RELATED PRODUCTS	0	0
8	OTHE BANKING OPERATING PRODUCTS	2 933 773 580	3 492 389 321
9	OTHER BANKING OPERATING COSTS	-1 025 435 443	-362 740 469
10	NET BANKING PRODUCT	31 986 500 105	33 332 774 150
11	INVESTMENT GRANT	0	0
12	GENERAL OPERATING EXPENSES	-21 723 332 389	-21 109 383 149
13	GRANTS FOR AMORTIZATION NAND DEPRECIATION FOR INTANGIBLE AND TANGIBLE ASSETS	-4 241 983 589	-3 878 939 016
14	GROSS OPERATING INCOME	6 021 184 127	8 344 451 985
15	COST OF RISKS	-12 369 320 380	-29 309 489 994
16	OPERATING INCOME	-6 348 136 253	-20 965 038 009
17	NET PROFIT OR LOSS ON FIXED ASSETS	0	0
18	INCOME BEFORE TAX	-6 348 136 253	-20 965 038 009
19	PROFIT TAX	-35 000 000	-35 000 000
20	NET INCOME	-6 383 136 253	-21 000 038 009



I-TREND OF BALANCE SHEET SITUATION

- **Total Balance Sheet**

The total balance sheet recorded an upturn from 545 333 million CFA francs at the end of 2017 to 549 733 million CFA francs at the end of 2018, representing an increase of 4.400 million CFA francs. This increase can be mainly attributed to improved asset holdings of financial institutions.

- **Claims from Customers**

As at 31 December 2018, the net claims from customers decreased from 304 847 million CFA francs as against 298 836 million CFA at the end of 2017, accounting for an increase of 6 011 million CFA francs (+2%).

- **Deposits by Customers**

The balance of customers' deposits between 31 December, 2017 and 31 December 2018 decreased by 9 591 million CFA from 501 770 million CFA francs to 492 179 million CFA francs, accounting for a 2% drop.

- **Financial Assets**

They increased in net value from 133 504 million CFA in 2017 to 145 532 million CFA francs in 2018, accounting for an increase of 12 028 million CFA francs, or a 9% upturn. The assets are made up of (in millions of CFA francs) :

	2017	2018
Bonds	128 132	140 227
Long-term shareholding	4 307	4 240
Shares in affiliated companies	475	475
Other variable securities income	590	590
	133 504	145 532

The trend of financial assets can be explained by the subscriptions in 2018 to a TPCI borrowing of a total amount of 15 billion and the impact of the assessment of securities held in hard currencies.

- **Tangible and Intangible Assets**

They slid in net value from 20 369 million CFA francs in 2017 to 19 521 million CFA francs in 2018, representing a decline of 848 million CFA francs, or 4.16 %.

The assets are made up of (in millions of CFA francs) :

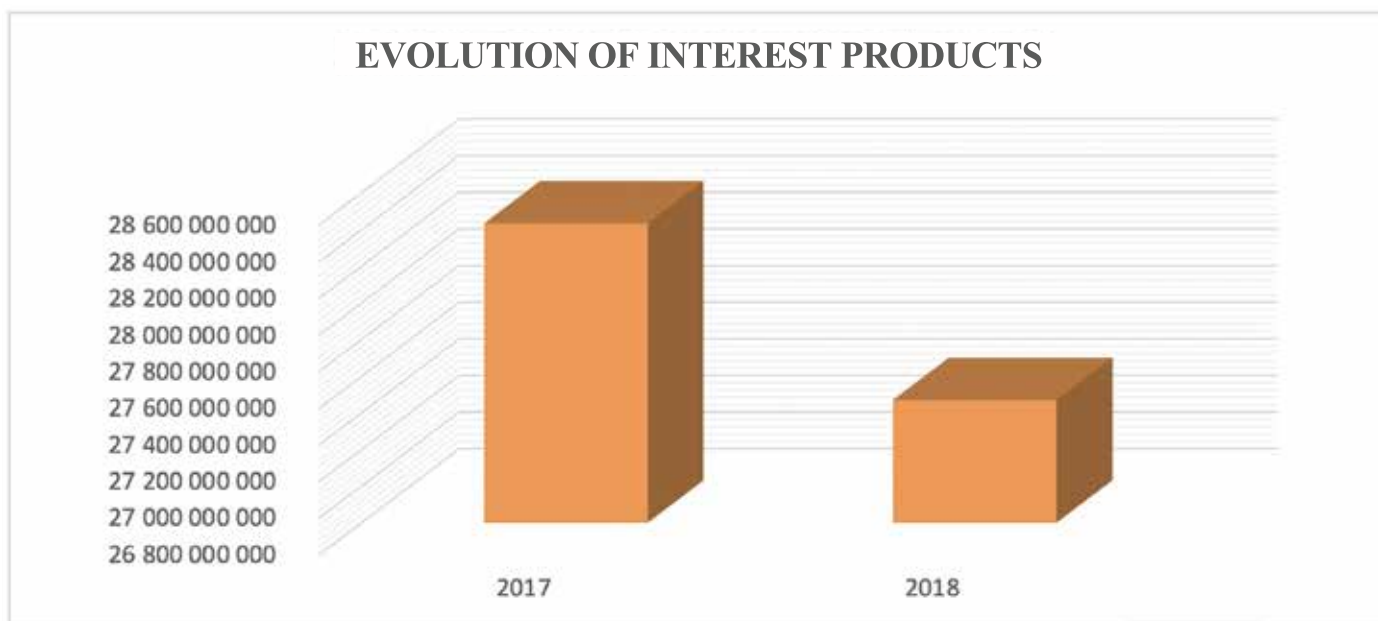
	2017	2018
Intangible Assets	2 701	2 901
Tangible Assets	17 667	16 620
	20 369	19 521



II- DATA MANAGEMENT TREND

• Interest Products

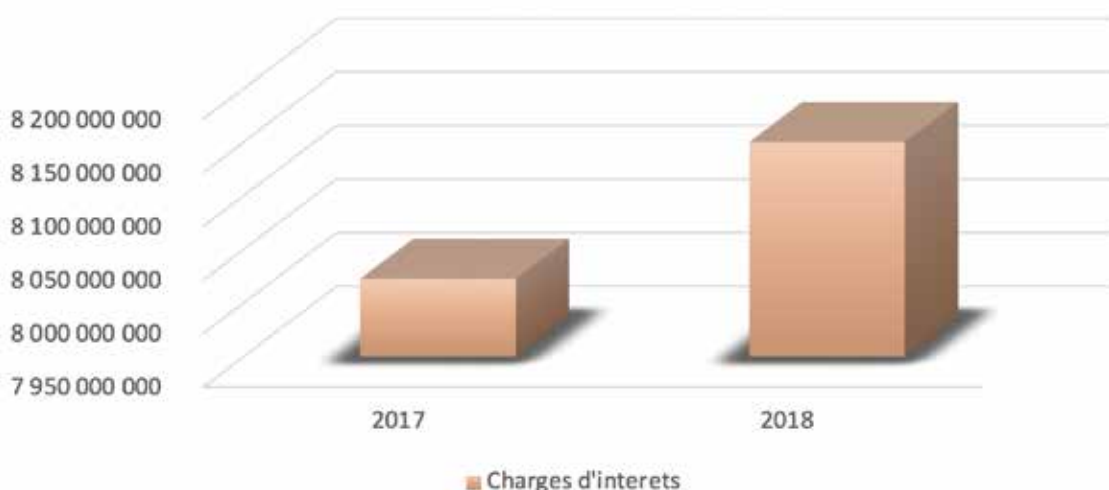
Between 2017 and 2018, interest products decreased from 28 434 million CFA francs to 27 799 million CFA francs, representing a decline of 635 million CFA francs (-2.2%). This decline can be attributed mainly to the downward slide in credits to the economy in 2018.



• Interest Charges

They dropped from 8 022 million CFA francs in 2017 to 7 987 million CFA francs in 2018, representing a decline of 35 million CFA francs (-0.4%).

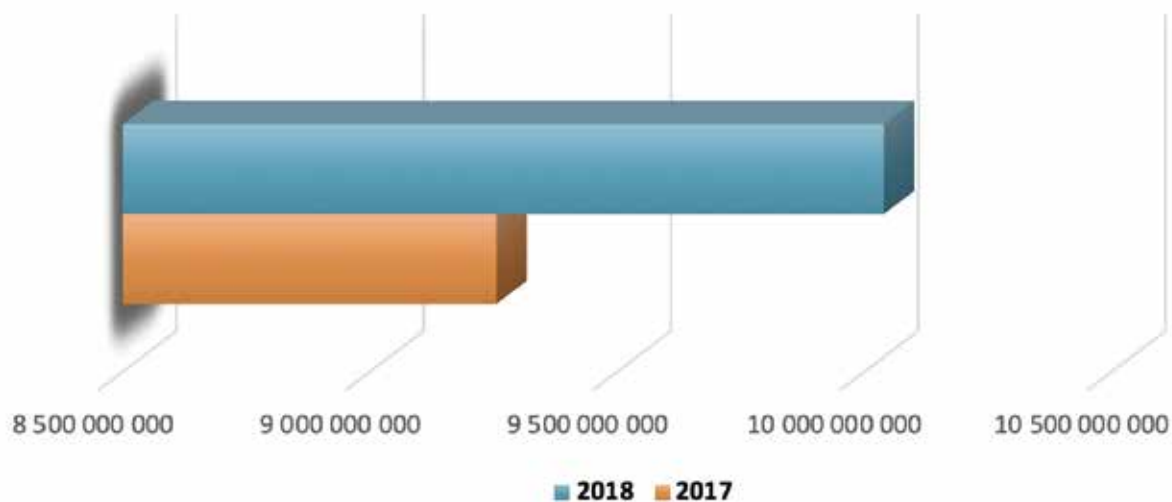
EVOLUTION OF INTEREST CHARGES



• Commissions collected

Between 2017 and 2018, the commissions increased from 9 254 million CFA francs to 10 047 million CFA francs, representing an increase of 793 million CFA francs (+8.6%).

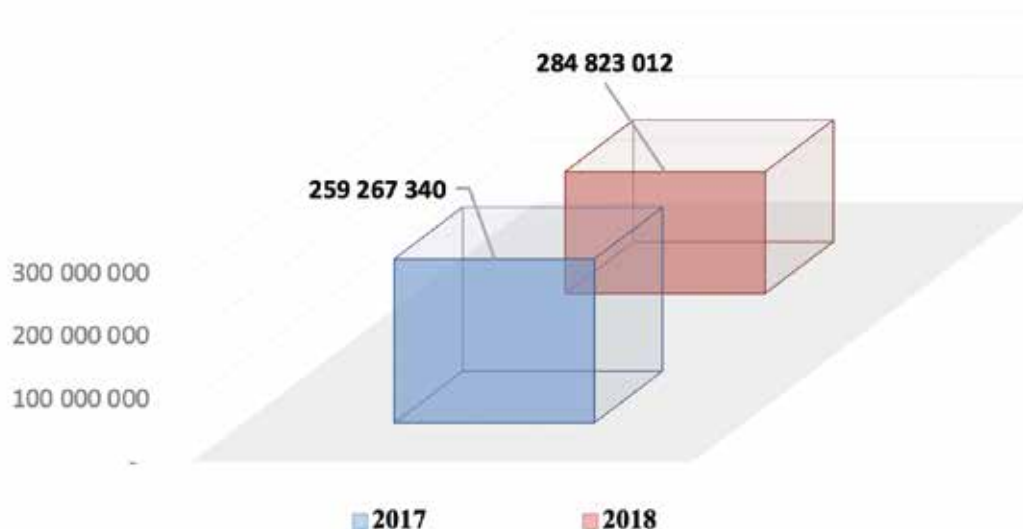
EVOLUTION OF COMMISSIONS COLLECTED



• Commissions due

They increased from 259 million CFA francs in 2017 to 284 million CFA francs in 2018, an increase of 25 million CFA francs (9.6%).

EVOLUTION OF COMMISSIONS DUE

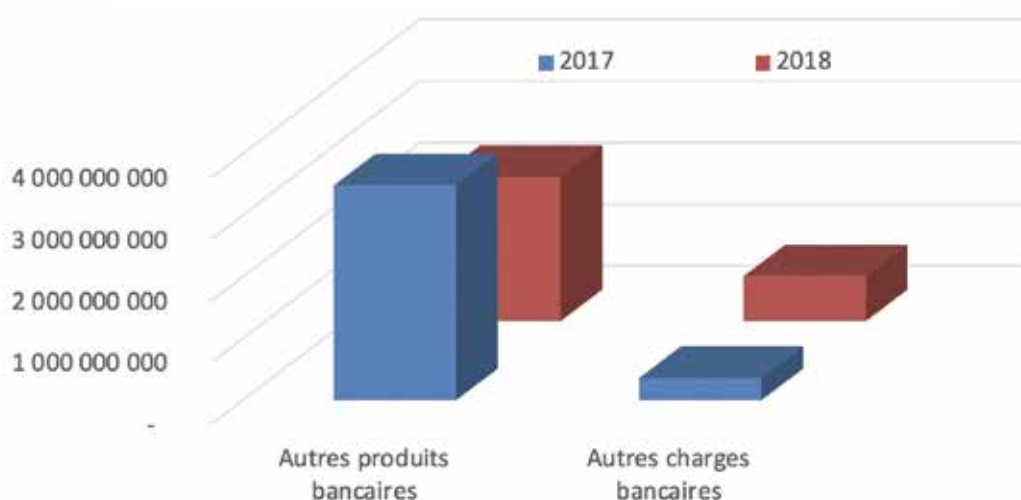


• Other Products and Bank Charges

The other bank products moved downwards from 3 492 million CFA francs in 2017 to 2933 million CFA francs in 2018, representing a decline of 559 million CFA francs (-16%). This downturn touched essentially on rents collected and rebilling of staff provided to the Ministry of Economy and Planning.

On the other hand, the other bank charges increased from 363 million CFA francs in in 2017 to 1 025million CFA francs in 2018, accounting for an increase of 662 million CFA francs (+182%). The increase in this heading is driven by the upswing in charges on payment mechanisms (SICA, GIM UEMOA)) and charges relating to the acquisition of bank cards.

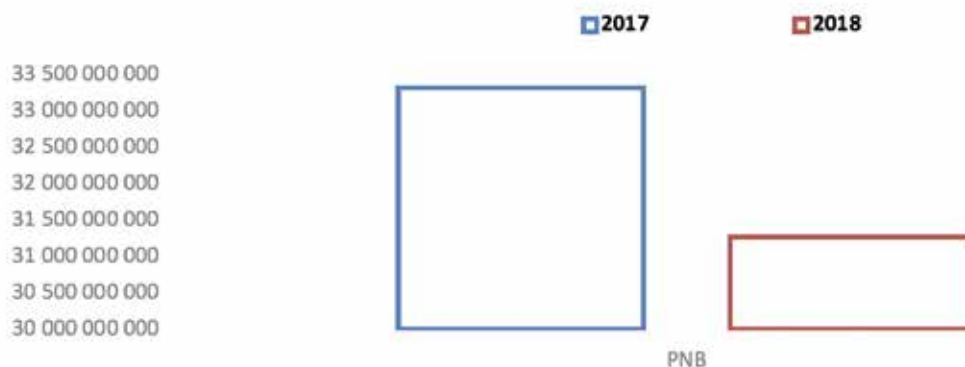
EVOLUTION OF OTHER PRODUCTS AND BANK CHARGES



• Net Banking Product

The net banking product for the year 2018 amounted to + 31 986 million CFA francs as against +33 332 million CFA francs in 2017, representing a decline of 1 346 million CFA francs (-4%).

EVOLUTION OF NBP



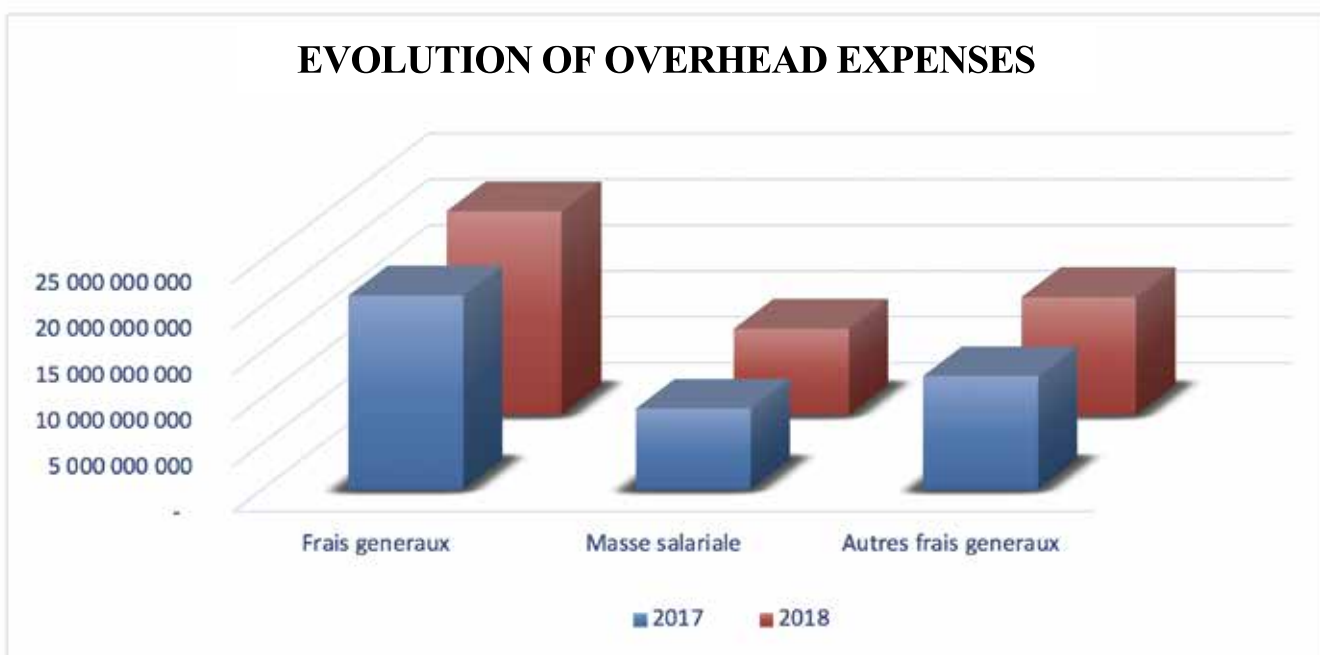
• Overhead Expenses

The overhead expenses increased from 1 575 million CFA francs (8%) between 2017 and 2018. The figures stand at 19 725 million CFA francs and 21 298 million CFA francs respectively. The 2018 overhead expenses can be broken down as follows:

- Wage bill of 9 385 million CFA francs as against 8 786 million CFA francs in 2017.
- Other overhead expenses of 11 913 million CFA francs as against 10 939 million CFA francs in 2017.

The coefficient of operation (operating expenses+ amortization as a proportion of the GNP) increases significantly from 75% to 81%, as a result of the poor performance on the GNP and the increase in the wage bill linked to the negotiated exit costs of several members of the senior staff.

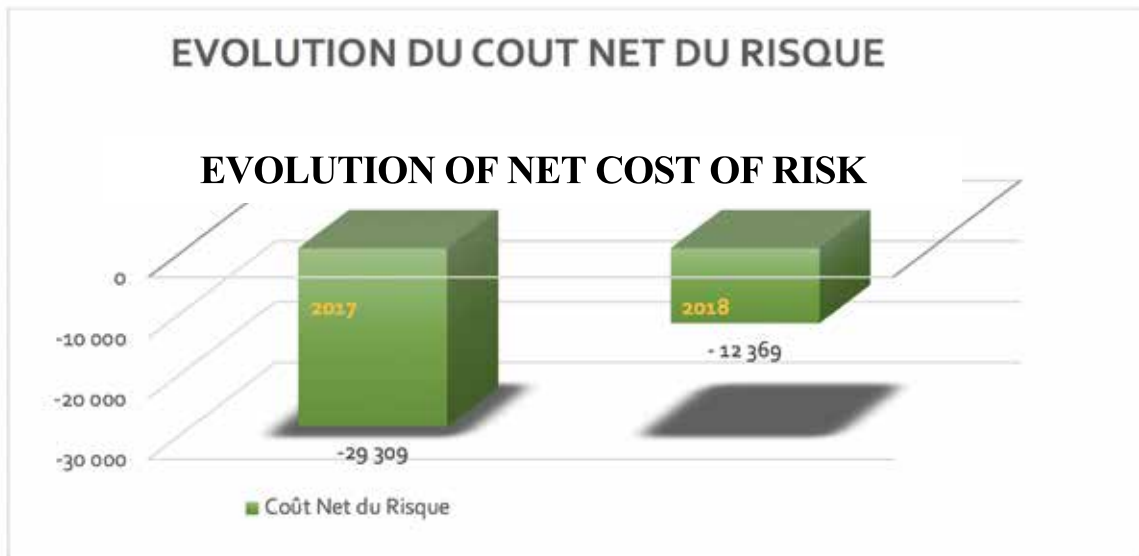
EVOLUTION OF OVERHEAD EXPENSES



• **Net Cost of Risk**

A significant improvement was observed in the net cost of risk which decreased from - 29 309 million CFA francs in 2017 to -12 369 million CFA francs in 2018.

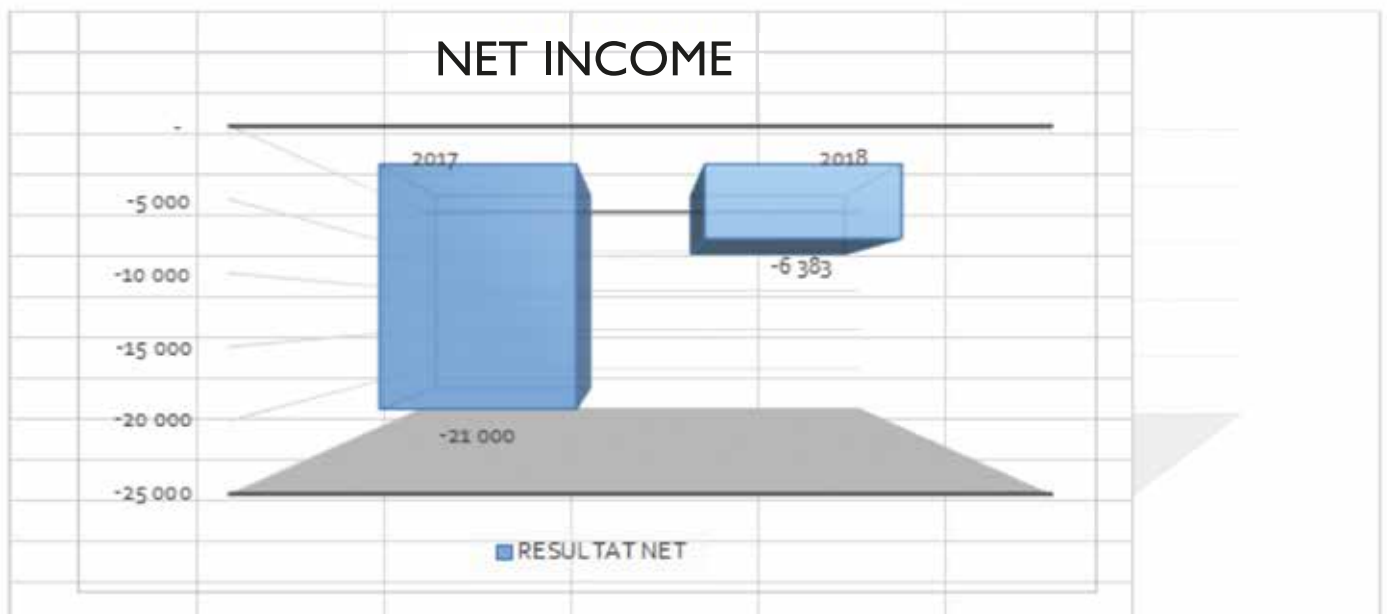
Description	2017	2018
Net Cost of Risk	-29 309	-12 369



• **Income**

The net income for the year 2018 came to a loss of 6 383 million CFA francs against a loss of 21 000 million CFA francs in 2017, representing an improvement of 14 617 million CFA francs.

Th year was highly influenced by the weight of portfolio provisions.



• **Trend of Regulatory Ratios**

Description	Regulatory Standard	Situation as at 31/12/2018
Effective Equity Capital	$\geq 10\ 000$	-6 062
CET 1 Equity Capital Ratio	$\geq 5,625\%$	-4,73%
TI Base Equity Capital Ratio	$\geq 6,625\%$	-5,68%
Solvency Ratio	$\geq 8,625\%$	-5,50%
Leverage Ratio	$\geq 3\%$	-1,68%
Coverage Ratio of Stable Jobs per stable resources	$\geq 50\%$	89,56%
Standard of Risks Division	$\leq 65\%$	740,16%

The bank's equity capital as at 31/12/2018 stood at – 6 062 million CFA francs. The opening and increase of the Bank's capital announced by the Government as shareholder should help to improve Equity Capital.



III- OUTLOOK

The Bank's activity should progress significantly through the implementation of 20/21 Excellence projects which will mainly reflect through network extensions, the diversification of customers' products and in particular:

The strengthening of the supply of products and services through improved digitization;

The strengthening of synergies with our branches, particularly with BNI Finance;

The development of offers of products and services to people in the Diaspora;

The re-organization of the process of granting and monitoring loans (reduce the application review deadlines for loans, carry out disbursements of loan amounts depending on the status of progress of the funded projects, anticipate recoveries through the use of alerts issued by the bank's information system, etc.) ;

The continuation of the development strategy of the bank's networking, particularly by opening the five (5) new branches in the first half of 2019 and the closing of branches with low output.

The opening of the capital decided at the Council of Ministers Meeting on 13 October, 2018 has reflected in the shareholding of the National Social Security Fund – CNPS in the bank's share capital to the tune of 19%. Thus, the bank's share capital will increase by 20 billion CFA francs.

The Bank also initiated a process of partial transfer of its real estate that is out of use. This operation will enable a substantial improvement in the Bank's equity.

These combined actions will promote the return of the bank to better ways and consequently its compliance with prudential ratios.

04

AUDITOR'S GENERAL REPORT

(Free translation into english of our statutory report, the original of wich was prepared in frend. All possible care has been taken to ensure that. The translation is an accurate representation of the original. However, in all matters of interpretation of informal therein, the original language version of our report takes precedence over this translation.)

Banque Nationale d'Investissement, S.A. (BNI)

Report by Auditors

Annual Financial Statements

Financial Year Ended 31 December 2018

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

Ernst & Young, S.A
5, avenue Marchand
01 BP 2715 – Abidjan 01
PLC with a capital of FCFA 12.000.000
R.C.C.M. Abidjan 7118

Banque Nationale d'Investissement, S.A
BNI
01 BP 670
Abidjan 01

15 April 2019

Report by Auditors

Annual Financial Statements

Financial Year Ended 31 December 2018

In accordance with the mission that was entrusted to us by your sole shareholder, find hereafter our report on the financial year ended 31 December 2018, on:

- The audit of the annual financial statement of Banque Nationale d'Investissement, S.A. (BNI) as attached to this report;
- Specific verifications required by the law and banking regulations, and information;
- The functioning of social and internal supervisory bodies.

i. Audit of Annual Financial Statements

Opinion

We have audited the annual financial statements of Banque Nationale d'Investissement S.A. (BNI) comprising the on-balance-sheet and off-balance-sheet as at 31 December 2018, the income statement, as well as the explanatory notes to the annual financial statements.

In our opinion, the annual financial statements are regular and transparent, and accurately reflect the operations of the just ended financial year, as well as the company's financial situation and assets as at the end of the financial year, in line with accounting rules and procedures set by the Revised Banking Chart of Accounts (Revised BCA) of the West African Monetary Union (WAMU).

Basis of the Audit Opinion

We have conducted this audit according to the International Auditing Standards (IAS), compliant with Rule No. 01/2017/CM/OHADA harmonizing the practices of accounting and auditing professionals in OHADA member states. Our responsibilities, under these standards, are extensively described in the "Auditor's Responsibilities on the Audit of the Annual Financial Statements" section of this report. We are an independent firm in accordance with the code of ethics of accounting and auditing professionals set by Rule No. 01/2017/CM/OHADA harmonizing the practices of accounting and auditing professionals in OHADA member states and independence requirements that govern auditing. We have met the other ethical responsibilities under these rules and codes. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Observation

Without modifying the opinion expressed above, we draw your attention to:

- Note 4.1 of the explanatory notes to the annual financial statements, describing the change in accounting standards, as well as its impact on shareholders' equity at the opening of the financial year ending on 31 December 2018;
- Note 4.13 BIS of the explanatory notes to the annual financial statements, on the underlying assumptions for the preparation of the financial statements under the going concern agreement.

Responsibility of the Management Board Relating to the Annual Financial Statements

The annual financial statements were prepared and approved by the Management Board.

The Management Board is in charge of preparing and accurately presenting annual financial statements in accordance with accounting rules and standards set by the WAMU Banking Chart of Accounts, as well as of the internal audit which it deems necessary to enable the preparation of the annual financial statements without material misstatements deriving from fraud or errors.

During the preparation of the annual financial statements, the Management Board must assess the company's ability to continue as a going concern, to provide, if necessary, information relating to the going concern, and to apply the basis for the going concern, except the Management Board intends to liquidate the company or shut down its operations or if there is no realistic alternative.

The Management Board must monitor the preparation of the company's financial reporting.

Auditors' Responsibilities for the Audit of the Annual Financial Statements

Our goal is to have the reasonable assurance that the overall annual financial statements are free from material misstatements deriving either from fraud or errors, and to draft an audit report that includes our opinion. The reasonable assurance reflects the high level of assurance which however does not guarantee that an audit conducted in accordance with IAS standards will always ensure that any existing material misstatements is discovered. The misstatements can derive from fraud or from errors and are regarded as material when it can reasonably be expected that, singly or cumulatively, they can influence economic decisions made by users of the annual financial statements based on these misstatements.

Our responsibilities with regard to the audit of the annual financial statements are described in greater detail in Annex I of this report.

II. Specific Verifications Required by Banking Law and Regulations.

II.1 Specific Verifications and Other Information

The Management Board has the responsibility to provide other information. These details comprise information contained in the management report (excluding annual financial statements and the auditor's report on these financial statements), the Prudential Declaration form of credit institutions and financial firms (FODEP) and draft resolutions.

Our opinion on these annual accounts does not cover the other details and we are not giving any form of guarantee whatsoever on these details.

Part of our auditing mission consists in carrying out verifications and other specific details required by the law and, in doing so, verifying the accuracy and agreement with the annual financial statements of details provided in the management report of the Management Board, and in the document forwarded to stakeholders on the financial situation and annual financial statements, and to verify in all its relevant aspects, the respect of some legal and regulatory obligations. In the light of tasks completed, if we discover material misstatements in the other details and specific verifications, then we are required to report them. In this respect, there is nothing to report.

II.2 Execution of the 2018 Financial Year Budget

Pursuant to provisions of Law No. 97-519 of 4 December 1997 defining and organizing state companies, our observations on the execution of the budget of BNI for the financial year ending on 31 December 2018 are as follows.

The BNI budget for the 2018 financial year was adopted by the Management Board and approved on 19 March 2018 by the Minister at the Prime Minister's Office in charge of Budget and State Portfolio.

For the 2018 financial year, the variations in the table shown below were noted between the budget estimates referred to above and achievements for the main aggregates:

In millions of CFA Francs

Heading	Budget (A)	Spending 31/12/2018 (B)	Variation Budget-Spending (B-A)	Budget implementation rate (B/A)
Outstanding deposits	479,211	492,179	12,968	102.71 %
Outstanding reinvestments (*)	426,533	408,536	-17,997	95.78 %
Net Banking Income	33,832	31,987	-1,845	95 %
Net cost of risk	-4,148	-12,370	-8,222	298.21 %
Overhead costs	21,625	21,298	-327	98.49 %
Investments	20,505	13,261	-7,243	64.67 %

(*) With FCFA 286,873 million of performing outstanding reinvestments in 2018 or 83% of budgetary targets

II.3 Specific Verifications Required by Banking Regulations

In compliance with banking regulations (Circular No. 002-2018/CB/C of 18 September 2018) we carried out specific verifications relating to the respect of prudential regulations, in line with standards of the profession. We need to bring the following to your attention:

No.	HEADING	DEC/FODEP	STANDARD	SITUATION AS OF 31/12/2018	COMMENTS
1	Actual equity capital	EP03	10,000	-6,061	Not met
2	Solvency ratio	EP02	8.625%	-5,504%	Not met
3	Risk sharing norms	EP02	65%	740%	Not met
4	Leverage ratio	EP33	3%	1.68%	Not met
5	Individual threshold on participations in business entities (25% of the company's capital)	EP35	25%	-	Not met
6	Individual threshold on participations in business entities (15 % of equity capital T1 of the institution)	EP35	15%	-	Met
7	Overall threshold on participations in business entities (60% of actual equity capital of the institution)	EP35	60%	-	Not met
8	Threshold in non-operating assets	EP36	15%	28%	Unmet
9	Threshold on the overall assets and participations	EP37	100%	165%	Unmet
10	Threshold on loans granted to shareholders, executives, and staff members	EP38	20%	39%	Unmet

II.4 Verification of Compensations and Other Wages Paid to Senior Executives

Circular Note No. 001-2011 issued by the Prime Minister on 15 July 2011 on the harmonization of working conditions and the wages of senior executives of state companies and financial companies with the state as majority shareholder, sets the threshold of wages paid to the Chairman of the Management Board and to General Managers at FCFA3.3 million and FCFA4.3 million and the ceiling of allowances paid to Administrators as attendance fees at FCFA3 million.

Our verifications show that for the 2018 financial year, the allowances paid to the Management Board, the attendance fee paid to administrators, and the wages of the General Manager have not exceeded the above-mentioned maximum threshold.

II.5 Verification of the Compliance of Wages with Public Procurement

Pursuant to note 123 MEF/DGE/DPP/KGA of 23 February 2008 by the Directorate in charge of Privatization and Participation, supplemented by Article 3 of Decree No. 200/MEF/DGBF/DMP of 21 April 2010, it is incumbent upon us to inform you whether state companies have or not enforced provisions of the Public Procurement Code.

According to these provisions, public contracts awarded by a state company must go through competitive a public bidding process with the following requirements:

- Ensure that the tender document is authenticated by the General Directorate of State Portfolio (DGPE), published in approved journals for procurements above the benchmark threshold of FCFA100 million.
- Establish a commission for the opening and assessment of tenders (COJO), whose composition is defined by the public procurement code that will award the contract; proposals for the award of a COJO must be approved by the administrative body in charge of Public Procurements for contracts above FCFA300 million;
- Ensure that all public procurements are approved by the Management Board, although the Board may assign this task to the General Manager according to a threshold set through deliberation.

Audits carried out, on the basis of surveys, did not reveal any material misstatements to bring to your attention.

III. Functioning of Management and Oversight Authorities

We have assessed the corporate governance, the audit environment, and internal audit procedures of the Bank. The review of the internal auditing mainly aimed to guide the auditing of financial statements. Given that it was not a thorough assessment of the corporation, it did not necessarily bring out all the weaknesses of the current organization.

Nevertheless, the review highlighted areas that are worth improving outlined in a separate report that has been submitted to the management of the Bank, pursuant to Article 16 of Circular No. 002-2018/CB/C of BCEAO on conditions to practice as auditor for lend institutions and financial companies in WAMU.

Auditors

Goodwill Audit & Consulting

Ernst & Young, S.A.

(Sgd) Abou-Bakar Ouattara
Certified Public Accountant
Partner

(Sgd) Jean-François Albrecht
Certified Public Accountant
Partner

Annex : Original French Translation

Goodwill Audit & Consulting
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RCCM CI-ABJ-2006-B 2679
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Le 15 avril 2019

Rapport des Commissaires aux Comptes

Etats financiers annuels

Exercice clos le 31 décembre 2018

En exécution de la mission qui nous a été confiée par votre actionnaire unique, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2018, sur :

- le contrôle des états financiers annuels de la Banque Nationale d'Investissement, S.A. (BNI) tels qu'ils sont joints au présent rapport ;
- les vérifications spécifiques prévues par la loi et la réglementation bancaire, et les informations ;
- 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, S.A. (BNI) comprenant le bilan et le hors bilan au 31 décembre 2018, 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.

Observation

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons l'attention sur :

- la note 4.1 des notes annexes aux états financiers annuels, décrivant le changement de référentiel comptable, de même que son impact sur les capitaux propres d'ouverture de l'exercice clos le 31 décembre 2018 ;
- la note 4.13 Bis des notes annexes aux états financiers annuels, sur les hypothèses retenues pour l'établissement des états financiers selon la convention de continuité d'exploitation.

Responsabilité 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 2018

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 2018.

Le budget de la BNI pour l'exercice 2018 a été adopté par le Conseil d'Administration et approuvé le 19 mars 2018 par le Ministre auprès du Premier Ministre chargé du budget et du portefeuille de l'Etat.

Au titre de l'exercice 2018, 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 31/12/2018 (B)	Ecart budget- réalisé (B-A)	Taux d'exécution du budget (B/A)
Encours de dépôts	479 211	492 179	12 968	102.71%
Encours de emplois (*)	426 533	408 536	- 17 997	95.78%
Produit Net Bancaire	33 832	31 987	-1 845	95%
Coût net du Risque	-4 148	-12 370	-8 222	298.21%
Frais Généraux	21 625	21 298	-327	98.49%
Investissements	20 505	13 261	-7 243	64.67%

(*) Avec une réalisation en 2018 du montant de FCFA 286 873 millions des encours de emplois sains par caisse : soit 83% des objectifs budgétaires.

II.3 Vérifications spécifiques prévues par la réglementation bancaire

Dans le cadre du respect de la réglementation bancaire (circulaire n°002-2018/CB/C du 18 septembre 2018), 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 :

N°	LIBELLES	DEC / FODEP	NORME	SITUATION AU 31/12/2018	OBSERVATIONS
1	Fonds propres effectifs	EP03	10 000	-6 061	Non respecté
2	Ratio de solvabilité	EP02	8,625%	-5,504%	Non respecté
3	Norme de division des risques	EP02	65%	740%	Non respecté
4	Ratio de levier	EP33	3%	1,68%	Non respecté
5	Limite individuelle sur les participations dans les entités commerciales (25% capital de l'entreprise)	EP35	25%	-	Non respecté
6	Limite individuelle sur les participations dans les entités commerciales (15% des fonds propres T1 de l'établissement)	EP35	15%	-	Respecté
7	Limite globale de participations dans les entités commerciales (60% des fonds propres effectifs de l'établissement)	EP35	60%	-	Non respecté
8	Limite sur les immobilisations hors exploitation	EP36	15%	28%	Non respecté
9	Limite sur le total des immobilisations et des participations	EP37	100%	165%	Non respecté
10	Limite sur les prêts aux actionnaires, aux dirigeants et au personnel	EP38	20%	39%	Non respecté

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 2018, 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

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.

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 16 de la circulaire n°002-2018/CB/C de la BCEAO relative aux conditions d'exercice du commissariat aux comptes auprès des établissements de crédit et des compagnies financières de l'UMOA.


Les Commissaires aux Comptes

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