



# ACTIVITY REPORT 2016

# **ACTIVITY REPORT**

# **2016**

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# CEO's ADDRESS



With a growth of 3.7% in 2016, French-speaking Sub-Saharan Africa continues to record the best performances of the continent. For the third consecutive year, and for the fourth time within five years, French-speaking sub-Saharan Africa has achieved the best economic performance of the continent, according to data provided by the World Economic Outlook, published in January 2017 by the World Bank. That group of 22 countries recorded an overall growth of 3.7%, while the rest of Sub-Saharan Africa recorded a rate of 0.8%. During that year, Côte d'Ivoire continued to record one of the fastest growing economies on the African continent.

Since 2012, the country had experienced remarkable economic success, illustrated by rapid GDP growth that had started to reduce poverty. The Government has adopted a new National Development Program (NDP) for the period 2016-2020 which aims to transform Côte d'Ivoire into a mid-income economy by 2020 and further reduce poverty rate.

Despite some signs of down turn, including the prolonged decline in the price of cocoa in international markets, in April 2016, donors pledged

\$ 15.4 billion in grants and loans in favor of the PND.

The economic outlook for the next two to three years remains good, with a growth rate expected to converge around 7%, maintaining moderate inflation and controlling public finances through prudent fiscal and monetary policies, as well as pursuing reforms to improve the business climate and promote effective use of public-private partnerships.

In that momentum, the Ivorian banking sector has remained the largest in the WAEMU zone. At the end of 2016, it had 28 institutions (26 banks and 2 financial institutions) compared with 26 in 2015.

The market has remained competitive and attractive since it has been recording on average a new establishment each year. The dynamism of the banking activity in recent years was driven by credit and government securities. Outstanding loans were characterized by the dominance of short-term loans (75%) and the importance of the "business" segment (78%), while individuals only drained 16% of loans.

The banking accounts penetration rate in Côte d'Ivoire rose to 16% in 2016 with an overall rate of use of financial services at more than 48%.

At the level of the bank's activities, the year 2016 was marked by a decline in the collection of resources mainly on the extractive industries accounts as well as on the accounts of insurance companies and real estate companies. BNI's market share in customer resource revenue was slightly down by 0.23 from 7.25% in 2015 to 7.02% in 2016.

With regard to jobs, the same phenomenon was observed. In fact, BNI's market share increased from 7.89% in 2015 to 6.22%, i.e. a drop of 1.67.

The bank also recorded a drop in deposits, leading to a decrease in resources. In fact, outstanding deposits rose from FCFA 505,408 million in 2015 to FCFA 466,264 million at the end of 2016, i.e. a drop of FCFA 39,143 million, representing 7.7%. During the 2016 financial year, investments were slightly up by FCFA 1.4 billion compared to 2015, i.e. 1%. Corporate loans amounted to FCFA 161,943 million in 2016, compared to FCFA 142,077 million in loans during the 2015 financial year, i.e. an increase of 14%, representing 64% of all loans. of the year, followed by Individuals who held the second position of financing granted with a total amount of FCFA 53 137 million in 2016, against FCFA 42 068 million in 2015, i.e. an increase of 26% representing 21% of loans. set up in 2016

SME loans (FCFA 25,172 million in 2016 against FCFA 50,091 million in 2015) and the government (FCFA 12,977 million in 2016 compared with FCFA 17,550 million in 2015) were sharply down 50% and 26%.

All those results focused the Bank's outlook for 2017 on continuing efforts to increase the volume of resources/jobs.

In addition, the bank intended to sustainably maintain its level of growth in effective capital in order to comply with the various ratios.

In terms of organization, in 2017, the management by objective started since 2012

continued and a particular emphasis would be put on the setting of objectives quantified by structure and by individual in order to obtain the best staff performance. and enable the bank to achieve its major objective of consolidating equity.

In addition, the strategic study conducted by the Boston Consulting Group highlighted areas for improvement the bank must focus on in order to increase its performance and better position itself in its sector of activity.

The priority actions to be implemented in 2017 would relate to the following aspects

- governance
- extension of the network
- revitalizationof trade policy
- Improvement of the information system

To effectively support that expansion, the development of electronic banking and telematics and the deployment of decision-making tools would have to continue.

In terms of resource mobilization, the bank will continue to strive to develop its network and improve its quality of services. That would increase the individual customer base that is the foundation of low-cost resources.

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## PART ONE : BANK OVERVIEW



## I. BNI HISTORICAL BACKGROUND

Set up from the willingness of the Ivorian authorities to establish the development of Côte d'Ivoire over a strong and reliable institution, Banque Nationale d'Investissement (BNI) was set up in 1959 (by Decree n°59-209 of October 21, 1959) under the company name of Caisse Autonome d'Amortissement (CAA) which has been aiming among others at :

- **researching and mobilizing internal and external resources to invest in the development of the country;**
- **servicing Public Debt;**
- **managing State-Owned Corporations (SOCs) deposits.**

Since 1998, new guidelines were given to the Bank. It became an investment bank after obtaining a banking institution license with the WAEMU and BCEAO Banking Commission, with a status of State-Owned Institution.

Henceforth, it has been carrying out the triple function of investment bank, refinancing and consulting. These professions have been centered around six(06) axes making the institution :

- 1) an institution for the equalization of public money;**
- 2) a financing institution for investments in the farming sector;**
- 3) a refinancing institution for banks and financial institutions;**
- 4) a public-private partnership stakeholder in the financing of investments for profitable Government and SMEs;**
- 5) a stakeholder on the market of equities ;**

**6) an execution institution of contractual utilities missions.**

To enable the institution to cope with those new professions, the corporate name of former CAA was changed into Banque Nationale d'Investment since 2004 and the corporate capital increased to FCFA 20.5 billion.

In addition, BNI created two subsidiaries:

- **BNI-FINANCES in January 2004, a Management and Intermediation Corporate (MIC), which aims to support BNI professions of capital investment and consulting banking.**
- **BNI-GESTION in late 2008 an institution specialized in managing asset, which aims to issue and manage funds investors' savings (including individual customers) and then carrying out investments for their benefit.**

As at December 31, 2016, the management bodies of the bank included the Board of Directors, with four Committees (Audit Committee, Credit Board, Strategic Committee, Human Resources Committee), the Executive Management supported by four Committee (Management Committee, Asset/Liability Management Committee, Network Development Committee, E-Banking Committee).

## II. BOARD OF DIRECTORS



As at December 31, 2016, the Board of Directors included the following (9) members :

Mr. Souleymane CISSE	<i>Chairman of the Board of Directors</i>
Mr. Emmanuel AHOUTOU KOFFI	<i>Trustee</i>
Mr. Adama COULIBALY	<i>Trustee</i>
Mr. Antoine Kacounseu MIMBA	<i>Trustee</i>
Mr. Youssouf FADIGA	<i>Trustee</i>
Mr. Thiékoro DOUMBIA	<i>Trustee</i>
Mr. Nicolas DJIBO	<i>Trustee</i>
Mr. Pierre René Magne WOELFELL	<i>Trustee</i>
Mr. Faman TOURE	<i>Trustee</i>

## III. EXECUTIVE MANAGEMENT

During the financial year 2016, the Bank Executive Management was managed by :

Mr. Eugène KASSI N'DA	<i>Acting Chief Executive Officer</i>
Mr. Malick T.TIO-TOURE	<i>Acting Deputy Chief Executive Officer</i>

## IV. MANAGEMENT COMMITTEE

As at December 31, 201 the Management Committee included the following members :

Mr. Eugène KASSI N'DA	Acting Chief Executive Officer
Mr. Malick T.TIO-TOURE	<i>Acting Deputy Chief Executive Officer</i>
M. Hervé Serge N'DAKPRI	<i>Accounting and Financial Manager</i>
Mr. Jean Marc GUEI	<i>Risks Manager</i>
Mrs. Léa YAO TANOH	<i>Legal and Litigation Manager</i>
Mr. Daniel Douley KOUADIO	<i>Internal Audit Manager</i>
M. Benjamin BAHONTO	<i>Compliance and Internal Control Manager</i>
Mrs. Marcelle YANGNI AGBOMI	<i>Human Resources Manager</i>
Mr. Jean-Louis GAULY	<i>Corporate Customers Manager</i>
Mrs. Oumou Henriette DIALLO	<i>Network and Individual Customers Manager</i>
Mr. Georges N'GUESSAN	<i>Information Systems Manager</i>
Mrs. Laure ASSAMOI	<i>Relations with Financial Institutions Manager</i>
Mrs. Amélie KOLANTRIN	<i>Organization Manager</i>
Mrs. Evelyne ADOM	<i>Sector-Based Funds Head of Department</i>
Mr. Raphaël SEA	<i>Banking Operations Head of Department</i>
Mr. Fabrice KOUAKOU	<i>Cashflow Head of Department</i>
Mrs. Maya AKRE- WATANABE	<i>Communication Marketing Head of Department</i>
Mr. Jérôme MELADO	<i>E-Banking Head of Department</i>
Mr. Thierry ASSANDE	<i>Estate and General Resources Head of Department</i>



## V. ECONOMIC ENVIRONMENT

### V. I. International economic Environment

In 2016, the global economy only appreciated by 3.1% gloomy in emerging countries, especially in China where business further slowed down , and in the oil-producing countries that were adversely affected by the depreciation of its price. Operations in advanced economies also slowed down, in part because their exports to emerging markets declined. Growth in Anglo-Saxon countries collapsed due to their productive investment, and the Japanese economy relapsed. In the Eurozone, GDP grew by 0.3% during the fourth quarter in 2015, as in the third quarter but less quickly than in the first half of the year. Growth was maintained at that level in Germany and France, while it once again collapsed in Italy and remained strong in Spain.

In 2016, the global economy grew by only 3.1%, down slightly from 2015 (3.2%).The decline in world growth was attributable to advanced economies, which experienced a loss of 0.5 percentage points, from 2.1% in 2015 to 1.6% in 2016.The decline in advanced economies was mainly due to the decline in corporate investment in the United States and the negative impact of the uncertainty surrounding the vote in favor of the BREXIT in the Euro Zone and the United Kingdom. Growth in the GDP of emerging countries and developing countries of 4.1% helped to maintain a relative consistency in the growth of the world economy.

However, it should be noted that conflicts and geopolitical tensions continued to weigh on the economic prospects of several regions. The world gross product is expected to increase by 3.4% in 2017 and by 3.6% in 2018.The trendthat will be observed over the next five years, would be made possible by the growth of emerging and developing economies, i.e. an average rate of 4.8% between 2017 and 2022. While growth in advanced economies will stagnate at around 1.8% over the same period.

Economic activity in the WAEMU zone recorded a growth rate of 6.8% in 2016, compared with 6.6% in 2015. Overall, all the Member States performed well. In 2017, growth of 7.3% is expected. In the fourth quarter of 2016, the prices of most raw materials exported by the EU Member States were declining, with the exception of cotton.

That under performance was mainly due to the slowdown in demand in advanced and emerging countries. Over the same period, the harmonized index of industrial production increased in most of the Member States of the Union.The same was true of the index of turn over in trade and services, which increased in most countries of the Union with the exception of Benin.

## V.2. Domestic economic environment<sup>(1)</sup>

With an estimated population of 24.3 million and a GDP of 36.2 billion USD by the end of 2016, Côte d'Ivoire enshrined its leading position in Francophone West Africa.

It represented 35% of the WAEMU's GDP and 60% of its agricultural exports. However, the GDP per capita remained low (USD 1,489.2 at the end of 2016).

The general elections held in a calm climate at the end of 2015 and in 2016 created favorable conditions for attracting investors to Côte d'Ivoire.

1 266 companies were set up in 2016 compared to 9 534 in 2015. The volume of investments approved by CEPICI was 672 billion FCFA, in line with the data for 2015.

Côte d'Ivoire has recorded a steady growth since the end of the post-electoral crisis in 2011. The growth rate was estimated at 8.8% in 2016, in a context where several countries in sub-Saharan Africa were experiencing the degradation of the external environment. The diversity of the components of the Ivorian economy made it less vulnerable to external shocks than most of its neighbors.

Inflation remained low in 2016 with a rate of 0.7%. The budgetary situation deteriorated slightly, with a budget deficit of 4% in 2016. High priority was given to public investment under the National Development Plan, which provided for an investment volume of EUR 45 billion over the period 2016-2020. This ambitious infrastructure investment policy was fostered by new financial leeway generated by debt reductions under the Highly Indebted Poor Countries (HIPC) initiative. The debt ratio thus decreased from 51% of GDP in 2010 to 32% of GDP in 2013. It rose to 48.3% of GDP at the end of 2016.

## V.3. Domestic banking environment

The Ivorian banking sector is the largest in the WAEMU zone. At the end of 2016, it had 28 establishments (26 banks and 2 financial institutions) compared to 26 in 2015.

The sector has remained competitive and attractive as it registered on average a new location each year. Since 2011, the State has proceeded in a disengagement from the sector. That program started with the liquidation of the Agricultural Finance Bank (BFA) in 2014 and the sale in 2015 of its shares (44%) in SIB. The sale of the State shares in NSIA (10%) and the privatization of BHCI and Versus Bank were announced.

The buoyant banking industry observed in recent years was supported by loans and government securities. That increase in loans was supported by an easygoing monetary policy in the zone (reduction of BCEAO funds rate from 4.25% to 3.50% in 2009-2014, the reserve requirement ratio from 7% to 5% and the prudential conversion ratio from 75% to 50%).

The good counterparts now amounted to 7-8% on maturities of 5 to 7 years against rates of 10-11% five years ago. The credit outstanding was characterized by the dominance of short-term loans (75%) and the importance of the «companies» segment (78%), while individual customers received only 16%.

In addition to credits, Ivorian banks devote a growing share of their liquidity to the purchase of Government securities, which then represented 30% uses compared with 20% in 2010.

**Trend in resources and uses of the banking sector**

*(In billion FCFA)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2015-2016 EVOLUTION	
										Value	%
Resources	2394	2633	3136	3694	4037	4737	5793	7250	6632	-618	-9%
Uses	2170	2402	2672	3113	3313	3785	4526	5757	5302	-455	-8

According to the reference table provided by the APBEFCI, resources declined by FCFA 618 billion between 12/31/2015 and 12/31/2016, i.e. a depreciation of 9%. As for uses, they fell by 455 billion FCFA, i.e. a drop of 8%.

**BNI Positioning**  
APBEF-CI Market share as at 12/31/2016 (Shown in billion FCFA)

Customer Resources					Customer Uses				
Bank Total	BNI	Market Position	Rang	Market Position 12/31/2015	Bank Total	BNI	Market Position	Rang	Market Position 12/31/2015
6632	465,49	7,02%	7	7,25%	5302	329,79	6,22%	7	7,89%

BNI market share, in terms of collection of resources from customers, recorded a slight drop of 0.23% from 7.25% in 2015, to 7.02% in 2016.

In terms of uses, the reverse was true. Indeed, BNI market share decreased from 7.89% in 2015, to 6.22% i.e. a drop of 1.67%.

Over 2016, the bank did not open any branch. However, the continuation of its investment program for network expansion (construction of branches and free ATMs), as well as the acquisition of the branch network of the former BFA, should allow the Bank to increase its capacity to collect resources.



## VI. BANK OPERATIONS

The year 2016 was marked by a decrease in the collection of resources at the Bank primarily on the mining accounts and on insurance companies accounts and real estate companies. By reason of that decrease in resources, the bank had increasingly more recourse to BCEAO refinancing.

### **KEY FIGURES** *(Amounts shown in million FCFA)*

	2010	2011	2012	2013	2014	2015	2016
Staff size	412	434	483	496	512	517	540
Payroll	6 586	6 579	6 762	7 864	7 447	7 695	8 108
Number of branches	24	26	29	29	30+1 cash point	30+1 cash point	30+1 cash point
Equities	20 500	20 500	20 500	20 500	20 500	20 500	20 500
Turnover	17 834	23 691	31 232	31 794	36 918	37 189	34 175
Net Banking Profi	12 767	18 894	25 938	25 442	29 250	29 053	24 873
Otheroverheads	9 306	7 893	9 229	8 379	9 133	9 728	10 512
Operating ratio	143%	94%	74%	73%	68%	71,48%	87%
Net income	10 623	4 386	8 691	6 407	1 405	3 522	1 877

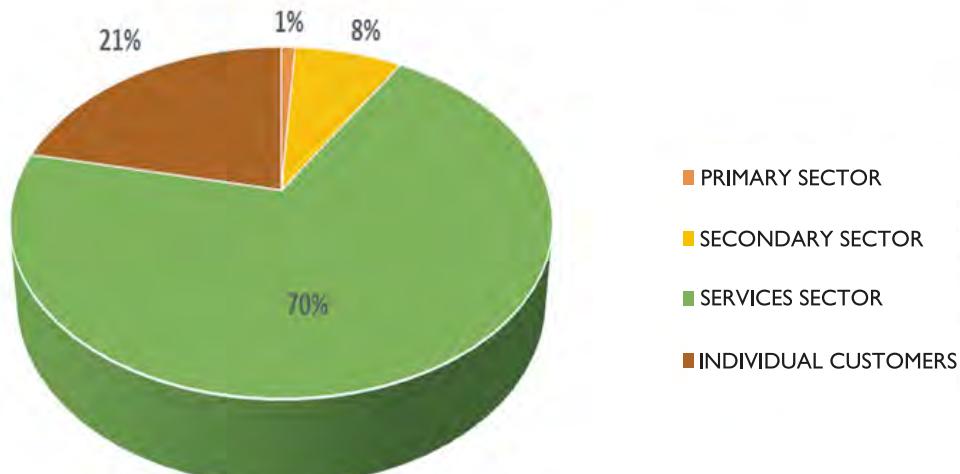
## VI. I Collection of Savings

The bank recorded an increase in deposits, resulting in an increase in resources. Indeed, the stock of deposits added up from FCFA 505 408 million in 2015 to FCFA 466 264 million in late 2016, i.e. a drop of FCFA 39 143 million representing 7.7%.

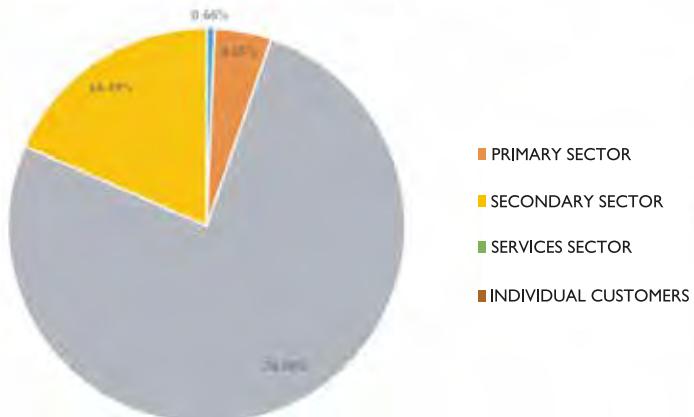
Deposits broke down as follows :

Business Sectors	AMOUNTS (Shown in million FCFA)		Variation (2015-2016)	
	2015	2016	In value	In %
Primary sector	3 317	5 574	2 257	68,05%
Secondary sector	23 264	18 198	- 5 066	- 21,77%
Services sector	386 756	347 096	- 39 660	- 10,25%
Individual customers	92 070	95 395	3 325	3,61%
	<b>505 408</b>	<b>466 264</b>	<b>- 39 143</b>	<b>- 8%</b>

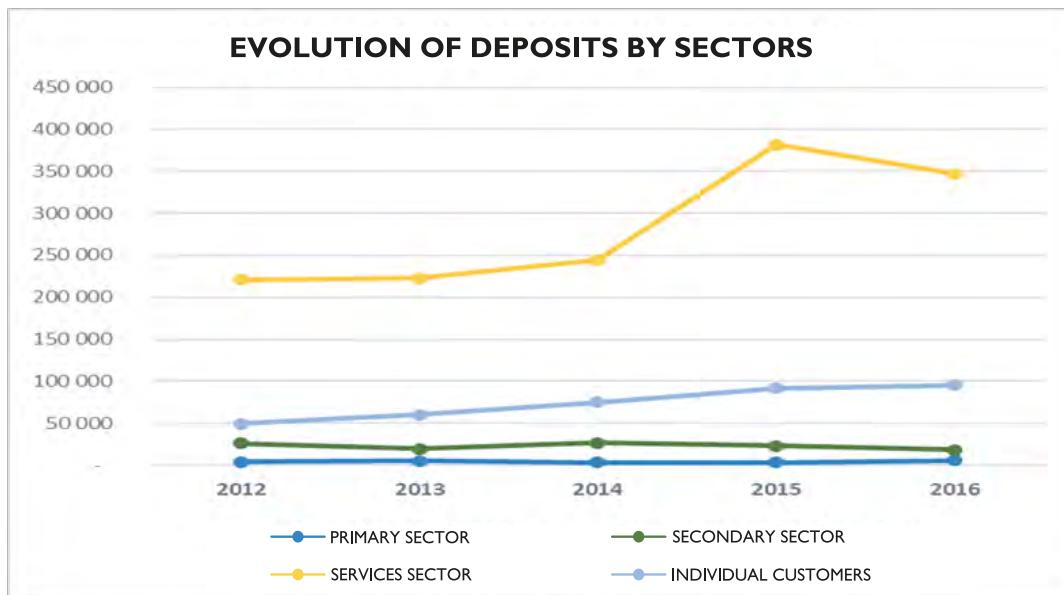
BREAKDOWNS OF DEPOSITS BY SECTOR OF ACTIVITIES(%)



BREAKDOWNS OF DEPOSITS BY BUSINESS SECTORS (%)



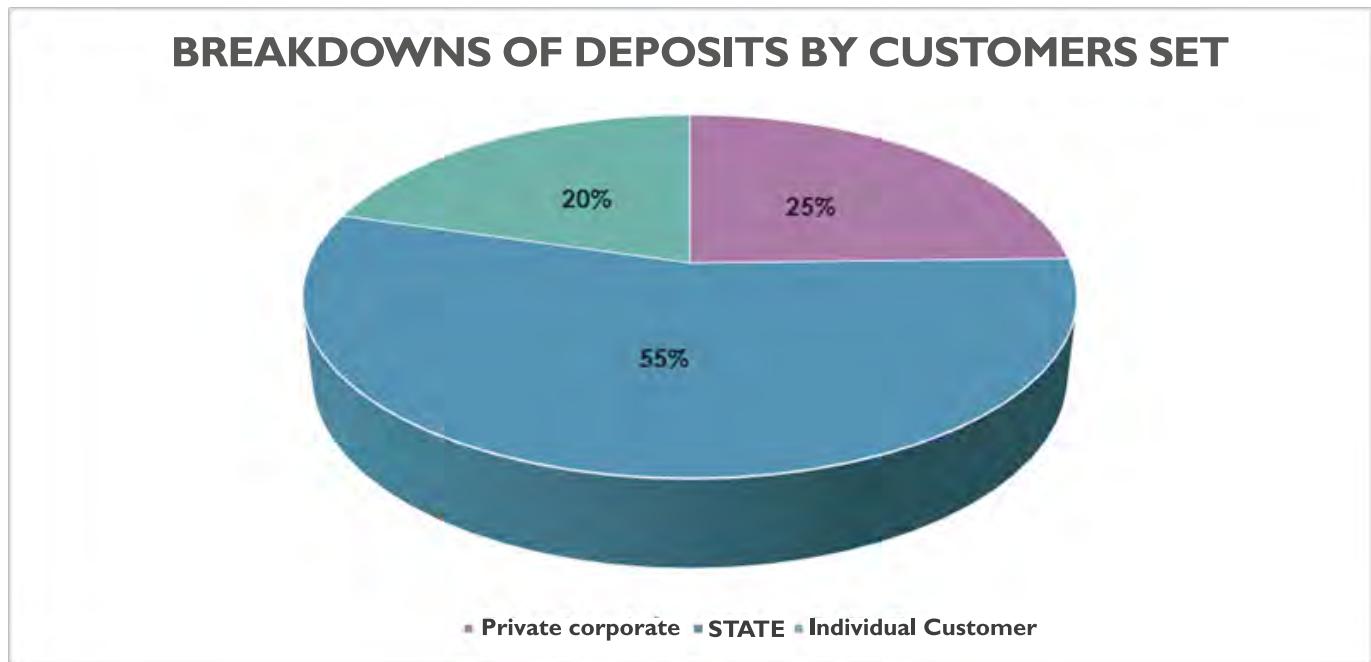
SECTORS	2012	2013	2014	2015	2016	VARIATION	
PRIMARY SECTOR	4 033	5 051	3 448	3 317	5 574	2 257	68%
Agriculture, Hunting, Forestry	4 033	5 051	3 448	3 317	5 574	2 257	68%
SECONDARY SECTOR	25 970	19 393	26 869	23 264	18 198	- 5 066	- 22%
Mining	2 885	629	108	642	134	- 508	- 79%
Manufacturing	-	6 285	8 564	6 805	4 024	-2 781	-41%
Electricity Gas And Water	11 701	2 607	2 241	2 334	1 212	- 1 122	- 48%
Construction and Civil Engineering	11 384	9 872	15 956	13 483	12 827	- 656	- 5%
SERVICES SECTOR	221 030	222 601	244 245	386 756	347 096	- 39 660	- 10%
Wholesale And Retail	24 436	26 582	15 600	23 849	27 006	3 157	13%
Haulage, Warehousing & Communication	50 366	17 122	7 765	11 548	11 650	102	1%
Banks, Insurance, Real Estate, Financial Services	73 757	92 927	108 068	210 392	165 060	-45 332	- 22%
Services to Community, Social Bodies & Individuals	72 471	85 970	112 812	140 967	143 381	2 414	2%
Individual Customers	49 124	59 831	75 210	92 070	95 395	3 325	4%
GRAND TOTAL	309 955	306 847	350 773	505 408	466 264	- 39 144	- 8%



The decline in bank resources was mainly recorded on bank deposits and insurance (-22%), followed by deposits by mining and related companies (-22%).

The resources collected in 2016 were broken down into 55% of State resources, 25% of resources collected on private companies and 20% on individual customers.

CUSTOMERS SETS	2016
Private Corporate	114 694
STATE	256 175
Individual Customers	95 395
<b>TOTAL</b>	<b>466 264</b>



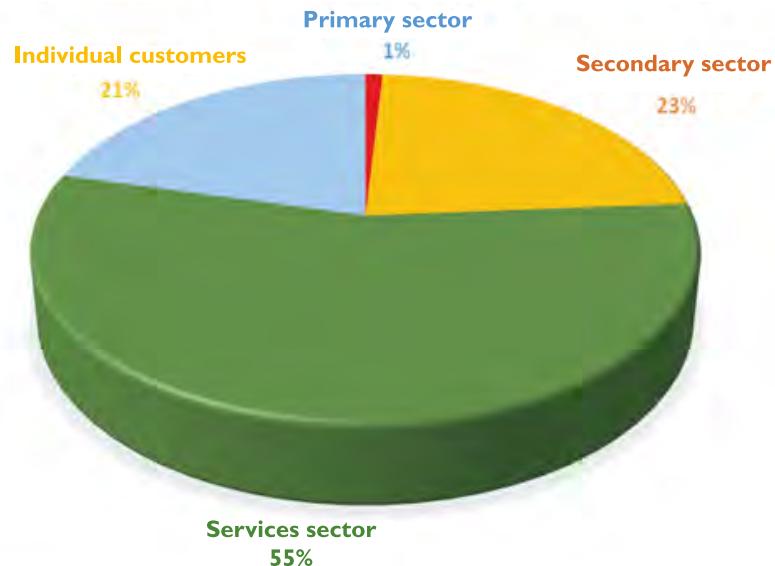
## VI.2 Financing of business sectors.

Over 2016, various sectors benefited from BNI financial support broken down as follows:

Business Sectors	AMOUNTS (Shown in billion FCFA)		Variation (2015-2016)	
	2015	2016	In value	In %
Primary sector	1 216	2 517	1 301	106,99%
Secondary sector	72 482	57 871	14 611	- 20,16%
Services sector	136 019	139 705	3 686	2,71%
Individual customers	42 069	53 137	11 068	26,31%
	<b>251 786</b>	<b>253 230</b>	<b>1 444</b>	<b>0,57%</b>

i.e. a global financing of FCFA 253.230 million (off balance sheet commitment)

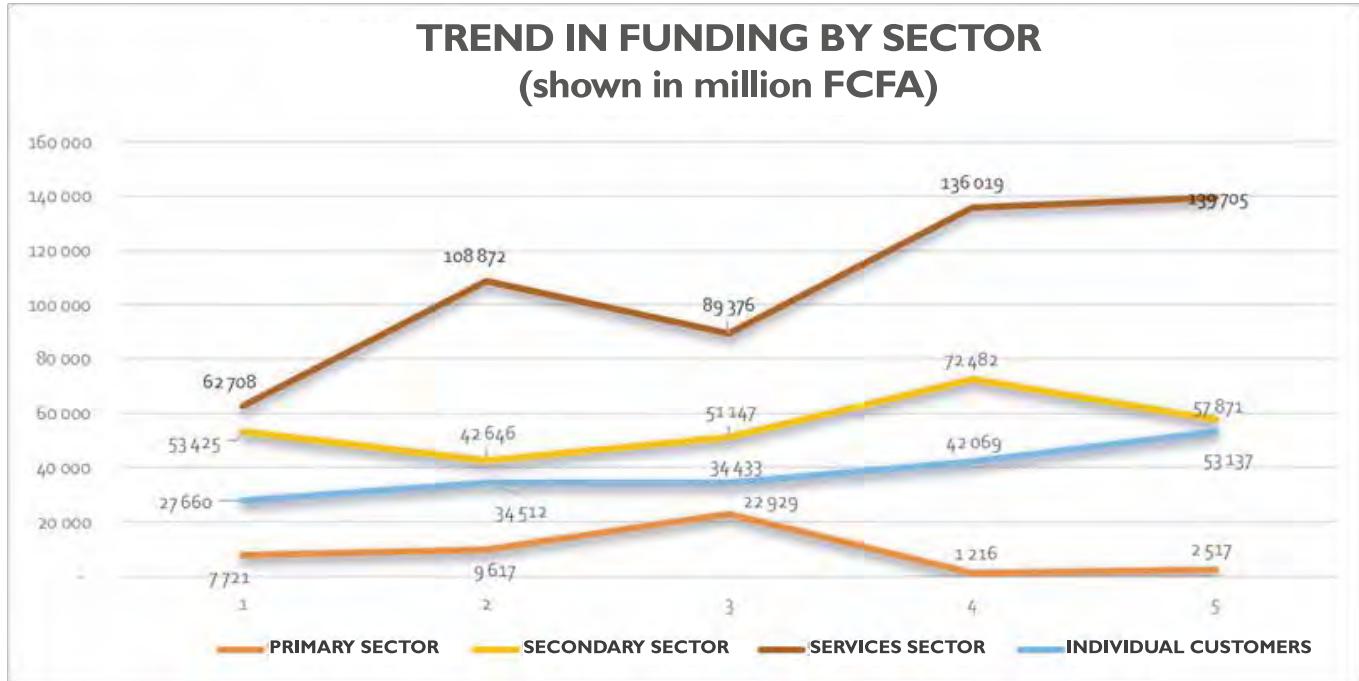
## BREAKDOWN OF FUNDING BY BUSINESS



**Financing summarized table**

(Shown in million FCFA)

SECTORS	2012	2013	2014	2015	2016	VARIATION
PRIMARY SECTOR	7 721	9 617	22 929	1216	2 517	1 301
Agriculture, Hunting, Forestry	7 721	9 617	22 929	1216	2 517	1 301
SECONDARY SECTOR	53 425	42 646	51 147	72 482	57 871	- 14 611
Manufacturing	42 281	9 652	25 143	17 207	11 375	- 5 832
Electricity Gas And Water	22	4 212	2 678	6 885	28 789	21 904
Construction and Civil Engineering	11 122	28 782	23 326	48 390	17 707	- 30 683
SERVICES SECTOR	62 708	108 872	89 376	136 019	139 705	3 686
Wholesale And Retail	37 759	61 974	51 748	72 916	86 381	13 465
Haulage, Warehousing & Communication	14 465	9 572	4 091	26 043	5 258	-20 785
Banks, Insurance, Real Estate, Financial Services	556	25 202	23 586	11 227	39 849	28 622
Services to Com., Social Bodies & Individuals	9 928	12 124	9 951	25 833	8 217	- 17 616
<b>Individual Customers</b>	<b>27 660</b>	<b>34 512</b>	<b>34 433</b>	<b>42 069</b>	<b>53 137</b>	<b>11 068</b>
<b>GRAND TOTAL</b>	<b>151 514</b>	<b>195 647</b>	<b>197 885</b>	<b>251 786</b>	<b>253 230</b>	<b>1 444</b>
						1%



Between 2015 and 2016, funding added up to 1%. That increase was mainly driven by higher financing granted to the sector of agriculture (+107%), the sector of electricity, gas and water (318%) and to the banking and insurance sector (+255%).

However, there was a decline in funding for Construction and Public Engineering (-63%), haulage (-80%) and community services (-68%).

**NPTE : Customers composing the segment of services to Communities included: F.N.E., CGRAE, FODI-Redevance, AGEF, Chamber of Commerce.**

### STATISTICS OF FUNDS SET UP

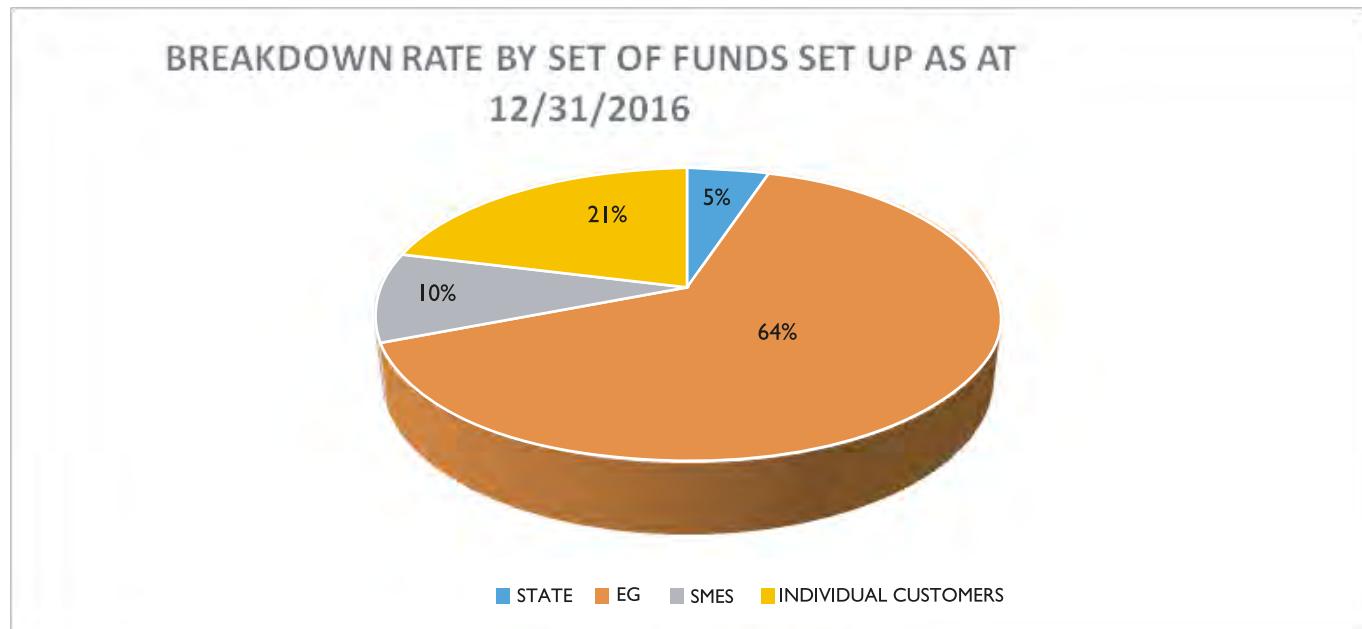
#### **A-FUNDS SET UP AT DECEMBRE 31, 2016 BY SET OF CLIENTS**

In the financial year 2016, implementations were in a slight increase of FCFA 1.4 billion compared to 2015, i.e. 1%; The increase in loans granted to large companies was offset by the decrease in loans to SMEs. Credits to Major Enterprises amounted to FCFA 161,943 million in 2016, compared to FCFA 142,077 million in the financial year 2015, i.e. an increase of 14%, representing 64% of the total set-up of the year, followed by Individual customers which occupy the second place of the financing granted with a total amount of FCFA 53 137 million in 2016, against FCFA 42 068 million in 2015, i.e. an increase of 26% representing 21% of the credits set up in 2016 .

SME loans (FCFA 25 172 million in 2016 compared to FCFA 50 091 million in 2015) and to the Government (FCFA 12 977 million in 2016 compared with FCFA 17 550 million in 2015) have fallen sharply respectively by 50% and 26%.

(Shown in million FCFA)

Breakdown by set	End December 2015 Finds set up			End December 2016 Finds set up			Variation Finds set up		
	Quantity	Amount	%	Quantity	Amount	Total of %	Quantity	Amount	%
Set of clients									
STATE	7	17 550	7%	6	12 977	5%	-1	- 4 573	- 26%
EG	842	142 077	56%	184	161 943	64%	- 658	19 866	14%
SMEs	861	50 091	20%	604	25 172	10%	- 257	- 24 919	-50%
Individual customer	21 201	42 068	17%	35 404	53 137	21%	14 203	11 069	26%
Grand Total	22 911	251 786	100%	36 198	253 230	100%	13 287	1 445	1%



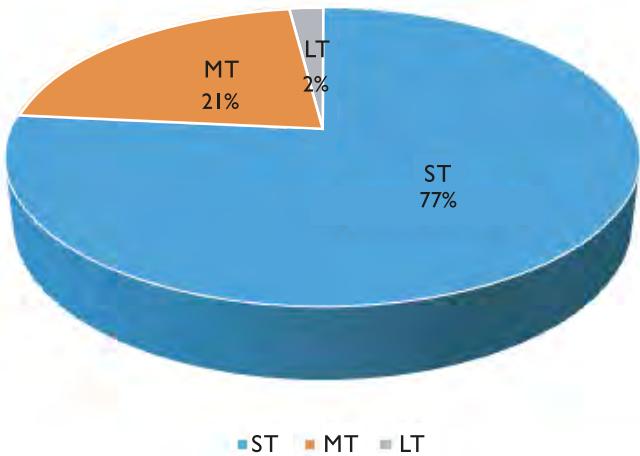
## B-FUNDS SET UP AT DECEMBRE 31, 2016 BY TERM

The funds set up as at December 31, 2016 estimated at FCFA253 230 million, were mostly composed of short-term loans (overdrafts, advances, discounts, redeemable loans) which only represented 77% of the total funds granted i.e. FCFA 193,306 million, followed by medium-term loans representing 77% of the over all loans granted i.e. FCFA193 990 million in 2016 versus FCFA 193 306 million in 2015, followed by mid-term loans with 15% (FCFA 53 968 million) and long-term loans representing only 2% (FCFA5 272 million) of the total. That breakdown was consist with the one recorded as at December 31, 2015, when the loans set up for an amount of FCFA 251 786 million were made up by 77% of short-term liabilities and 1% long-term liabilities.

(Shown in million FCFA)

Breakdown by term	End December 2015 Finds set up			End December 2016 Finds set up			Variation Finds set up		
	Quantity	Amount	%	Quantity	Amount	%	Quantity	Amount	%
Set of clients									
ST	11 722	193 306	77%	24 926	193 990	77%	13 204	684	0%
MT	11 176	55 628	22%	11 236	53 968	21%	60	-1 660	-3%
LT	13	2 852	1%	36	5 272	2%	23	2 420	85%
Grand Total	22 911	251 786	100%	36 198	253 230	100%	13 287	1 445	1%

## BREAKDOWN RATE BY SET OF FUNDS SET UP AS AT 12/31/2016



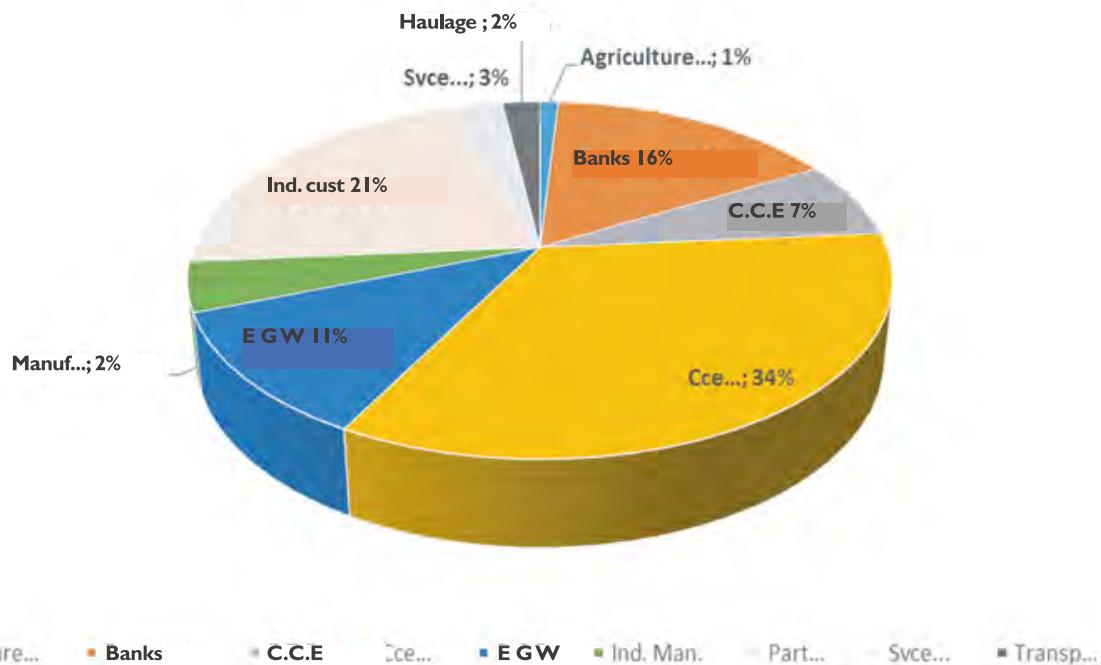
### C- FUNDS SET UP AT DECEMBER 31, 2016 BY BUSINESS SECTOR

On the volume of FCFA 253 230 million set up at December FCFA 31, 2016, 86 381 million representing 34% was allocated to the **trade** sector, including commodity trading, versus FCFA 72 916 million in 2015 i.e. an appreciation of 18%.

The second sectors that received significant shares wasthe one in **individual customers** for an amount of FCFA 53 137 million i.e. 21% of funds set up in 2016, versus FCFA 42 069 million in 2015 i.e. an appreciation of 26%. The third sector was **finance and real estate** for an amount of FCFA 39 849 million representing 16% of funds set up in 2016, against FCFA 11 227 million in 2015, i.e. an appreciation of 255%. **Electricity, Gas and Water** represented 11%, CCE sector 7% and other sectors 11%.

By sector of activity		End December 2015			End December 2016			Variation		
		Funds set up			Funds set up			Funds set up		
Business Secteurs	Abreviation	Quantity	Amount	%	Quantity	Amount	%	Quantity	Amount	%
Agriculture hunting forestry	Agriculture...	25	1 216	0%	45	2 515	1%	20	1 299	107%
Banks Insurances Real Estates Businesses	Banks...	36	11 227	4%	109	39 849	16%	73	28 622	255%
Constructions & Civil Engineering	C.C.E	321	48 390	19%	218	17 707	7%	-103	-30 683	-63%
Wholesales and Retail	W&R...	405	72 916	29%	205	86 381	34%	-200	13 465	18%
Electricity Gas and Water	E.G.W	16	6 885	3%	19	28 789	11%	3	21 904	318%
Manufacturing	Man.	560	17 207	7%	46	11 375	4%	-514	-5 832	-34%
Individual Customers	IndCust...	21 201	42 069	17%	35 404	53 137	21%	14 203	11 068	26%
Social and Ind Services to the Community	Svce...	165	25 833	10%	110	8 217	3%	-55	-17 616	-68%
Haulage Wharehousing and Communications	Haul...	182	26 043	10%	42	5 258	2%	-140	-20 785	-80%
Grand Total		22 911	251 786	100%	36 198	253 230	100%	13 287	1 442	1%

## RATE OF BREAKDOWN BY SECTOR OF FUNDS SET UP AS AT 12/31/2016

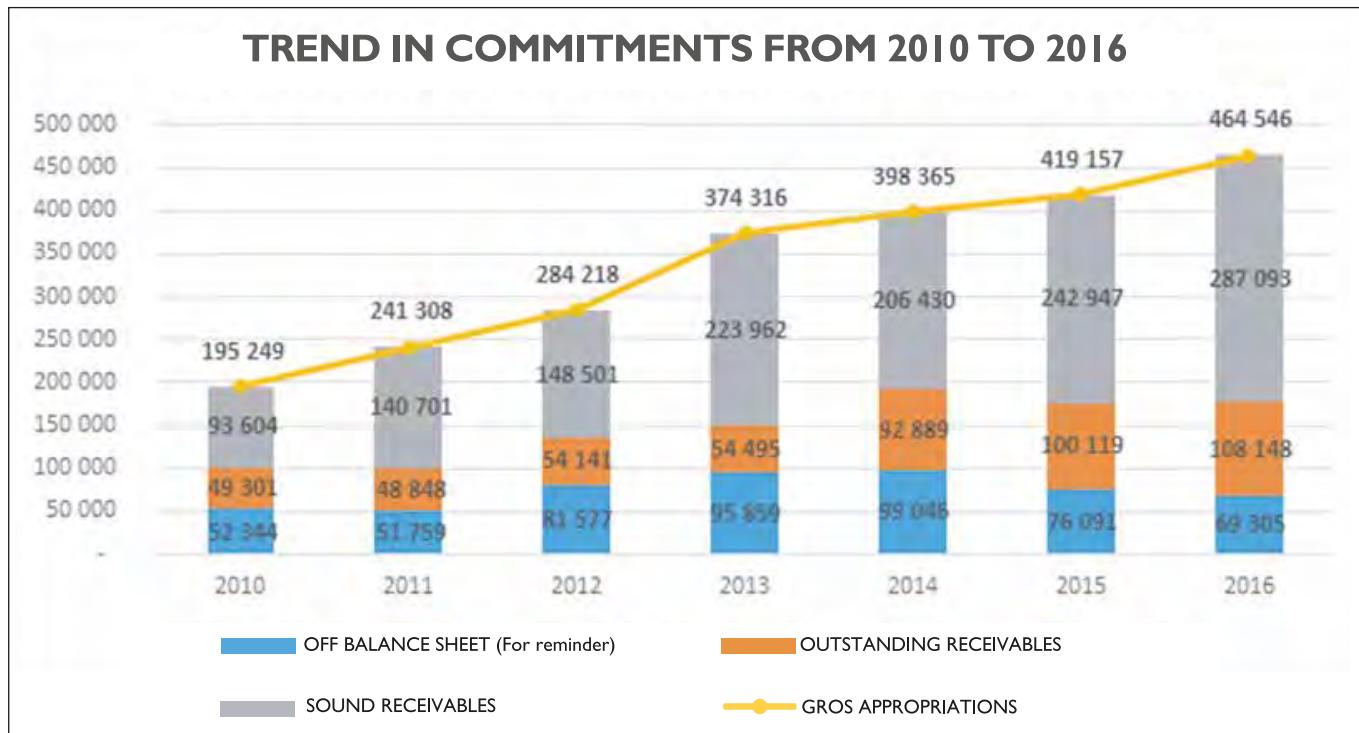


### SUMMARY TABLE OF THE PORTFOLIO QUALITY FROM 2010 TO 2016 (Shown in million FCFA)

	2010	2011	2012	2013	2014	2015	2016	Variation
Gross Uses	195 249	241 308	284 218	374 316	398 365	419 157	464 546	45 389
Off- balance sheet	52 344	51 759	81 577	95 859	99 046	76 091	69 305	-6 786
Balance sheet	142 905	189 549	202 641	278 457	299 319	343 066	395 241	52 175
Outstanding payment	1 752	260	2 988	3 190	4 708	2 657	21 058	18 401
Bad accounts receivable and litigious <sup>1</sup>	47 549	48 588	51 153	51 305	88 181	97 462	87 090	-10 372
Outstanding receivables	49 301	48 848	54 141	54 495	92 889	100 119	108 148	8 029
% of outstanding receivables on the Gross	25%	20%	19%	15%	23%	24%	23%	-0
Sound receivables	93 604	140 701	148 501	223 962	206 430	242 947	287 093	44 146
Cumulated provisions <sup>2</sup>	46 961	47 409	47 235	47 548	60 263	65 079	68 771	3 692
% of badreceivables	99%	98%	92%	92%	68%	67%	79%	12%
Net uses	148 288	193 899	236 983	326 768	338 102	354 078	395 775	41 697
use of the financial year	7 639	1 880	3 869	3 349	13 496	8 647	7 935	-712
% of use on the Gross	4%	1%	1%	1%	3%	2%	2%	0%
Reversal for the financial year	2 012	2 086	4 107	1 309	2 387	4 952	4 707	-245

<sup>1</sup> Allocation of 7 935 Million F CFA for the financial year

The trend of commitments at 12/31/2016 was characterized by an increase of FCFA 45 389 million, rising from FCFA 419 157 million in 2015 to FCFA 464 546 million in 2016. That increase was due to the fact that, increase in the balance sheet of the level of sound receivables of FCFA 52 175 million, partially offset by the reduction in off-balance sheet commitments of FCFA 6 786 million.





## VI.3. Management of domestic funds at BNI

For the purpose of mobilizing the resources allocated to the financing of a policy or a sector-based program identified as a priority sector, the STATE, in agreement with financial partners, including the World Bank set up and held Domestic Funds with in the Banque Nationale d'Investissement (BNI).

That decision was taken with the aim of linking such Funds to an existing legal entity in order to ensure that they avoid budget structures.

So, to manage those Funds, a legal framework was defined by the State through:

- Order n° 87-366 of April 1, 1987, ratified by Law n° 87-805 of July 28, 1987 laying down the set up and management of Domestic Funds within CAA;
- Decree N° 94-194 of July 30, 1994 pursuant to such Order specifying the general scope of the organization and operation of such Funds;
- Decree of setting up of each Fund.

### VI.3.1 General Overview

#### a) Organization of Funds

Domestic Funds shall be provided with a Management Committee and a Technical Secretariat composed of members from the structures in relation to the operation of the Fund.

Further more, pursuant to the provisions of Decree n° 94-194 of July 30, 1994, BNI has been providing the **administrative and accounting** management of such Funds and the Secretariat of the Management Committee.

As such, it draws up the budget, financial statements and business reports to be submitted to the Management Committee.

Each Domestic Fund becomes subject to a separate management, with its own budget and giving rise to a separate accounting system from that of the Bank (reference: SYSCOA OHADA).

Within BNI, the management of Domestic Funds was entrusted to two Departments:

The Department of Sector-Based Funds which manages eight (08) Funds;

The Department of Sustainable Development which manages four (04) Funds. This Department, in addition to managing Domestic Funds supports the Bank in its efforts related to sustainable development.

## b) Scope of action

The scope of action for these Funds covers various fields of activities:

### ■ HOUSING



- Housing Mobilization Fund (CDMH);
- Urban Lands Fund (CTU);
- Housing Loan Fund (FSH).

### ■ TERRITORY PLANNING AND EQUIPMENT



- Domestic Fund for Education (FNEC) ;
- Loan Fund to Local Communities (FPCL).

### ■ ENVIRONMENT, WATER AND SEWERAGE



- Domestic Fund for Environment (FNDE) ;
- Domestic Fund for Water (FNE) ;
- Domestic Fund for Sewerage and Drainage (FNAD).

### ■ TOURISM AND FILM INDUSTRY



- Tourism Development Fund (FDT);
- Support Fund for Film Industry (FONSIC).

## c) Resources

The resources available to the Funds are human, material and financial.

### Human resources

They deal with BNI staff workforce made available to the two (02) Departments in charge of managing the Funds. Namely, the Department of Sector-Based Funds provided with twenty-two (22) officers and the Department of Sustainable Development with three (03) officers.

### Material resources

They deal with the working equipment (vehicles, computer hardware, management software, etc.) purchased to enable the different departments to carry out the tasks assigned to them.

## **Financial resources**

Financial resources deal with resources set up in the decrees of creation of the various Funds. They are typically about :

- allocations from National budget;
- allocated revenues;
- set up investments;
- borrowings ;
- donations and bequests;
- investment of financial products;
- etc.

## **VI.3.2 Performances obtained**

Domestic Fund have allowed the State to achieve socio-economic housing in both rural and urban areas, to finance income generating investments in local communities, to provide rural areas with drinking water supply, to provide support for the development of the sector of tourism, film and the environment.

In total, the Domestic Funds made it easier to finance various projects in 2016, for an aggregate amount of FCFA 7 999 030 640 versus FCFA 3 410 865 596 in 2015.



The State receivables had not yet recorded an effective outcome. The high level of outstanding payments still hampers the institution's profitability.  
ressources / emplois.



## VIII. ECONOMIC OUTLOOK

The economic outlook for 2017 are focused on continuing efforts to increase the volume of resources/uses.

More over, the bank intends to permanently keep its level of growth in actual equity to meet the different ratios. This will require inter alia:

- continued improvement in the level and quality offinancial assistance,
- cost control,
- improved risk strategy to reduce provisioning rates,
- service quality,
- continued expansion of the Network to achieve a diversified portfolio together with a modern management-system, basis of the banks unsustainability.

In the financial year 2017, management by objectives initiated since 2012 will be continued and special emphasis laid on setting goals quantified by structure and individual to get the best performance of staff and enable the Bank to achieve its main objective of consolidation of equity.

More over, the strategic study by Boston Consulting Group identified areas for improvement in which the Bank needs to focus its efforts to increase its performance and better position in its industry.

The priority actions to be implemented in 2017 will deal with the following points:

- **gouvernance**
- **network expansion**
- **revitalization of trade policies**
- **information system improvement**

To effectively support this expansion, the development of electronic banking and telematics and the deployment of decision-making tools will have to continue.

In terms of resource mobilization, the Bank is working to develop its network. Following the acquisition of the agency network of former BFA, the Bank plans to open two new branches in 2017 (01 in Abidjan and 01 in the province). A total of six (6) branches will be opened in 2017.

This will increase the customer base of the low-cost resource base.

**2■**

**PART TWO :  
FINANCIAL STATEMENTS**

# BALANCE SHEET AT 12/31/ 2016(shown in FCFA)

ASSETS	AMOUNTS	DEPREC. OR PROVISION S	NETS AMOUNTS 12/31/2016	NETS AMOUNTS 12/31/2015	LIABILITIES	NETS AMOUNTS 12/31/2016	NETS AMOUNTS 12/31/2015
<b>CASHIN VALUES</b>	<b>12 818 449 023</b>	—	<b>12 818 449 023</b>	<b>10 732 042 645</b>	<b>INTERBANK ACCRUALS</b>	<b>7 965 367 636</b>	<b>15 435 228 155</b>
INTERBANK RECEIVABLES	31 493 098 325		31 493 098 325	141 457 726 860	Other credit Institutions	1 675 221 564	732 140 360
Central Bank	28 905 624 981		28 905 624 981	139 020 502 260	CUSTOMER PAYABLES	466 263 763 526	505 408 055 747
Treasury, & PCB	—		—	—	Other liabilities payable on demand	334 062 953 201	385 677 117 603
Other credit Institutions	2 587 473 344		2 587 473 344	2 437 224 600	Other fixed term liabilities	132 200 810 325	119 730 938 144
Term Accounts receivable							
<b>TRADE RECEIVABLE</b>	<b>395 239 715 768</b>		<b>68 768 641 507</b>	<b>326 471 074 261</b>	<b>OTHER LIABILITIES</b>	<b>6 547 111 426</b>	<b>6 912 310 124</b>
Bill of exchange portfolio	2 304 232 576		2 304 232 576	1 524 638 577			
Other customer receivables	360 324 509 017		68 768 641 507	291 555 867 510			
Current overdraft accounts	32 610 974 175			32 610 974 175			
<b>LONG-TERM INVESTMENTS</b>	<b>20 840 337 576</b>		<b>20 840 337 576</b>	<b>51 491 337 576</b>	<b>SUSPENSE ACCTS &amp; OTHERS</b>	<b>11 708 190 872</b>	<b>10 289 807 156</b>
<b>FIXED ASSETS</b>	<b>77 062 801 598</b>		<b>76 529 960 336</b>	<b>33 809 367 727</b>	<b>INVESTMENT GRANTS PROVIS FOR RISK &amp; BANK RISKS PROV. FDS STOCKS</b>	<b>2 864 421 072</b>	<b>3 367 695 246</b>
<b>INTANGIBLE FIXED ASSETS</b>	<b>8 741 297 263</b>		<b>6 620 927 920</b>	<b>2 120 369 343</b>	<b>CAPITAL</b>	<b>1 901 815 385</b>	<b>1 626 922 929</b>
<b>TANGIBLE FIXED ASSETS</b>	<b>42 859 719 917</b>		<b>24 474 417 247</b>	<b>18 385 302 670</b>	<b>CARRIED FORWARD</b>	<b>6 801 096 731</b>	<b>6 272 743 545</b>
<b>OTHER ASSETS</b>	<b>40 858 586 536</b>		<b>5 816 935 747</b>	<b>35 041 650 769</b>	<b>PROFIT AND LOSS</b>	<b>20 500 000 000</b>	<b>20 500 000 000</b>
<b>SUSPENSE ACCOUNT &amp; OTHERS</b>	<b>6 409 904 203</b>		<b>6 409 904 203</b>	<b>3 876 196 523</b>		<b>3 681 660 057</b>	<b>863 776 398</b>
<b>TOTAL ASSET</b>	<b>636 323 910 210</b>		<b>106 213 763 684</b>	<b>530 110 146 526</b>	<b>TOTAL LIABILITY</b>	<b>530 110 146 526</b>	<b>574 199 290 005</b>
<b>OFF-BALANCE SHEET LIABILITIES</b>	<b>AMOUNTS 12/31/2016</b>		<b>AMOUNTS 12/31/2015</b>				
<b>LIABILITIES GRANTED</b>	<b>69 637 329 003</b>		<b>76 487 194 121</b>				
LIABILITIES ON SECURITIES	69 194 044 662		76 144 624 121				
LIABILITIES ON INVESTMENTS	443 284 340		342 570 000				
<b>LIABILITIES EARNED</b>	<b>622 385 413 143</b>		<b>485 301 097 545</b>				
LIABILITIES ON INVESTMENTS	136 536 170		136 536 170				
LIABILITIES ON SECURITIES	672 448 876 973		485 164 561 375				

**INTERMEDIATE BALANCES OF MANAGEMENT COMPARED AT 12/31/2016 (IN FCFA)**

DESCRIPTION	12/31/2016	12/31/2015	VARIATION	VARIATION
	A	B	A-B	%
<b>BANK OPERATING INCOME</b>	34 174 874 473	37 189 488 409	3 014 613 936	-8.11%
INTERESTS/BANK CURRENT ACCOUNTS	48661	-	48 661	0.00%
INTERESTS/BANK FIXED TERM ACCOUNTS		-		
INTERESTS/INTERBANK LOANS ACCOUNTS		-		
INTERESTS ON INTERBANK TRANSACTIONS		-		
INTERESTS ON DEPOSITS	21 039 725 905	22 056 498 340	(1 018 772 435)	-4.62%
COMMISSIONS EARNED	8 185 910 518	7 914 324 500	271 586 018	3.43%
INCOME/VARIOUS TRANSACTIONS	358 360 934	2 230 682 354	(1 872 321 420)	-83.93%
INCOME ON FIXED ASSETS	3 507 394 116	3 117 324 864	390 069 252	12.51%
INCOME/EXCHANGES TRANSACTIONS	288 596 065	346 824 111	(58 238 026)	-16.79%
INCOME/ UNRECORDED TRANSACTIONS	782 126 390	1 506 570 003	(754 443 613)	-48.09%
OTHER BANK INCOME				
INCOME/FINANCIAL SERVICES DELIVERED	12 711 864	15 254 237	(2 542 373)	-16.67%
<b>BANK OPERATING COSTS</b>	<b>9 302 085 670</b>	<b>8 136 020 565</b>	<b>1 166 065 105</b>	<b>14.33%</b>
INTERESTS/ BANKS ACCTS & LINKED		-		
INTERESTS/INTERBANK RECEIVABLES	628 756 745	1 251 937 771	(623 181 026)	-49.78%
OUTSTANDING COMMISSIONS	247 330 136	141 060 056	106 270 080	75.34%
INTERESTS/CUSTOMER TERM DEPOSITS	8 044 105 022	6 465 818 333	1 578 286 689	24.41%
COSTS ON VARIOUS TRANSACTIONS	23 064 032	3 696 358	19 367 674	523.97%
COSTS ON FIXED-TERM ASSETS				
COSTS ON EXCHANGES TRANSACTIONS				
COSTS ON PAYMENT TRANSFER	111 255 481	115 372 587	(4117 106)	-3.57%
OUTSTANDING INTERESTS/BONDS AND SECURITIES				
OTHER BANK OPERATING COSTS	247 574 254	158 135 460	89 438 794	56.56%
<b>BANK OPERATING MARGIN</b>	<b>24 872 788 803</b>	<b>29 053 467 844</b>	<b>(4 180 679 041)</b>	<b>-14.39%</b>
OTHER TRADING INCOME	1 274 392 139	1 109 553 910	164 838 229	14.86%
TRADING COSTS	18 620 072 041	17 422 961 261	1 197 110 780	6.87%
<b>CASH FLOW</b>	<b>7 527 108 901</b>	<b>12 740 060 493</b>	<b>(5 212 951 592)</b>	<b>-40.92%</b>
CAPITAL ALLOWANCE	3 038 879 501	3 350 133 196	(311 253 695)	-9.29%
ALLOCATION TO PROVISIONS	8 263 635 350	11 367 088 108	(3 103 452 758)	-27.30%
LOSS ON BAD DEBTS	4 976 637	7 831 031	(2 855 354)	-36.45%
PROVISIONS COLLECTED/BAD DEBTS	4 706 708 225	4 951 679 798	(244 971 573)	-4.95%
PROV. COLLECTED/LOSSES AND EXPENSES	935 902 918	528 155 329	407 747 589	77.20%
PROV. COLLECTED ASSETS DEPRECIATION	295 000 000	597 425 809	(302 425 809)	50.62%
<b>OPERATING GROSS INCOME</b>	<b>2 157 228 556</b>	<b>4 092 269 094</b>	<b>1 935 040 538</b>	<b>-47.29%</b>
OTHER EXTRAORDINARY INCOME	702 759 857	453 469 917	249 289 940	-54.97%
OTHER EXTRAORDINARY COSTS	948 268 592	988 384 437	(40 115 845)	-4.06%
<b>TAX ALLOWANCE</b>	<b>1 911 719 821</b>	<b>3 557 354 574</b>	<b>1 645 634 753</b>	<b>-46.26%</b>
TAX	35 000 000	35 000 000	0	0.00%
<b>PROFIT AND LOSS</b>	<b>1 876 719 821</b>	<b>3 522 354 574</b>	<b>1 645 634 753</b>	<b>-46.72%</b>



### •Total Balance Sheet

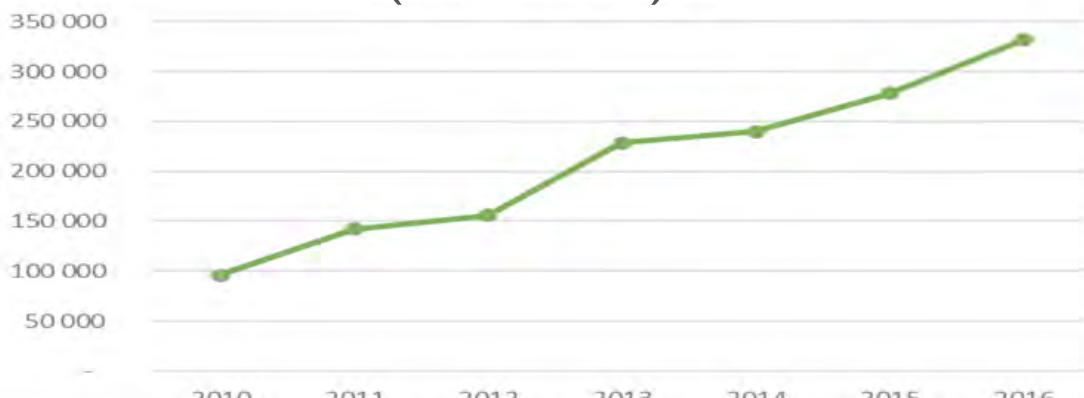
The TOTAL Balance Sheet decreased from FCFA 574,199 million at the end of 2015 to FCFA 530,110 million at the end of 2016, i.e. a depreciation of FCFA 44,089 million. That decrease can be explained on the one hand as a result of the decrease in trade receivables (FCFA -39,143 million) and inter-bank debts (FCFA -7,470 million) and, on the other hand, on the asset through a decrease in interbank receivables (FCFA -109,964 million) and in investment securities (FCFA -30,651 million).

### •Trade Receivables

As of December 31, 2016, trade receivables net of provisions increased to FCFA 326,471 million, compared with FCFA 277,985 million at the end of 2015, i.e. an increase of FCFA 48,486 million. Indeed, loans granted to customers (cash advances, spot loans and other mid-term loans) increased by 17% thanks to actions taken with large companies, SMEs and individual customers.



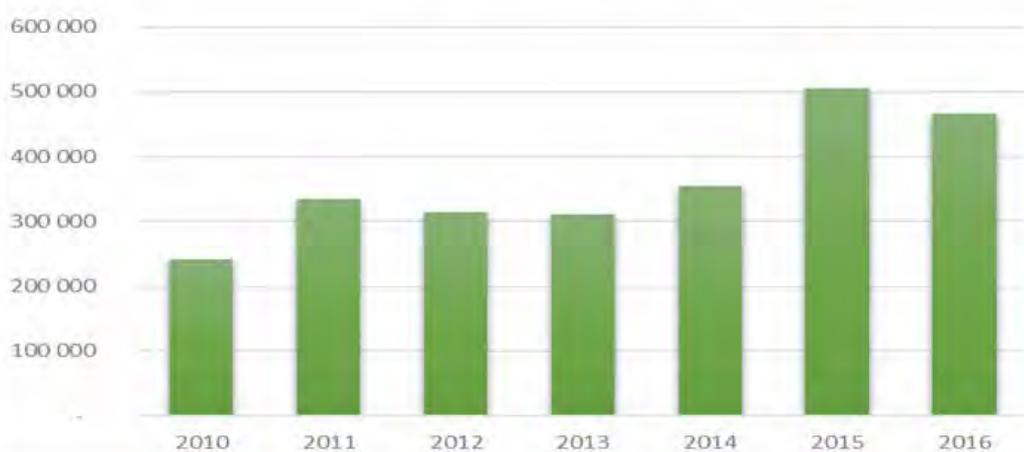
## EVOLUTION OF NET ACCOUNTS RECEIVABLES (in million FCFA)



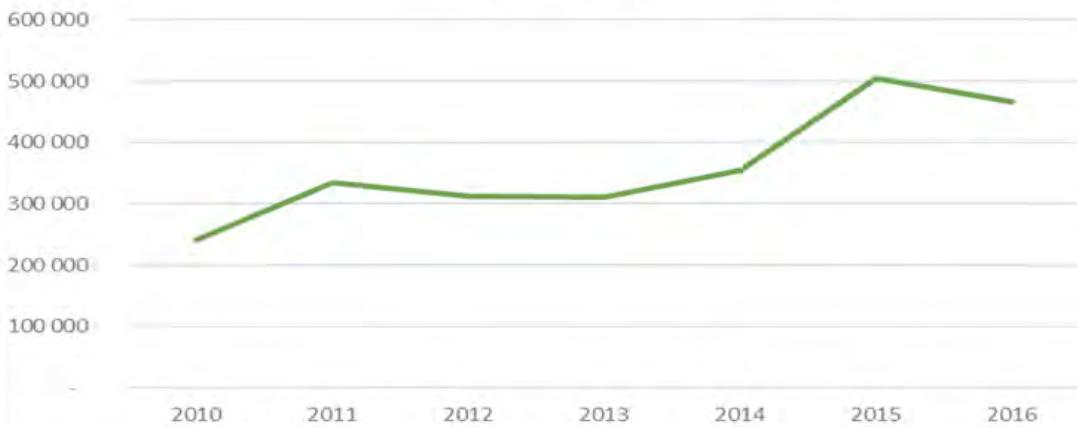
- **Customer deposits**

The balance of customer deposits between December 31, 2015 and December 31, 2016 decreased by FCFA 39,143 million from FCFA 505,408 million to FCFA 466,264 million.

## EVOLUTION OF CUSTOMERS DEPOSITS (in million FCFA)



## EVOLUTION OF CUSTOMERS DEPOSITS (in million FCFA)



### • Long-Term Investments

They were posted in net value from FCFA 53 963 million in 2015 to FCFA 94 034 million in 2016, i.e. an appreciation of FCFA 40 071 million.

Long-term investments included (amount shown in million FCFA) :

	2015	2016
- Financial assets	33 809	76 529
- Intangible assets	1 270	2 120
- Tangible assets	18 884	18 385
	53 963	94 034

### • Suspense Accounts and Other Assets.

The balance added up from FCFA 3 876 million in 2015 to FCFA 6 409 million in 2016, i.e. an appreciation of FCFA 2 533 million (+65%).

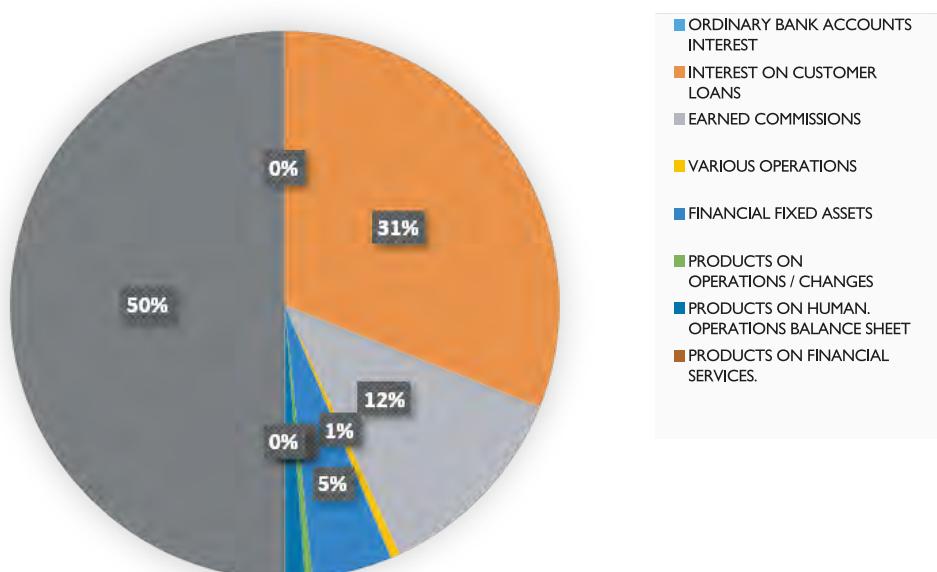
## II.TREND IN MANAGEMENT DATA



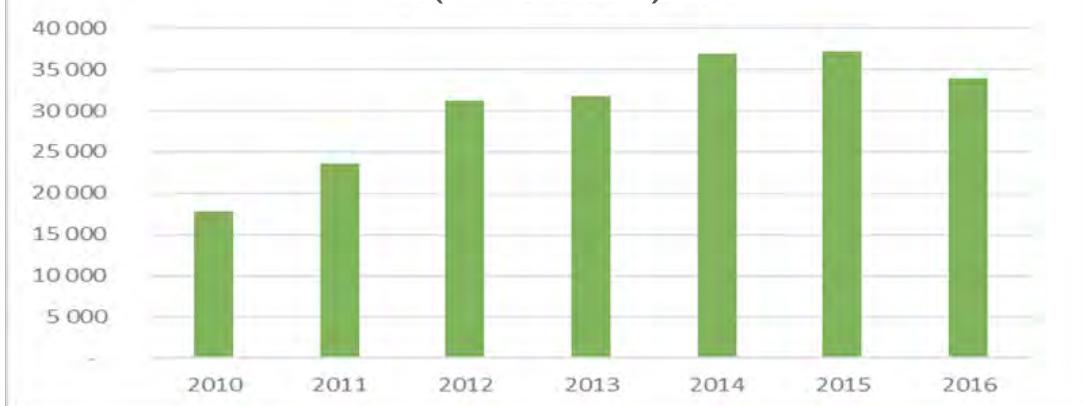
### • Banking Products

Between 2015 and 2016, banking products increased from FCFA 37 189 million to FCFA 34 174 million, i.e. a depreciation of FCFA 3 317 million (-8%).

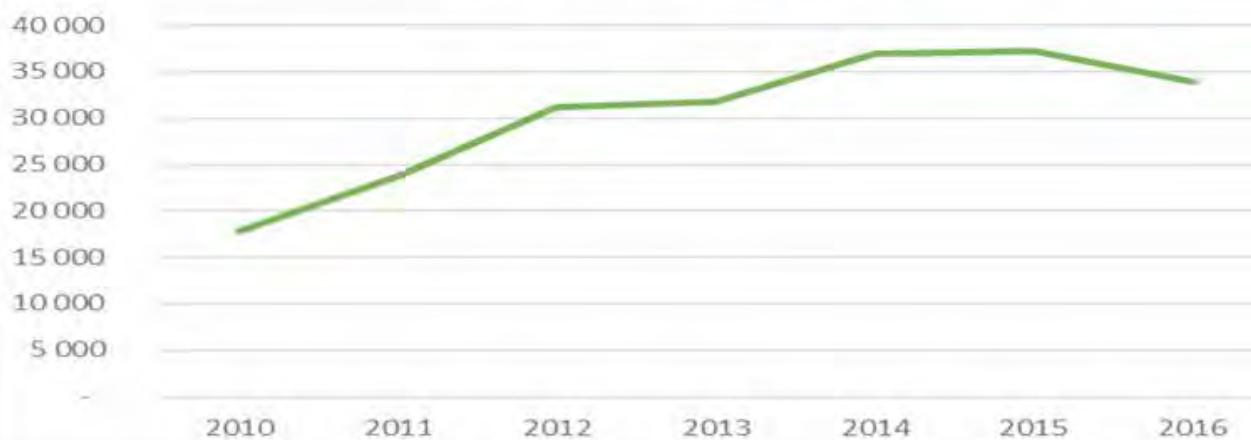
BREAKDOWN OF 2016 BANK PROFITS (%)



BANK OPERATING PROFITS  
(in million FCFA)



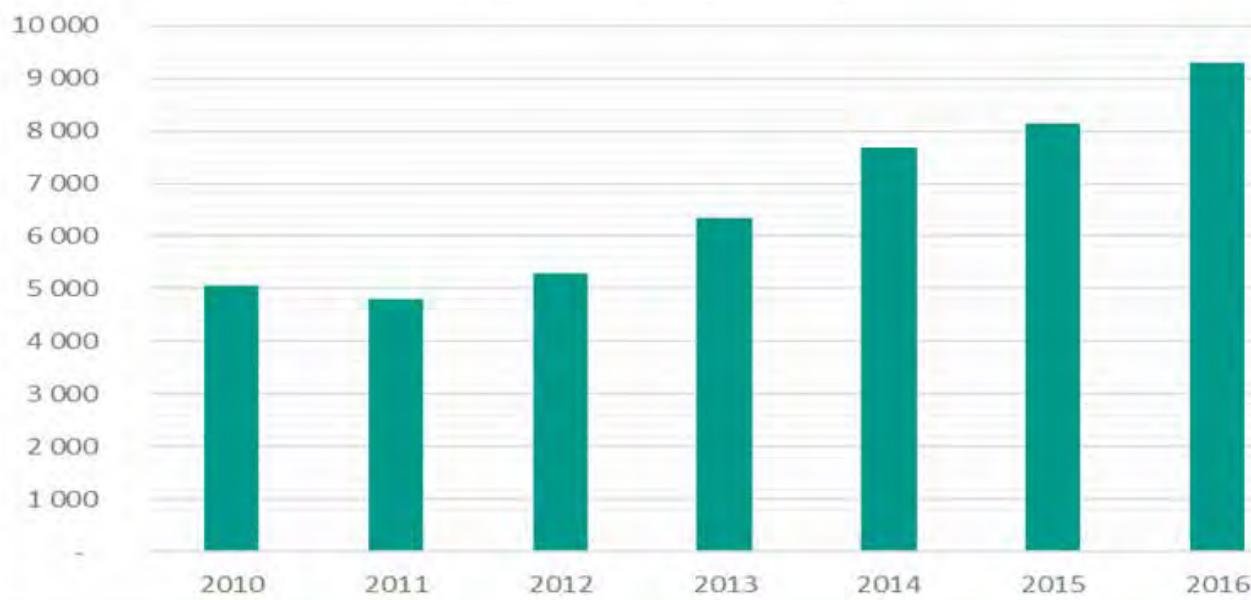
## EVOLUTION OF BANKING PRODUCTS (in million FCFA)



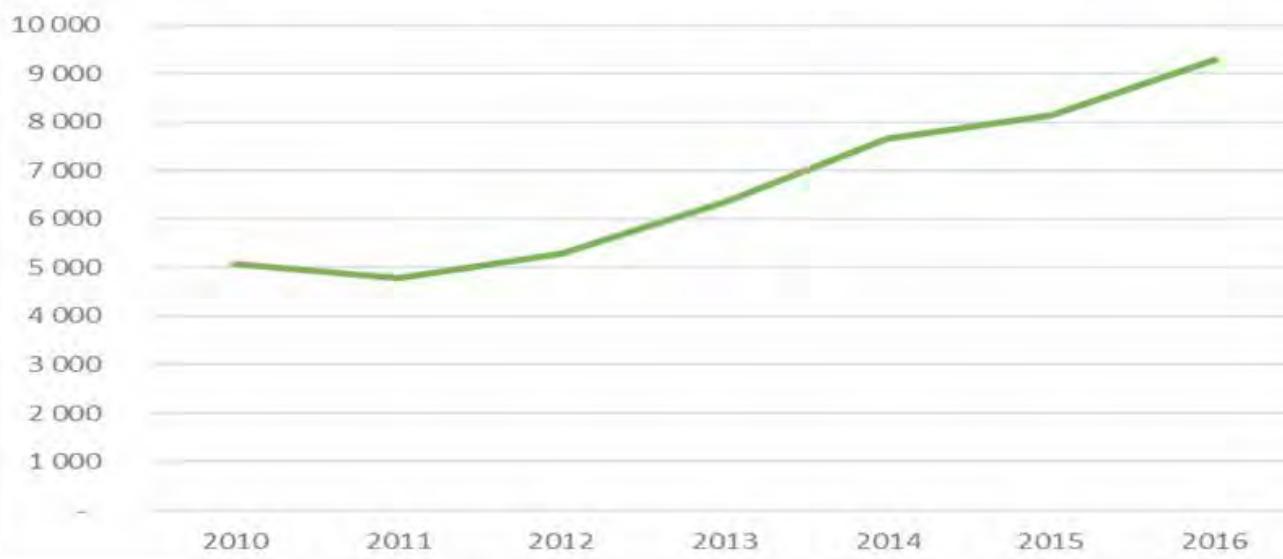
### • Bank Charges

They added up from FCFA 8 136 million in 2015 to FCFA 9 302 million in 2016, i.e. an appreciation of FCFA 1 166 million (+14%).

## EVOLUTION OF BANK CHARGES (in million FCFA)



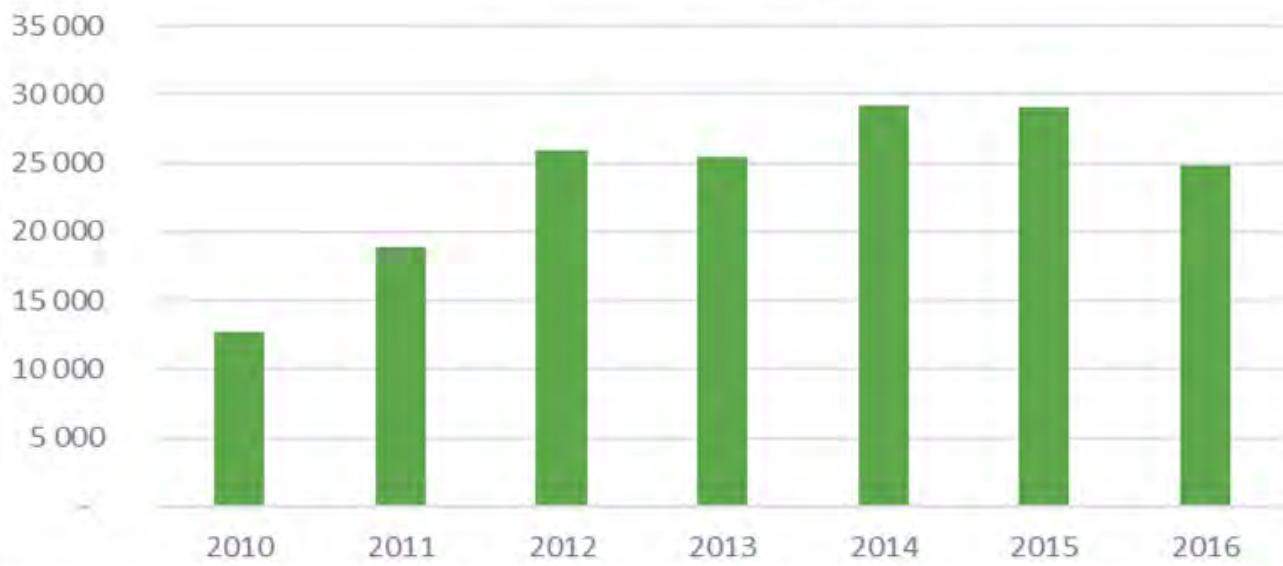
## EVOLUTION OF BANK CHARGES (in million FCFA)



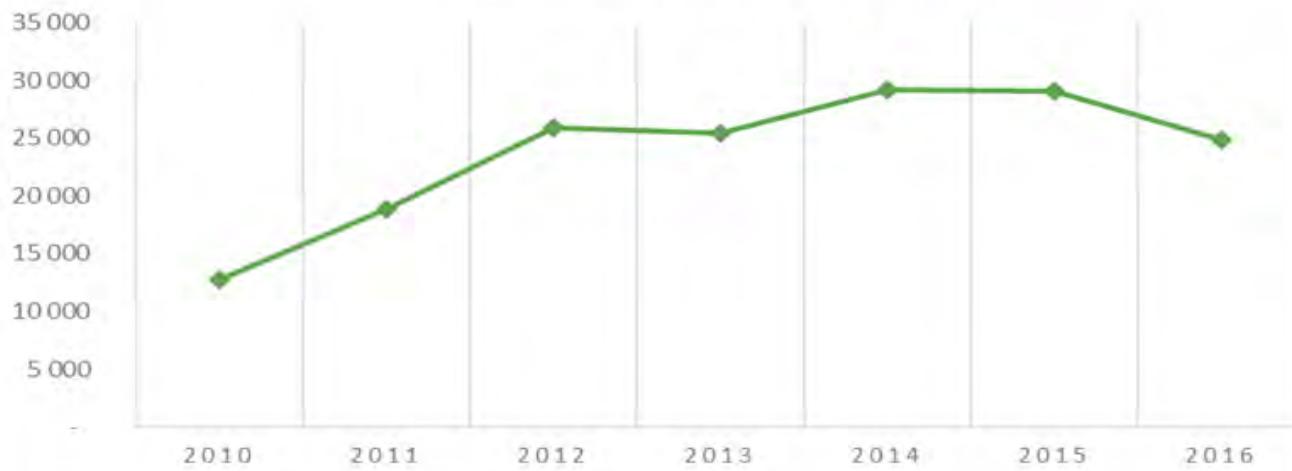
### • Net Banking Income (NBI)

The Net Banking Income added up from FCFA 29 053 million in 2015 to FCFA 24 873 million in 2016, i.e. a drop of FCFA 4 180 million (-14%).

## TRENDS OF BANK NET PROFIT (in million FCFA)



## TRENDS OF BANK NET PROFIT (in million FCFA)

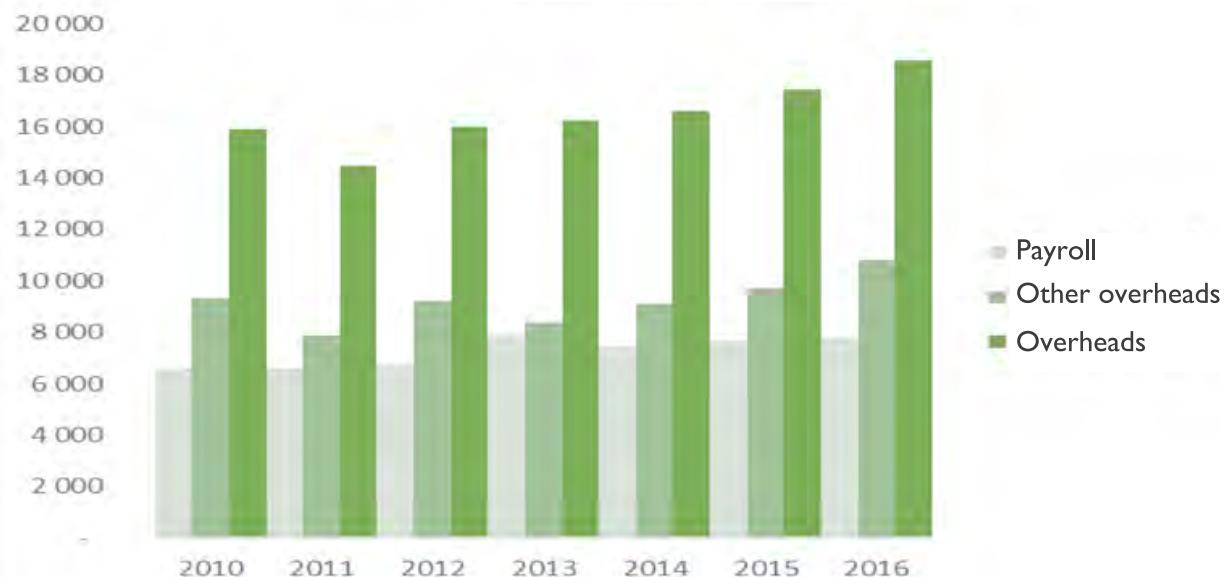


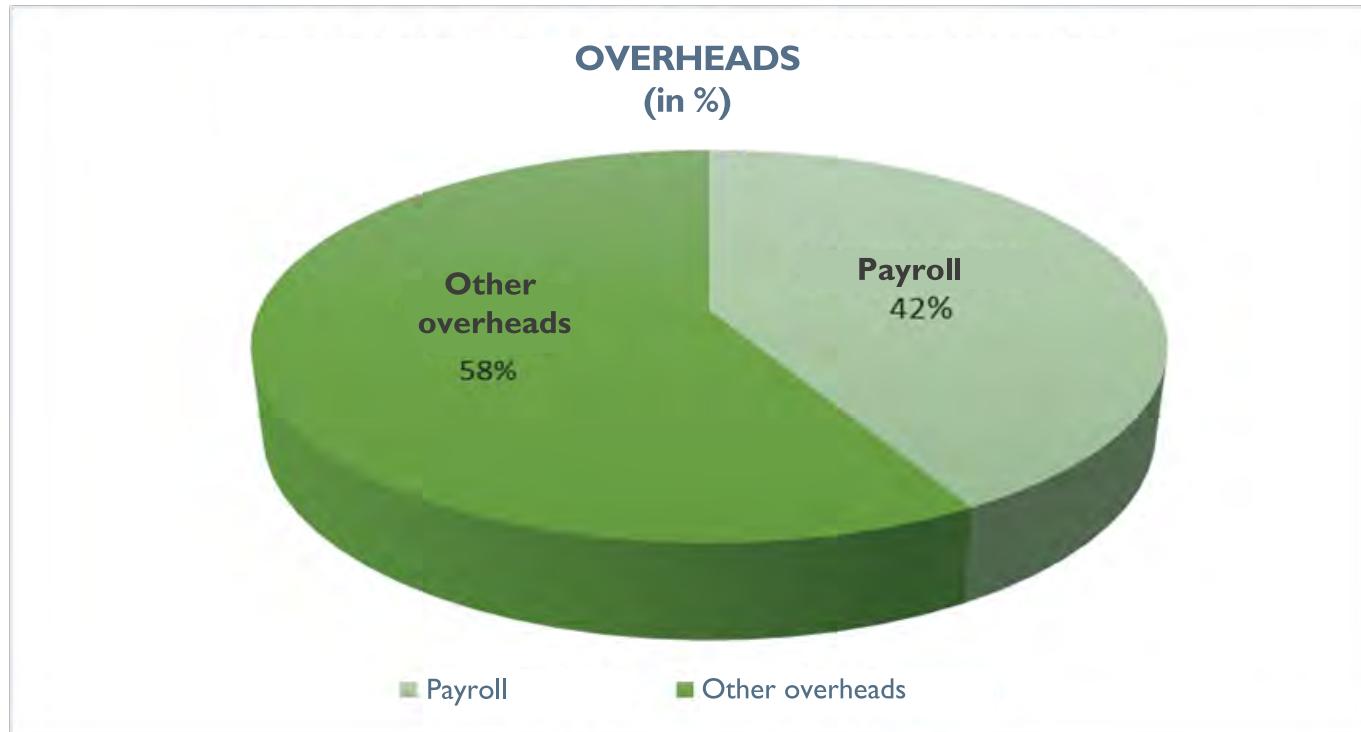
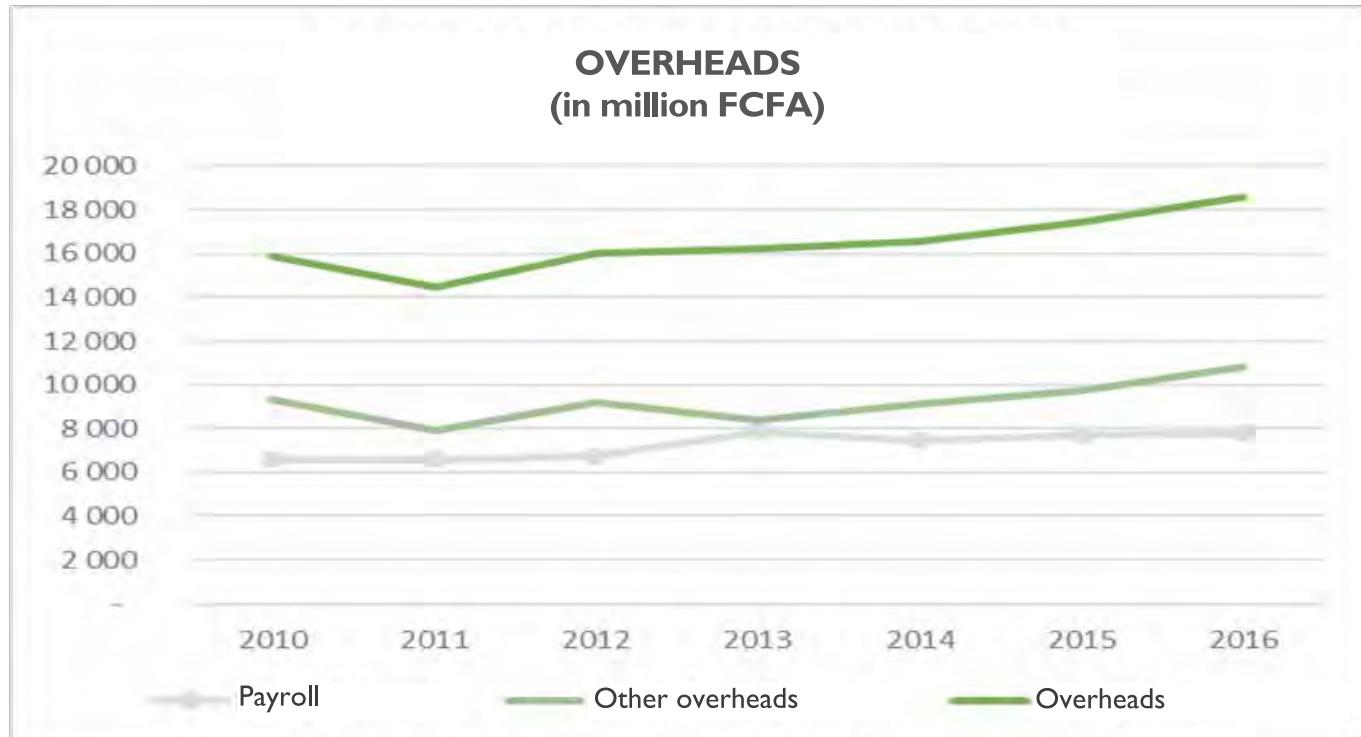
### • Overheads

The overheads added up to FCFA 1 197 million between 2015 and 2016. They respectively added up to CFA 17 422 million and FCFA 18 620 million. 2016 overheads breakdown as follows:

- Total payroll FCFA 8 810 million compared to FCFA 7 695 million in 2015;
- Other overheads FCFA 10 512 million compared to FCFA 9 728 million in 2015.

## OVERHEADS (in million FCFA)





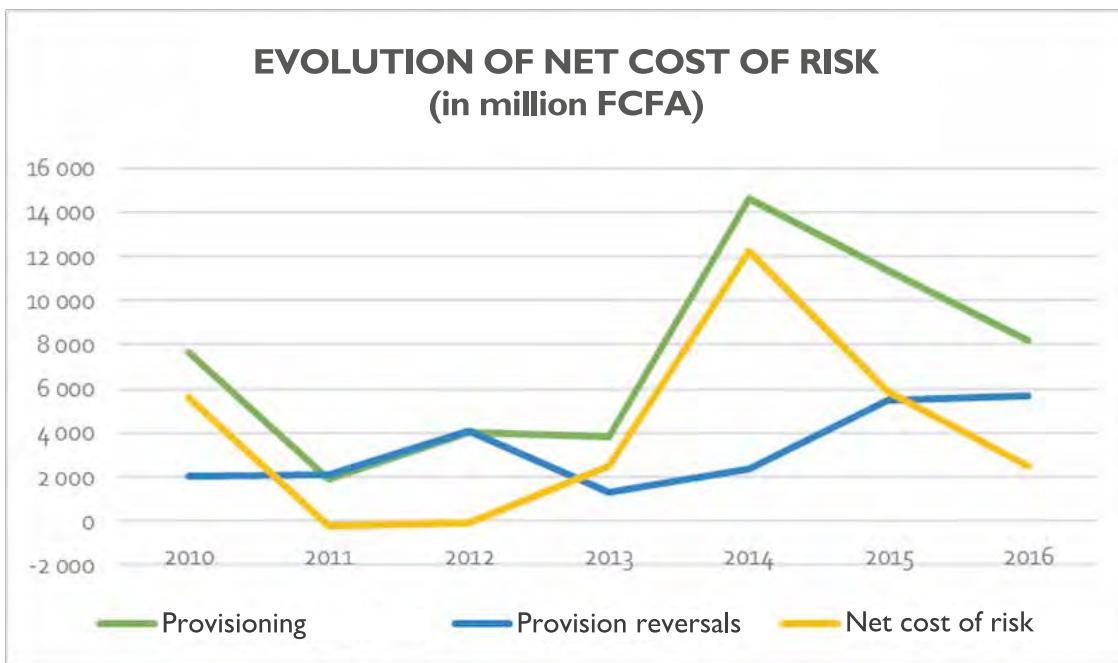
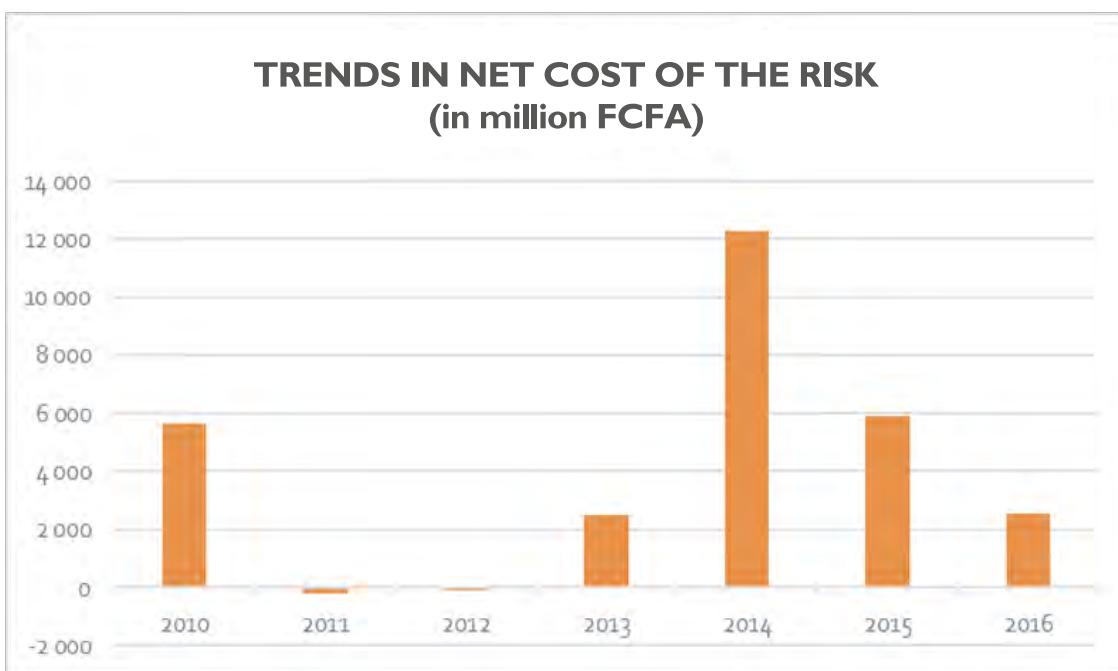
## • Net Cost of Risks

We pointed out strong decrease in the net cost of risk that added up from FCFA 5 739 million in 2015 to FCFA 2 522 million in 2016.

	2010	2011	2012	2013	2014	2015	2016
Allocation to provisions	7 639	1 881	3 995	3 799	14 648	11 218	8 165 <sup>(1)</sup>
Reversal of provisions	2 012	2 086	4 107	1 309	2 387	5 479	5 643
Net Cost of Risks	<b>5 627</b>	<b>-205</b>	<b>-112</b>	<b>2 490</b>	<b>12 261</b>	<b>5 739</b>	<b>2 522</b>

(1) Allocations to provisions after deduction of GBRF (General Banking Risk Funds) provisions (FCFA 99 million)

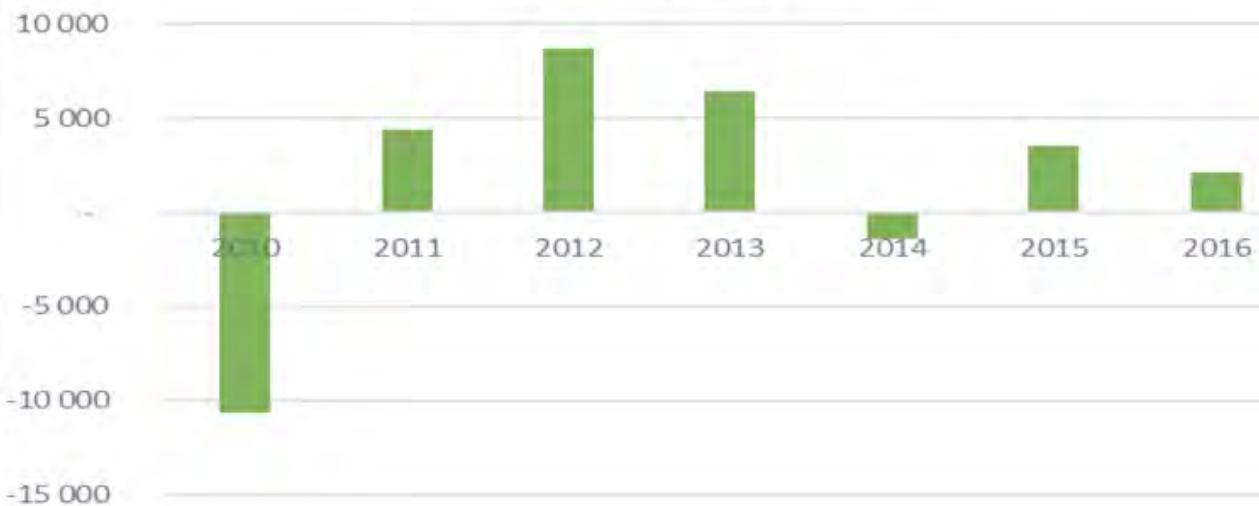
The net cost of risks benefited from reversals of significant provisions on a signature. However, the level of provision remained high.



## • Income

The net income for the financial year 2016 added up to FCFA 1 877 million compared to 3 522 FCFA million in 2015, i.e. a fall of 46%.

**EVOLUTION OF THE NET PROFIT  
(in million FCFA)**



**EVOLUTION OF THE NET PROFIT  
(in million FCFA)**



## • Ratios

As at December 31, 2016, only two ratios were not met: the loan ratio control to shareholders and equivalent grades (212% vs. 20%) and control of non-operating assets (20% vs. 15%).

RATIOS	STANDARDS	DEC 2016
FPE	10 000	27 693
F P / Risks	8%	11%
Non operating & investment in real estate companies (Conversion)	50%	89%
Liquidity ratio	75%	108%
Controls of investments in Co. other than banks & financial inst. &real estate Co.	<15% FPB	8%
Controls of fixed assets Non Operating & investments in real estate companies.	15%	20%
Controlsof fixed assets and investments	max 100% FPE	84%
Controls of loans to shareholders, managers and staff with the State	20%	212%
Controls of loans to managers and staff	20%	20,12%

# 3 ■

## PART THREE : **REPORT OF THE STATUTORY AUDITORS**

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

Goodwill Audit & Consulting  
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Trade Register: CI-ABJ-2006-B 2679  
Tax Payer Account: 4104919 - Y

Ernst & Young, S.A.  
5, Avenue Marchand  
01 B.P. 2715 - Abidjan 01  
Ltd Co with a capital of 12,000,000 FCFA  
Trade Register: Abidjan 7118

Banque Nationale d'Investissement  
BNI  
01 B.P. 670  
Abidjan 01

On June 27, 2017

**Statutory Auditors' Report**

**Annual Statements**

**Financial year ended at December 31, 2016**

In carrying out the mission entrusted to by your General Assembly, we hereby submit you our report corresponding to the financial year ended at December 31, 2016 on:

- Banque Nationale d'Investissement (BNI) audit annual financial statements as attached to this report;
- Specific audits and disclosures provided by the law and the banking regulation;

**I. Audit of Annual Financial Statements**

**Opinion**

We audited Banque Nationale d'Investissement annual financial statements attached, including the balance sheet at December 31, 2016, the profit and loss statement for the financial year ended on that date, and related tables.

In our opinion BNI financial statements are regular and sincere and give a true and fair view of the operating income of the past financial year and the financial position and assets of the Company at the end of the financial year in accordance with the accounting policies and rules promulgated by the WAMU Banking Chart of Accounts.

**Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are described in more detail in the section "Statutory Auditors' Responsibility for Auditing the Annual Accounts" of this Report. We are independent contractors in accordance with the Code of Ethics and Professional Conduct of the Accountants of Côte d'Ivoire and the rules of independence which govern the Statutory Auditor and we have fulfilled the other ethical responsibilities that fall to us according to these rules. We believe that the audit evidence we have obtained is sufficient and appropriate to support our audit opinion.

#### **Comment on pending litigation**

Without calling into question the opinion expressed above, we draw your attention to the point described in paragraph 17 of the notes to the annual financial statements relating to provisions for disputes with former employees of the Bank.

#### **Board of Directors Accountability for the Annual Financial Statements.**

The annual financial statements were drawn up and approved by the Board of Directors.

The Board of Directors is accountable for the preparation and fair presentation of the annual financial statements in accordance with the accounting policies and rules laid down by the WAMU Banking Chart of Accounts and for the internal control of the annual financial statements that should be free from any material misstatement, whether due to frauds or errors.

In preparing the annual financial statements, it is the responsibility of the Board of Directors to evaluate the Company's ability to continue operating, to provide, where appropriate, information on continuity of operations and to apply the basis of business continuity unless the Board of Directors intends to put the Company into liquidation or cease operations or if there are no alternative realistic solution available to it.

The Board of Directors is accountable for overseeing the Company's financial reporting process for the financial information in accordance with accounting principles and bases laid down by the WAMU Banking Accounting System.

#### **Accountability of the Statutory Auditors for the Annual Financial Statements Audits:**

Our objectives are to obtain reasonable assurance that the annual financial statements taken as a whole are free from material misstatement, whether due to fraud or due to errors, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance that does not guarantee that an audit carried out in accordance with "ISA" standards will always detect any existing significant abnormality. Abnormalities may arise from frauds or result from errors and are considered significant when it is reasonable to expect that, individually or cumulatively, they may influence the economic decisions that users of the annual financial statements make on the basis thereof.

Our responsibilities for the audit of the annual financial statements are described in greater detail in Appendix 1 to this Report of the External Auditor.

### **II. Specific procedures required by law and banking regulations**

#### **II.1. Specific procedures and other disclosures**

Responsibility for other disclosures rests with the Board of Directors. The other disclosures consist of information contained in the Business Report (but does not include the annual financial statements and our auditor's report on these annual financial statements), credit reporting documents relating to prudential ratios and the proposed texts of resolution.

Our opinion on the annual accounts does not extend to the other information and we do not express any form whatsoever on this information.

As part of our statutory auditing mandate, we are responsible for carrying out the audits and other specific disclosures required by law and in so doing verifying the fairness and consistency with the annual financial statements of the information given in the Business Report of the Board of Directors and in the documents addressed to shareholders on the financial position and the annual financial statements and for verifying in all material respects the fulfillment of certain legal and regulatory requirements. If in the light of the works we carried out, we conclude that there are significant abnormalities in the other specific procedure and disclosures, we are required to report this fact. We have nothing to report in this respect.

## **II.2. Budget implementation for the Financial year 2016**

Pursuant to the provisions of Act n°97-519 of December 4, 1997 defining and organizing SOEs, we hereby submit you our observations on BNI budget implementation for the financial year ended December 31, 2016.

BNI budget for the financial year 2016 was presented and adopted by the Board of Directors (BoD) and approved on January 29, 2016 by the Minister to the Prime Minister for the budget and the State Portfolio.

For the financial year 2016, the gaps shown in the table below were noted between the forecasts defined in the above budget and the accomplishments for the main aggregates:

In million FCFA

Descriptions	Budget	12/31/2016 Achievement	Budget gap achieved	Budget implementation rate
Total balance sheet	605,838	530,111	(75,727)	88%
Net banking income	31,169	24,873	(6,296)	80%
Gross operating income	8,250	3,214	(5,036)	39%
Net allocation to provisions	(4,500)	(2,522)	1,978	56%
Net profit	5,115	1,877	(3,238)	37%

## **II.3. Specific procedures provided by the banking regulation**

We also used in accordance with accepted professional standards, specific procedures related to the compliance with prudential regulations.

We must bring to your attention the following information:

The coverage ratio of non-operating assets and shareholdings in real estate companies amounted to 20% for a statutory maximum of 15%;

Pursuant to Article 45 of Ordinance n°2009-385 on banking regulations, we are informing you that the outstanding loans granted to shareholders each holding directly or indirectly 10% at least of voting rights to individuals involved in the Bank management, administration,

stewardship, control or operating as well as private companies in which the aforementioned individuals hold managerial, administrative, or stewardship positions or hold over a quarter of the share capital added up to FCFA 5.569 million at December 31, 2016, excluding loans granted to the State. Such loans represented 20.11% of the Bank actual equity at that date versus 20% provided for by the prudential mechanism.

The consideration of the amount of loans granted to the State of Côte d'Ivoire in the calculation of the total outstanding amount, under Article 45 of the Banking Act resulted in a total outstanding amount of FCFA 57.914 million i.e. 209% of the actual equity.

#### **II.4. Audit of allowances and other remuneration paid to corporate executives**

The Prime Minister's Circular Note n°001-2011 harmonizing the conditions of service and remuneration of corporate executives from SOEs and companies with majority public financial contribution, taken on July 15, 2011, set the remuneration ceiling paid to the Chairperson of the Board of Directors and Managing Directors to FCFA 3.3 million and FCFA 4.3 million and the compensation ceiling paid to Directors for attendance fees to FCFA 3 million.

It appeared from our audit that for the financial year 2016 that the compensation paid to the Chairperson of the Board of Directors, the attendance fees granted to Directors and the remuneration paid to the Managing Director and the Deputy Managing Director as well did not exceed the maximum aforementioned thresholds.

#### **II.5. Examinations of the compliance with the regulation of public procurement procedures**

In our capacity as Statutory Auditors, in accordance with Note 123/MEF/DGE/DPP/KGA of February 23, 2008 of the Department for Privatization and Equity Interests, supplemented by Article 3 of Order n° 200/MEF/DGBF/DMP of April 21, 2010, it behooves us to advise on the application or not by SOEs of the provisions of the Public Procurement Code.

Such provisions make it a rule that any procurement by a State company be awarded only after a competitive bidding process with requirement to:

- get the tender documents validated by the Administrative Structure in charge of Public Procurements prior to publication in the media authorized for contracts above the reference threshold of FCFA 100 million;
- set up a Committee responsible for Opening and Evaluating the Bids (COEB) which composition is defined by the Public Procurement Code that shall proceed with awarding the contract; the COEB award proposals being subject to validation by the Administrative Structure in charge of Public Procurement for contracts above CFAF 300 million;
- and get any Public Procurement approved by the Board of Directors (BoD), since it is understood that the Board may delegate this authority to the CEO according to a level it sets by resolution.

Audits carried out by us on the basis of studies did not reveal any major abnormality to bring to your attention.

#### **II.6. Functioning of corporate bodies and internal control**

We carried out the evaluation of the government, corporate, control environment and internal control procedures within the Bank. Our main objective of our internal control review was to guide our audit work on the financial statements. It was not a thorough study of the organization, therefore it did not necessarily highlight all the weaknesses of the current organization.

However, our review highlighted areas for improvement that will be subject to a separate report of recommendations to the Bank management, in accordance with Article 8 of Circular N° 004-2011/CB/C on the conditions of exercise of the Statutory Auditorship with WAMU credit institutions.

#### Statutory Auditors

##### **Goodwill Audit & Consulting**

Abou-Bakar Ouattara  
Certified Public Accountant  
Partner

##### **Ernst & Young S.A.**

Jean-François Albrecht  
Certified Public Accountant  
Partner

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S.A. au capital de FCFA 12.000.000  
R.C.C.M. Abidjan 7118

Banque Nationale d'Investissement  
BNI  
01 BP 670  
Abidjan 01

Le 27 juin 2017

## Rapport des Commissaires aux Comptes

### Etats financiers annuels

Exercice clos le 31 décembre 2016

En exécution de la mission qui nous a été confiée par votre assemblée générale, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2016, sur :

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

### I. Audit des états financiers annuels

#### Opinion

Nous avons effectué l'audit des états financiers annuels ci-joints de la Banque Nationale d'Investissement, comprenant le bilan au 31 décembre 2016, le compte de résultat pour l'exercice clos à cette date, et les notes annexes.

A notre avis, les états financiers annuels de la BNI 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 éditées par le Plan Comptable Bancaire de l'UMOA.

#### Fondement de l'opinion

Nous avons effectué notre audit selon les normes internationales d'audit (ISA). Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités des Commissaires aux Comptes relatives à l'audit des comptes annuels » du présent rapport. Nous sommes indépendants de la Société conformément au Code d'éthique et de

déontologie des experts-comptables de Côte d'Ivoire et les règles d'indépendance qui encadrent le commissariat aux comptes et nous avons satisfait aux autres responsabilités éthiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

#### Observation sur les litiges en cours

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur le point décrit au paragraphe 17 des notes annexes aux états financiers annuels relatif aux provisions sur les litiges avec d'anciens employés de la Banque.

#### 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), des documents d'établissement de crédit relatifs aux ratios prudentiels et du projet de textes 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, à 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 vérification 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 2016

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 2016.

Le budget de la BNI pour l'exercice 2016 a été présenté, adopté par le Conseil d'Administration et approuvé le 29 janvier 2016 par le Ministre auprès du Premier Ministre chargé du budget et du portefeuille de l'Etat.

Au titre de l'exercice 2016, les écarts présentés dans le tableau ci-dessous ont été notés entre les prévisions définies dans le budget énoncé ci-dessus et les réalisations pour les principaux agrégats :

En millions de FCFA

Libellés	Budget	Réalisation 31/12/2016	Ecart budget- réalisé	Taux d'exécution du budget
Total Bilan	605.838	530.111	(75 727)	88%
Produit net bancaire	31.169	24 873	(6.296)	80%
Résultat brut d'exploitation	8.250	3 214	(5.036)	39%
Coût net du risque	(4.500)	(2 522)	1.978	56%
Résultat net	5.115	1 877	(3.238)	37%

### II.3 Vérifications spécifiques prévues par la réglementation bancaire

Nous avons également 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 :

Le ratio de couverture des immobilisations hors exploitation et des participations dans des sociétés immobilières s'établit à 20 % pour un maximum réglementaire de 15 %.

Conformément à l'article 45 de l'ordonnance n°2009-385 portant réglementation bancaire, nous vous informons que les encours de crédits accordés aux actionnaires détenant chacun directement ou indirectement 10 % au moins des droits de vote, aux personnes participant à la direction, à l'administration, à la gérance, au contrôle et au fonctionnement de la Banque ainsi que les entreprises privées dans lesquelles les personnes précitées exercent des fonctions de direction, d'administration ou de gérance ou détiennent plus du quart du capital social s'élèvent à FCFA 5.569 millions au 31 décembre 2016, hors concours accordés à l'Etat. Ces crédits représentent 20,11 % des fonds propres effectifs de la Banque à cette date contre 20 % prévu par le dispositif prudentiel.

La prise en compte du montant des concours accordés à l'Etat de Côte d'Ivoire dans le calcul de l'encours global, au titre de l'article 45 de la loi bancaire, entraîne un total encours de FCFA 57 914 millions, soit 209 % des fonds propres effectifs.

### 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 2016, 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 maximum précités.

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

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

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

- faire valider les dossiers d'appel d'offre par la direction générale du portefeuille de l'Etat (DGPE) avant leur publication dans les supports autorisés pour les marchés supérieurs au seuil de référence de FCFA 100 millions ;

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

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

#### II.6 Fonctionnement des organes sociaux et du contrôle interne

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

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

#### Les Commissaires aux Comptes

Goodwill Audit & Consulting

Ernst & Young, S.A.



Abou-Bakar Ouattara  
Expert-Comptable Diplômé  
Associé



Jean-François Albrecht  
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