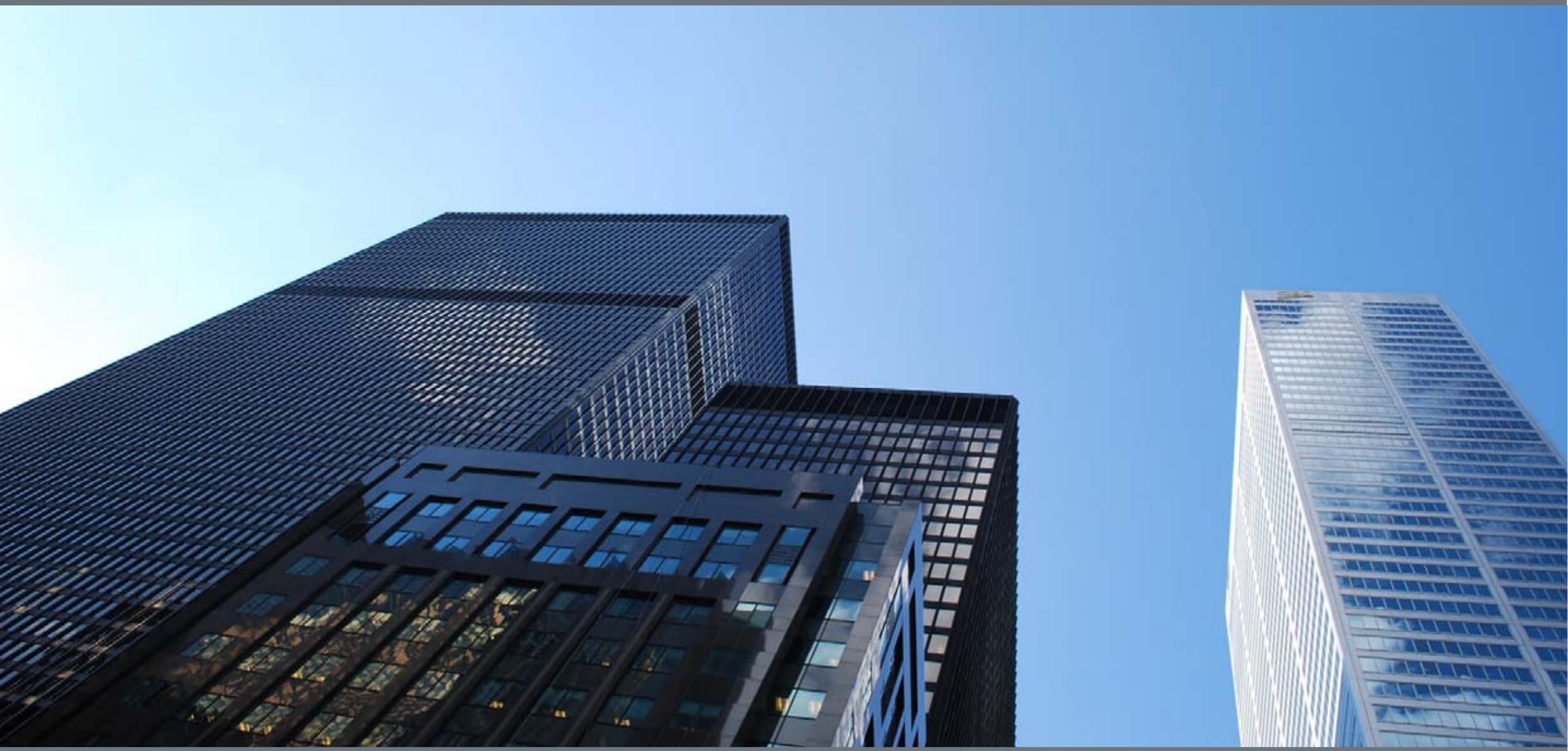
Company Update
February 26th, 2021



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In this report :

BANQUE OF AFRICA NIGER (BOA NIGER)

RECOMMENDATION: BUY

Investment Case

"BANK OF AFRICA NIGER (BOA- Niger) is a major reference in the banking sector created in 1994, with a long experience and supported by a growing Pan-African group. BOA is Niger's leading bank in terms of loans and the second in deposits. It is also the first in terms of network with more than 20 branches and an office in Niamey and 11 branches in the provinces.

For the upcoming years, we are estimating a slowdown in activity (loans to customers -0.93%) in 2020 but a growth in the years 2021 and 2022. Indeed, we project a 5.82% increase in Net Banking Income in 2020 and 3.82% increase in 2021 and 5.24% around the year 2022 with respectively XOF 24.81 billion in 2020, XOF 25.76 billion in 2021 and XOF 27.10 billion in 2022. On the other side, we project a 16.45% drop in Net result in 2020, but a 22.90% growth in 2021 and 6.77% in 2022. The decline observed in 2020 will be mainly link to the effects of the CORONA Pandemic and the deterioration in cost of risk linked to it. On the other side, the growth would be the result of the good performance of the company with the growth of Net Banking income in every coming year as well as hopefully the resumption of activities following the end of the pandemic.

Using the (DDM) method, the current price of BOA Niger (XOF 3 600) is considered as being underestimated because our target price using that method would be XOF 7 000 in 2020. On the other side, considering the other methods of valuation (P/B and Gordon growth) brought the number to XOF 4 500 in 2020. Consequently, we recommend a **BUY** as far as the years 2020 and 2021.

This recommendation is based on:

- The amount and interest of total loans to customers
- A controlled cost of risk
- The impact of the CORONA pandemic on the market
- A difficult economic and socio-political situation, which constrains the development of banking activities

Facing the competition, which is becoming more and more intense, the management of BOA-NIGER wants to be more active in the business segment as well as extend its ATM network and its branches. With a banking rate of 6.3%, for 156 counters and 186 ATMs, the Nigerien banking sector still has a bright future ahead, especially with efforts in the area of financial inclusion and the new orientation towards financing SMEs. It is more likely that the banking sector will face challenges relating to bringing Nigerien banks' Assets sheets into conformity with the requirements of the Basel II and Basel III measures adopted by the Central Bank of the States of West Africa (BCEAO) since 2018. Barring the occurrence of a major adverse event, results for the coming periods should be better with promising prospects in terms of loans, interest and profit for the company.

Banking Sector

BOAN - BRVM	February 5th, 2021
Closing Price (XOF)	3 600
Rating:	BUY
Target price (XOF)	4 500
Potential Upside:	25.00%
Beta	0.84
52-week range (XOF):	3 065-3 895
Market cap (XOF Mn):	46 800
Shares O/S:	13 000 000
Free Float:	41.94%
Avg. Daily Value (XOF 000):	6 452
Dividend (XOF):	462
Dividend yield:	12.83%

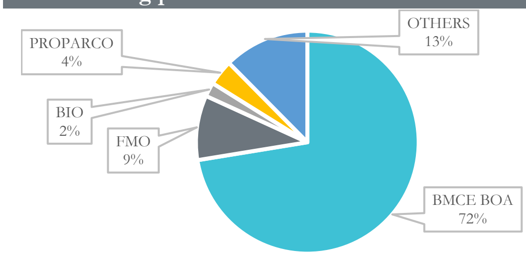
Key Financials

(XOF Mn)	2019A	2020E	2021E	2022E
Net Interest income	14 778	15 918	15 967	16 414
Net banking Income	23 448	24 812	25 760	27 109
Operating expenses	11 918	13 205	13 889	14 578
Net profit	8 503	7 104	8 731	9 322
EPS (XOF)	654	546	672	717
Growth	10.91%	-16.45%	22.90%	6.77%

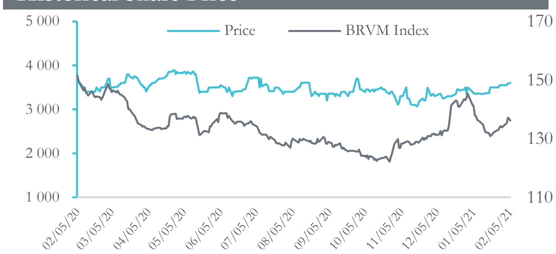
Valuation summary

	2019A	2020E	2021E	2022E
P/E (x):	5.50	6.59	5.36	5.02
P/B (x):	1.31	1.27	1.14	1.06
ROE (%):	24.81	19.53	22.36	21.85
ROA (%)	2.47	1.94	2.20	2.30

Shareholding pattern



Historical Share Price



Valuation summary (XOF mn)	Market Cap. (XOF m)	Per share (XOF)	Upside	Weight
Gordon Growth Model	51 900	4 000	11%	40%
DDM target	91 400	7 000	94%	20%
P/B target	48 100	3 700	3%	40%
Weighted average	**58 200**			
# of shares (m)	13			
Weighted average target value	**4 500**			
Current market price	3 600			
Upward (downward)	**25.00%**			
Expected dividend yield 2020	10.33%			
Total expected return	**35.33%**			

WACC calculation	
Beta	0.84
ERP	**4.00%**
RFR	5.95%
Cost of Equity	**9.31%**
WACC	**9.31%**

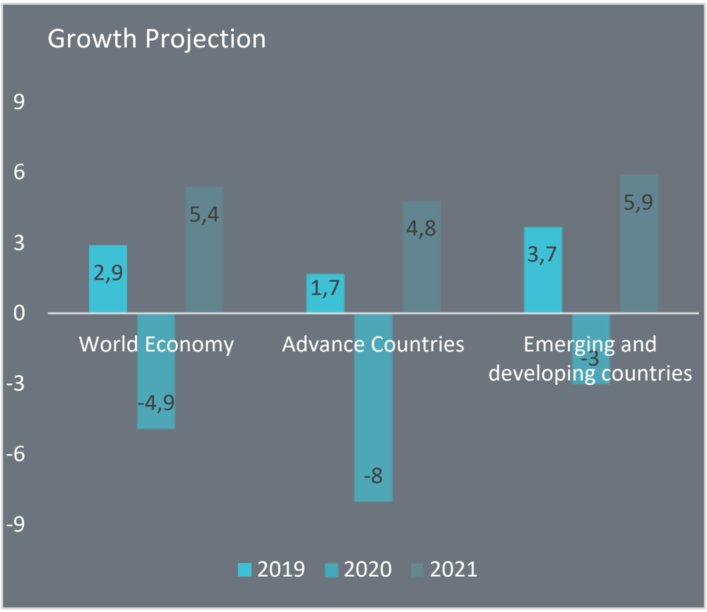
DDM (XOF mn)	2020e	2021e	2022e
Available capital :			
Shareholders equity	36 922	41 027	44 252
Less Dividends (if included in reported equity)	-6 006	-4 605	-6 097
Over/ Under capitalisation	-	17 587	19 529
Tangible equity	42 928	28 045	30 820
Capital needs :			
RWA (Basel II & III)	203 520	207 111	212 664
Equity as % RWA	*9.50%*	*10.38%*	*11.25%*
Capital requirement	19 334	21 498	23 924
Surplus capital	23 593	6 547	6 895
Cost of Equity	*9.31%*	*9.31%*	*9.31%*
PV Operational CF	21 584	27 063	32 342
Terminal value :			
Net Income	7 104	8 711	9 322
Future Value of Perpetuity	76 301	93 561	100 124
Presente Value of Perpetuity	69 802	78 302	76 658
DCF target market capitalization	**91 386**	**105 365**	**109 000**
Number of shares (m)	13	13	13
Fair value per share (XOF)	**7 000**	**8 100**	**8 400**

Multiple-based (XOF)	2020e
Gordon Growth	
Dividend per share	372
Expected yield	9.31%
Target market capitalization (bn)	51 922
Multiple-based valuation per share (XOF)	**4 000**
Target P/B	
Market peers	**1.31**
Book Value per share (BVPS)	2 840
Target market capitalization (bn)	48 100
Multiple-based valuation per share (XOF)	**3 700**

❖ THE WORLD ECONOMY IN THE ERA OF THE PANDEMIC

Global GDP is projected to contract 4.9 percent in 2020, 1.9 points more than forecast in the World Economic Outlook (WEO) in April 2020. The COVID-19 pandemic has had a larger than expected negative impact on activity in the first half of 2020, and the recovery is expected to be more gradual than expected. In 2021, global growth is expected to reach 5.4%. Overall, the GDP for 2021 should therefore be some 6.5 percentage points below the level envisaged by the projections established in January 2020, before the COVID-19 pandemic. The negative impact on low-income households is particularly severe, and could undermine the considerable progress that has been made in reducing extreme poverty in the world since the 1990s.

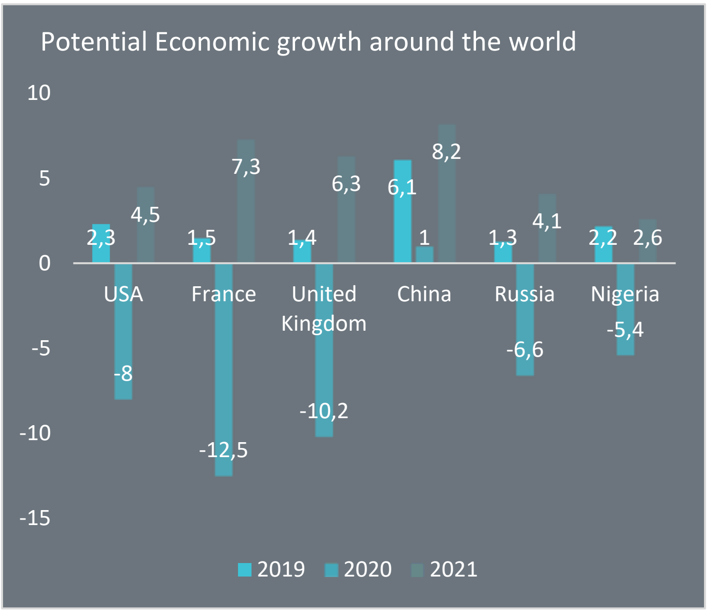
According to the IMF, the international community needs to support national initiatives much more, including providing financial assistance to countries with limited healthcare capacities and, as clinical trials progress, channeling funds for production of vaccines, so that sufficient doses are quickly available to all countries at an affordable price. Where containment measures are necessary, economic policy must continue to compensate for the loss of household income through measures that are both ambitious and targeted, as well as to support companies that are suffering the consequences of a drop in their income activity due to restrictions in force.



Countries facing health crises and external financing gaps are in dire need of liquidity, including through debt relief and recourse to the global financial security framework. Regardless of the pandemic, leaders must work together to resolve trade and technology tensions that could jeopardize recovery from the COVID-19 crisis.

Regional perspectives

- ✓ East Asia and the Pacific: Growth in the region is expected to rebound by 7.4% in 2021.



- ✓ Europe and Central Asia: The regional economy is expected to grow 3.3% this year.
- ✓ Latin America and the Caribbean: Regional economic activity is expected to gain 3.7% in 2021.
- ✓ Middle East and North Africa: Economic activity in the region is expected to rebound 2.1% in 2021.
- ✓ South Asia: The region's economic activity is expected to grow 3.3% in 2021.
- ✓ Sub-Saharan Africa: The region's economic activity is expected to grow at a rate of 2.7% in 2021.

For months, therefore, economic activity may be slowed down and incomes drastically reduced. According to the World Bank, the fall of the global economy in 2020 is expected to be slightly less severe than expected, mainly due to a smaller contraction in advanced economies and a stronger recovery in China. According to a pessimistic scenario of a continuous rise in contamination and a delay in the deployment of vaccines, the world economy could only regain 1.6% in 2021. Conversely, in the event of control of the pandemic and acceleration of vaccination, the growth rate could reach almost 5%.

The rebound that began in advanced economies ended in the third quarter of 2020, held back by the upsurge in infections, raising fears of a slow and difficult recovery. After a contraction estimated at 3.6% in 2020, the US GDP is expected to rebound to 3.5% in 2021. The euro zone is expected to post growth of 3.6% in 2021, after a decline of 7.4% in 2020 In Asia, activity is expected to grow 2.5% in 2021, after contracting 5.3% in 2020.

Like the serious crises of the past, this pandemic is expected to penalize global economic activity in the long term. Underinvestment, underemployment and labor force contraction in many advanced economies risk accentuating the expected slowdown in global growth over the next decade. Judging from experience, the world economy is set to enter a decade of disappointing performance - unless policymakers introduce comprehensive reforms to strengthen the levers essential for equitable and sustainable growth.

❖ Global banking sector

Financial stability, both globally and in individual countries, generates jobs and improves productivity. It provides the confidence people need to invest and save. A strong banking system and financial market ensure the efficient transfer of resources to their optimal use, help governments to raise investment capital and build a financial safety net, and contribute to rapid and secure execution of transactions between countries.

By ensuring access to financial systems, a country improves its general well-being as it enables its people to develop and better manage their needs, broaden their prospects and improve their standard of living. Financial inclusion, i.e. access to financial services, makes it easier for households to manage their consumption, payments and savings, better housing, health care and education, and small business and use insurance products to protect against possible shocks. Access to financial services also helps reduce inequalities as it lowers the importance of wealth and relationships. Financial markets play an increasingly essential role in financing various infrastructures (roads, power stations, schools, hospitals, housing, etc.) and risk management.

Here is a ranking of the 10 largest banks in the world in 2021, determined and ranked in order of their total assets.

Ranking	Company	Country	Total Assets (US $ B)
1	Industrial & Commerical Bank of China	China	4.4
2	China Construction Bank	China	3.3
3	Agricultural Bank of China	China	3.2
4	Bank of China	China	3
5	Mitsubishi UFJ Financial Group	Japan	2.81
6	JPMorgan Chase & Co	USA	2.62
7	HSBC Holdings PLC	UK	2,55
8	BNP Paribas	France	2.35
9	Bank of America	USA	2.33
10	Groupe Crédit Agricole	France	2.13

Source : Blogfinancefr.net

❖ Economy in the West Africa/ WAEMU zone

West Africa is a diverse region. It is made up of the member countries of UEMOA (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo) and eight other countries (Cape Verde, Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria and Sierra Leone). West Africa's population was estimated at 392 million people in 2019, of which more than half (201 million) live in Nigeria.

In Africa, real GDP growth is expected to remain relatively strong despite the uncertainty that continues to weigh on the global economy. Economic growth is expected to accelerate slightly in 2021 as demand strengthens, but may be held back by slower reforms. Given the rate of population growth, rising GDP per capita may not be sufficient to ensure rapid convergence with middle and high income countries, significantly reduce poverty and create enough jobs for a working population of more and more numerous.

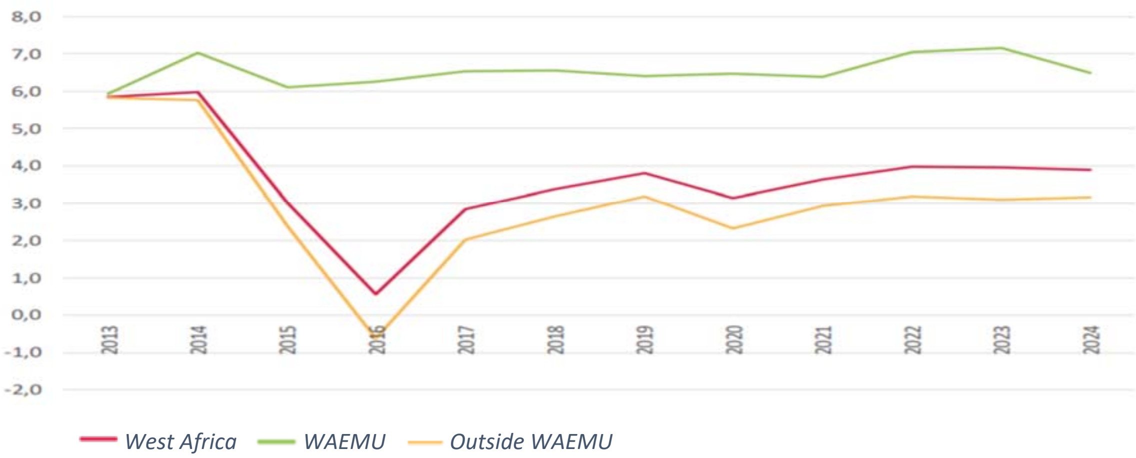
WAEMU's growth rate fell to 0.7% in 2020 from 5.8% achieved in 2019 while budget deficits more than doubled to 6.2% of GDP with inflation resuming to 2,3%. For 2021, the WAEMU commission estimated in December 2020 that the zone's growth would rebound to 5.9%. Indeed, over the period 2021-2024, the growth of private investment and the increase in agricultural productivity are expected to support economic activity in order to remain strong.

The main downside risks for the sub-region will be linked to the highly uncertain global economy due to the COVID 19 pandemic.

According to the Economic Conditions of UEMOA:

- Industrial production increased in Guinea Bissau, Mali and Senegal but fell in Togo. Trade turnover fell in Côte d'Ivoire, Senegal and increased in Guinea Bissau.
- The Union's foreign trade has been affected by the COVID-19 health crisis. In fact, exports of Union products increased by 7.7% compared to 2019. The increase in Union sales results mainly from the performances recorded in all the States except Guinea Bissau, Mali and Niger.
- Purchases of products outside the Union fell by 8.1% compared to 2019, in connection with the downturns recorded in all the Member States except Côte d'Ivoire (+6.2%) and Togo (+2.2%).
- In terms of public finances, the budget balance improved during the first quarter of 2020. At the same time, the money supply was generally on the rise despite the fall in net external assets and claims on other sectors.

Average real GDP growth (%)



Source : IMF

❖ Country Overview

The Republic of Niger, a country located in Sub-Saharan Africa, is bordered to the north by Algeria and Libya, to the east by Chad, to the south by Nigeria and Benin, to the west by Burkina Faso and north-west by Mali. By area, Niger is one of the largest countries in West Africa with 1 267 000 km2. It is also a continental and landlocked country, with no outlet to the sea. We note, moreover, that the Nigerien population lives mainly from agriculture, breeding, fishing and crafts.

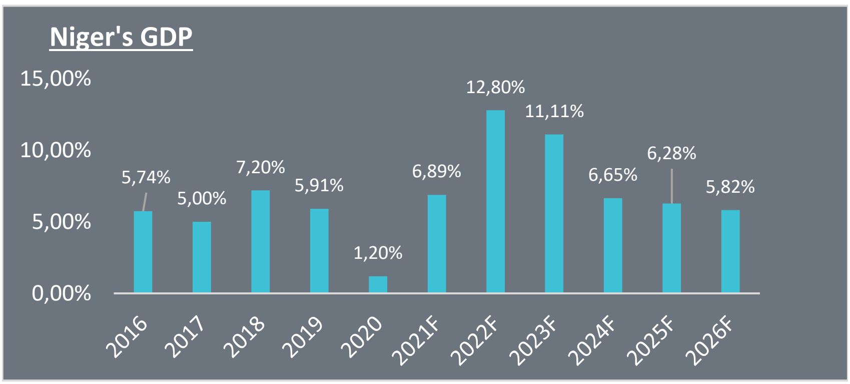
In recent years, the security situation has deteriorated, particularly in areas bordering Nigeria, Burkina Faso and Mali, where armed groups have established bases and perpetuate repeated attacks against security forces and civilians. To date, the government has declared a state of emergency in the Diffa, Tahoua and Tillabéri regions. In 2017, Germany, the African Development Bank, the World Bank, France, the European Union and the United Nations Development Program launched the Sahel Alliance in order to provide a coordinated and adapted response to the challenges met by G5 Sahel member countries (Burkina Faso, Mali, Mauritania, Niger and Chad).

Niger's economy is largely based on agricultural activities (40% of GDP) which are themselves mainly linked to rainfall. Since the early 1980s, Niger has been going through an economic crisis due in particular to a trend reversal in the uranium market, the main source of profits. The growth of gross domestic product (GDP), sustained, has been around 5% for several years (5.8% in 2019). Economic activity benefits from the dynamism of the construction and service (telecommunications) sectors, but growth is largely absorbed by strong demographic changes. Affected by the health crisis, economic growth should be around 1% in 2020, according to the IMF.

Niger is facing declining revenues from uranium and oil, the country's main resources. Its trade balance with Nigeria, the main agricultural outlet, was penalized by the devaluation of the Naïra and the closure of the border. Also, budgetary tensions are characterized both by the difficulty of collecting revenue and security-related needs in an unstable regional environment (Niger devotes 4.1% of its budget to military spending). Debt is increasing, from 36.2% of gross domestic product in 2014 to 53.8% in 2018.

Finaly, the country enjoys an extended credit facility from the International Monetary Fund and is ranked 132nd out of 190 on the World Bank's ease of doing business with. It should also be noted that Niger has a very high poverty rate of 41.4% in 2019, affecting more than 9.5 million people.

Niger: Growth rate of the real gross domestic product (GDP) from 2016 to 2026

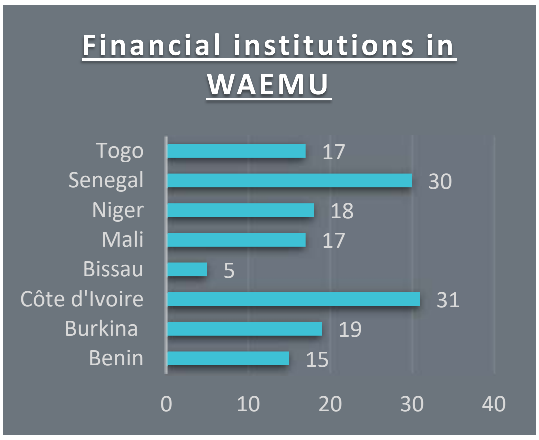


Source : statista.com

❖ Banking sector in WAEMU zone

Although West African banking systems are stronger and more stable, access to finance remains a challenge in this part of the continent. With the entry into force of the Basel III capital requirements, the banking sector of the West African Economic and Monetary Union (WAEMU) remains healthy and profitable. The strength and stability of these markets are also improving with the decline in non-performing loans and improved capital adequacy. However, access to finance is the most frequently cited constraint in more than half of West African countries, ahead of political instability and informal sector practices.

Micro, small and medium enterprises (MSMEs) are at the heart of West African economies. Yet these companies, in particular, are struggling to access finance, as banks consider lending to SMEs to be very risky and devote a significant portion of their investments to public assets.



The highest bank enrollment rate was observed in Togo (26.8%), followed by Mali (23.3%), Benin (22.5%) and the Côte d'Ivoire (21.6%) Niger, on the other hand, has a strict banking rate of 6.3% in 2019.

In terms of progression by country, the strict bank enrollment rate increased by 10.7 percentage points in Mali. This performance is mainly explained by the number of Xpress accounts opened with Ecobank (Mali, Côte d'Ivoire and Togo) follow with strict bank enrollment rates increasing by 4.4 percentage points and 2.5 percentage points respectively.

The increase in the strict bank enrollment rate in the WAEMU is mainly attributable to the 26.0% increase in the number of individuals holding accounts with banks during the period under review. Indeed, this figure stood at 11.6 million in 2018 against 9.28 million in 2017, increasing the rate of use of banking services to 17.0% in 2018 against 14.0% in 2017.

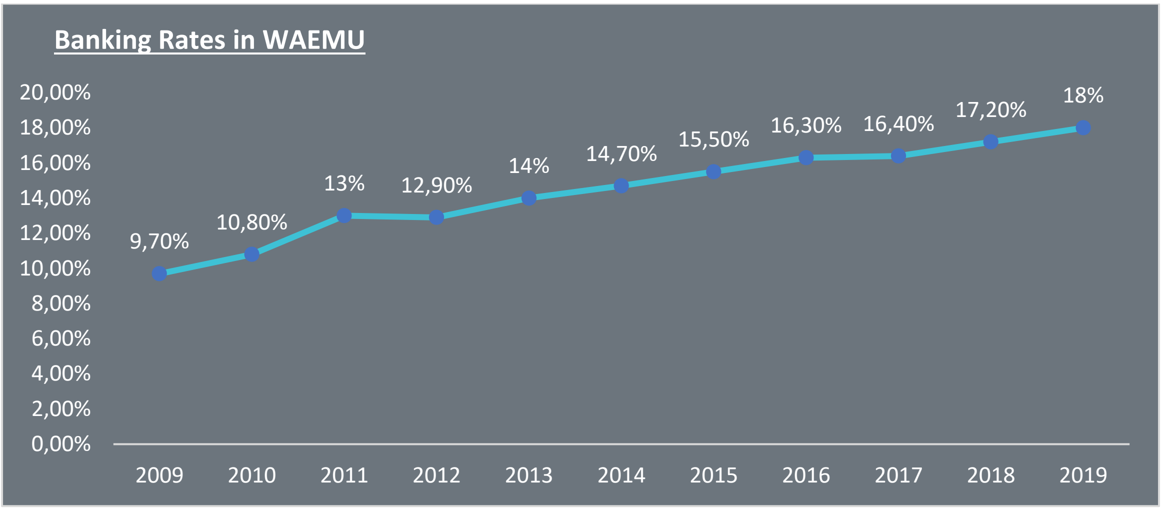
In its annual report on the situation of financial inclusion in the WAEMU published on November 3, the BCEAO (Central Bank of West African States) indicates that the overall rate of use of financial services has increased in all countries in the zone to stand at 60.1% in 2019.

The countries with the highest rates are Benin (77.8%), Côte d'Ivoire (77.9%), Togo (72.2%) Burkina Faso (70.9%) and Senegal (52.0%) for a regional average of 39.7%. Conversely, with 17.5%, Niger is by far the country with the lowest overall rate of use of financial services. The document indicates that this situation is explained by a strengthening of the contribution of electronic money to the use of financial services in the region. The rate of use of electronic money services thus climbed 5.4 percentage points to 39.6% in 2019.

It should be noted that in terms of banking, Togo posted the best performance in the union, last year as in 2019. The strict banking rate (TBS), which measures the percentage of the adult population with an account in banks, postal services, national savings banks and the Treasury, reached 25.1% placed ahead of Benin (24.8%), Burkina (23.2%) and Guinea-Bissau (20.3%) for a regional average of 18%.

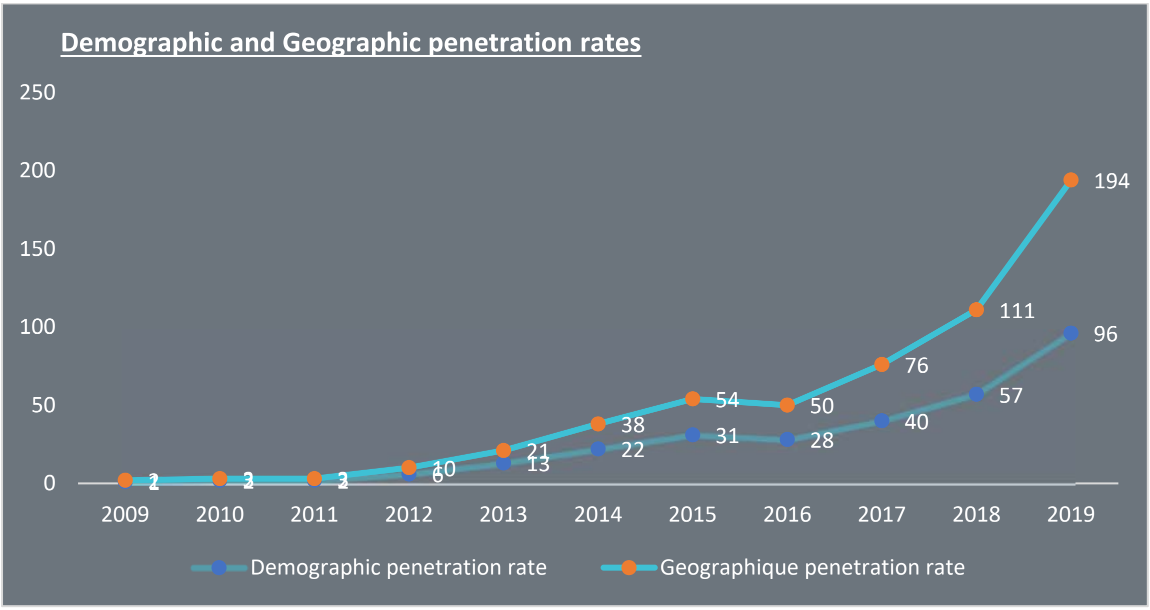
PS: Togo is only 3rd in terms of financial inclusion behind Benin (2nd) and Côte d'Ivoire (1st).

Evolution of strict banking rates in the WAEMU (in%)



Souce : BCEAO

Evolution of the overall demographic and geographic penetration rates of financial services in the WAEMU



Source : BCEAO

❖ Banking regulation

In recent years, the fragmented financial crises on the banking and financial market scales have placed banking supervision and regulation at the center of the challenges of the global economy, bringing about specific reforms. West African Monetary Union (WAMU), opening up to new instruments of banking governance on the market, in order to enhance the visibility and notoriety of credit institutions in the economic globalization policy. In this perspective, we are witnessing the introduction of a series of ambitious reforms in the sub-region in anticipation of the implementation of the regulatory framework resulting from Basel II and III. The implementation of these regulations is carried out by the Central Bank of West African States (BCEAO).

Indeed, in accordance with the standards in force, the region's banking sector will work to strengthen prudential ratios, consolidate control of the regional banking sector, increase transparency and modernize information systems. We therefore note that the vast majority of West African Monetary Union (WAMU) credit institutions complied in 2018 with the prudential standards put in place by the banking authorities, according to the report on the monitoring of this system established by the Banking Commission.

➢ Representation of minimum share capital by equity T1

Regarding capital standards, the Commission notes that the representation of the minimum share capital by T1 core capital which requires WAMU credit institutions to hold T1 core capital at all times at least equal to the minimum share capital of XOF 10 billion for banks and XOF 3 billion for financial institutions of a banking nature entered into force in 2018.

➢ Minimal Equity ratio on CET1

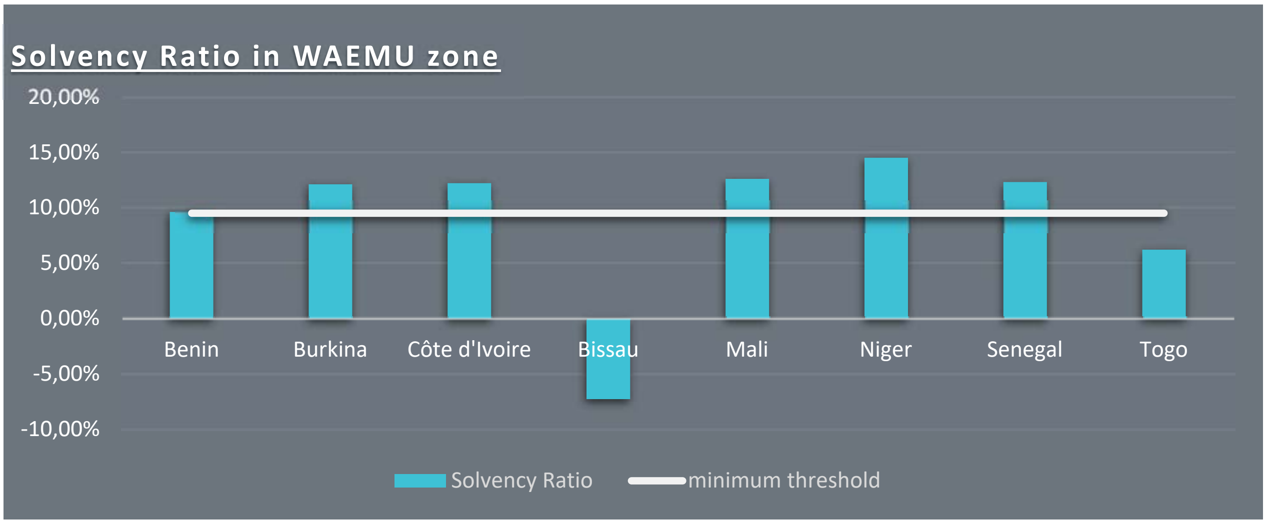
This ratio is the ratio between hard core capital and risk-weighted risks. The threshold regulatory is set, for the year 2018, at 5.625%. Hard core capital represents the better-quality capital that is stable enough to absorb losses and allow the continuity of operation of the establishment.

➢ T1 core Equity ratio

This standard, measured by CET1 core capital to which is added additional core capital or other T1 elements related to risk-weighted, is set, for 2018, at 6.625%, 7.25% in 2019 and 7.87% in 2020 .

➢ Total solvency ratio

The total solvency ratio, measured by the effective equity capital compared to the risk-weighted, is fixed, the total solvency ratio stood at 12.2%, above the minimum regulatory set at 9.50% for 2019 and 10.37% in 2020. As of December 31, 2018, the effective equity capital and risk-weighted amounted to XOF 2 565.9 billion and XOF 23 662 billion, respectively. Niger has the best level of solvency ratio in WAMU area.



➢ Other Prudential Standards

With regard to the other prudential standards, the Banking Commission made the same observation: more than the vast majority or even sometimes all of the credit institutions respected it. Thus 103 credit institutions, representing 87.7% of assets and 87.0% of risk-weighted, complied with the standard which limits the accumulation of loans to shareholders, managers and staff to 20% of equity workforce.

On the other hand, the reform program exposed bank liquidity to pressures, and this in an already extremely competitive market, pushing the banks to study new avenues of financing.

➢ Ratios

BOA Niger is carrying out the necessary convergence work of new prudential standards introduce by BCEAO, which the strengthening is gradual until 2022. Indeed, concerned about the soundness of the zone's banking system, the zone's monetary authorities have decided to update prudential standards that are more than 18 years old in order to calibrate the new risks linked to recent developments in the banking landscape.

Minimum Requirement	2018	2019	2020	2021F	2022F
MINIMUM CET1 RATIO	5.00%	5.00%	5.00%	5.00%	5.00%
CAPITAL CONSERVATION BUFFER	0.63%	1.25%	1.88%	2.50%	2.50%
MINIMAL CET1 RATIO with BUFFER	5.62%	6.25%	6.87%	7.50%	7.50%
MINIMUM RATIO T1	6.00%	6.00%	6.00%	6.00%	6.00%
MINIMAL RATIO T1 with BUFFER	6.62%	7.25%	7.87%	8.50%	8.50%
MINIMUM SOLVENCY RATIO	8.00%	8.25%	8.50%	8.75%	9.00%
MINIMUM SOLVENCY RATIO (FPE) with BUFFER	8.62%	9.50%	10.37%	11.25%	11.50%

Soucre: *Banking commission*

❖ Risks in Banking

➢ Loans

Controlling credit risk is at the heart of the banker's profession because it determines the profitability of the operations carried out. If the financial institution underestimates this risk, the amount loaned and the interest due will not be collected and will be entered as a loss. The assessment of credit risk requires a good knowledge of the client or the company, a good assessment of its project and the sector in which it operates. Credit risk can be reduced by taking guarantees (sureties or mortgages) but also by incorporating a margin in the interest rate whose value depends on the level of risk or by limiting its participation to the extent of part of the amount borrowed thanks to the establishment of a bank pool.

➢ Lots/ short of Liquidity

Bank excess liquidity and bank illiquidity are worrying situations for a country's monetary authorities. The first complicates the effectiveness of monetary policy and is often associated with a period of economic slowdown or crisis. The second raises fears of bank panics, which can lead to rushes on deposits, sometimes leading to banking crises. Indeed, the International Monetary Fund (IMF) estimates that the banking system is in excess liquidity. As a result, the IMF argues that unused liquidity could easily lead to capital outflows if the transmission of monetary policy is not strengthened.

➢ Operational risks

Those are the risk of losses due to inadequacy or failure of processes, personnel and information systems or external events. They include in particular:

- the risk of non-compliance (including legal and tax risks): risk of legal, administrative or disciplinary sanction or significant financial loss, which arises from non-compliance with provisions regulating the Group's activity;
- reputation risk: risk resulting from a negative perception on the part of customers, counterparties, shareholders, investors or regulators, which could adversely affect the Group's ability to maintain or initiate business relationships and continuity access to funding sources,
- The risk of misconduct: risk of damaging customers, markets, the Group itself, or the image and reputation of the banking sector in general, due to inappropriate conduct of improper activities or behaviors of its employees or the institution itself.

❖ Banking sector in Niger

In order to improve its financial and banking environment, the government adopted in the Council of Ministers the revised National Strategy for Inclusive Finance and its action plan. This document aims to allow populations excluded from the traditional banking system and those who are economically vulnerable, to access diversified, innovative, quality financial services at a lower cost. This is in order to substantially raise the country's banking rate, which is 6.3%, and that of decentralized financial systems, which oscillates around 10%. And thus, bring more substantial changes to the country's financial and banking environment.

Also, domestic loans and domestic deposit expanded. Access to finance is limited, with less than 5% of the population using financial products in one form or another. The banking rate in Niger is one of the lowest ratios at the regional level. Also, capital market activities are very limited in Niger. The freezing of a good number of mining projects and especially the slowness of investments in the field of the petroleum and extractive industry have seriously hampered the flight of the financial establishments of the country. Overall, the Nigerien banking market remains attractive.

On the other side, the government taxes are very important. Indeed, the administration's standoff with certain industrial companies which led Unilever, Orange Niger and Brasseries du Niger (BraNiger) to close their doors which has made the banking sector, one of the victims by exposing it to substantial financial risks. For the telecommunication company 'Orange' the exposure of Nigerien banks is estimated to XOF 37 billion, which volumes about the worrying nature that this situation has on the banking sector.

❖ Market share/competition

SONIBANK
SOCIETE NIGERIENNE DE BANQUE

SONIBANK was created in 1990 as part of a Nigerien-Tunisian partnership with the assistance of the Government. Today, it ranked first in the Nigerien banking market and presents a healthy financial situation with growing results from one year to another, as evidenced by its balance sheets and financial statements. With a network of agencies in the main cities of the country and correspondents around the world, SONIBANK has modernized its information system and supports its customers (economic operators and individuals) in making their investments. The bank has a workforce of 234 employees and its sales network consists of 10 Branches and 2 offices as well as 15 ATMs.

Ecobank
The Pan African Bank

Ecobank is the leading pan-African banking group, present in more African countries than any other bank. To date, the group is operational in 27 African countries, namely in all the countries of the UEMOA space. In most of these markets, the group is recognized as one of the leading banks providing a full range of services and products in the areas of large clientele banking, retail, services to small and medium-sized businesses, investment banking and electronic banking.

Banque Atlantique Niger (BANE) is a public limited company under Nigerian law and was created in April 2005. The bank started its activities in February 2006 with an initial share capital of XOF 1.5 billion. It is majority owned by Atlantic Financial Group, now Atlantic Business International. BANE has a head office in Niamey and fifteen (15) agencies spread over the entire national territory. It offers all the services and benefits of a classic commercial bank. The bank is also a subsidiary of the group The Banque Centrale Populaire Group is a mutualist and universal financial group which draws its strength from the singularity of its values of solidarity and mutuality marked in its organization and its unique functioning in Morocco. After the opening of a first branch of Banque Atlantique in Guinea Bissau, the Banque Centrale Populaire group has 16 entities present in 12 countries in sub-Saharan Africa and 13 other countries in the rest of the world. Today it is present throughout the UEMOA zone.

The Sahelo-Saharan Bank for Investment and Trade Group was born from the idea of creating a financial arm for the Community of Sahelo-Saharan States (CEN-SAD), which brings together twenty-six African countries. It is first and foremost an ever-growing network of subsidiaries, banking correspondents around the world, adapted products, cooperation with regional and international financial institutions, as well as organizations specializing in investment guarantees (BOAD, BAD , BID, FAGACE, GARI, FSA, etc). BSIC NIGER SA with a capital of XOF 11 billion opened its counters to the public in January 2004 and aims to contribute to the economic and social development of CEN-SAD member states through the financing of investment and trade in growth sectors.

Summary

14 banks and 4 structures excelling in microfinance are playing their part in Niger. In a market dominated by the major quarter, SONIBANK (leader), BOA Niger (BMCE Group), Ecobank and Banque Atlantique hold the upper hand. Since 2016, BOA Niger has distinguished itself from the classic hierarchy by dethroning the BIA, which held the cards of the country's first bank in Niger in terms of loans and 2nd in deposits just behind SONIBANK. BOA-Niger's 30 branches performed slightly better than the sector in the country. The market share of BOA niger in loans is 18%, which is slightly higher than the sector. The bank also recorded a slight increase in the weight of SMEs (15% of the portfolio in 2019 against 14% in 2018 and 12% in 2017) as part of the bank's balance sheet transformation. In terms of deposits, it has a 19% market share. SONIBANK and BOA Niger have shared more than XOF 600 billion in terms of deposits in October 2018 (i.e. 67% of market share) on a market of XOF 876 billion.

Next in line, the BSIC (Sahelo-Saharan Bank for Investment and Trade) which totals XOF 79 billion deposits with 9% of the market share ahead of the BIA (International Bank for Africa), the Islamic Bank of Niger, BAGRI (Banque Agricole du Niger) in 8th position with XOF 46 billion in deposits and 5% of market share and Orabank in 9th position with deposits of XOF 30 billion in 2018.

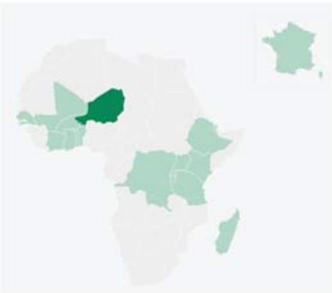
At the bottom of the scale are the CBAO which is a branch of the Moroccan Attijari Wafa Bank Group. The bank accumulated in 2018 deposits of XOF 9.91 billion.

❖ GROUP Overview

Created over 35 years ago in Mali, BANK OF AFRICA Group now has nearly 6 500 employees. Since 2010, the BANK OF AFRICA Group has been majority owned by BMCE Bank (Moroccan Foreign Trade Bank), the 3rd largest bank in Morocco. BMCE Bank provides powerful strategic and operational support to BANK OF AFRICA Group, as well as direct access to international markets thanks to its presence in Europe and Asia.

✓ Countries of presence

The BANK OF AFRICA Group is currently established in 18 countries, including 8 in West Africa (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Niger, Togo and Senegal), 8 in East Africa and in the Indian Ocean (Burundi, Djibouti, Ethiopia, Kenya, Madagascar, Uganda, Rwanda, Tanzania), in the Democratic Republic of Congo, as well as in France, through a network of 17 commercial banks, 1 holding company, 2 regional holding companies, 2 investment companies, 2 technical assistance subsidiaries, 2 processing and IT support companies, and 1 representative office in Addis Ababa. The group has 585 branches, more than 6 500 employees and a Net Banking Income of 542 million euros in 2019.



✓ PARTNERS

Acording to the management, all the financial partners of the BANK OF AFRICA Group, in their historical, capital or operational dimension, share characteristics such as a strong African anchoring and the same desire to work for a better future for African citizens.

BMCE BANK OF AFRICA

The benchmark shareholder of the BMCE BANK OF AFRICA Group, with 72.41% of BOA GROUP's capital as of December 31, 2019. BMCE BANK OF AFRICA is also a powerful ally, which is expressed through a multifaceted synergy: commercial support, Social and Environmental Responsibility, risk management, technical cooperation, operational collaboration, pooling of credit decisions, etc.

FMO

(Dutch Development Finance Corporation) is a Dutch public development institution, which finances companies and projects in emerging countries. It is a long-standing partner of the BANK OF AFRICA Group, which has helped it in its capital structure and supported its growth.

PROPARCO

(Promotion et Participation pour la Coopération économique) is a French financial institution dedicated to financing and supporting businesses and financial institutions in developing countries. This institution is also a long-time shareholder of the Group and has supported it in its expansion, strengthening its visibility and credibility.

BIO

(Belgian Investment Company for Developing Countries) is also a Belgian institution which invests directly and indirectly in SMEs in developing countries and thus makes a structural contribution to the socio-economic growth of host countries. This has supported the Group for many years, particularly in countries where Belgian cooperation is heavily involved, such as Burundi or the DRC.

Finally, the BANK OF AFRICA Group has a strong presence alongside public and private institutions in the countries where it is established, considering its contribution to economic growth and to citizens' banking access as one of its priority obligations.

❖ Company overview

BANK OF AFRICA NIGER (BOA-NIGER) is the result of a takeover of the activities of NIGERIA INTERNATIONAL BANK (NIB, a bank affiliated to CITIBANK) by the BANK OF AFRICA Group. Opened to the public in April 1994 as a Limited Company with a Board of Directors, it currently holds a capital of XOF 13 billion.

BOA-NIGER was listed on the Regional Stock Exchange (BRVM) in December 2003 and is to date the only Nigerien bank listed on the stock market.

As of December 31, 2019, the Bank posted a total balance sheet of nearly XOF 344 billion, a total customer deposit of XOF 196.2 billion, more than 213 accounts, nearly 266 employees, spread over a network of 31 branches including 18 branches, 1 Business Center and 1 local office in Niamey (the capital) and 11 branches in the rest of the country.

Like the 16 other banks of the BOA Group, BOA-NIGER is a universal commercial bank operating in the Retail, Corporate and financial markets which provide its customers with the expertise of a powerful and structured group.

The company offers a varied range of products, intended to cover as widely as possible the demand of its customers, both Individuals and Businesses, and in particular loans suitable for all events, an electronic payment offer both private and international and e-banking services.

Economic

BOA-NIGER has contributed greatly to the financing of the national economy. It has notably played a leading role in the financing of industrial equipment in essential sectors such as telecommunications, power generation and mining.

Environmental

The challenges of sustainable development and more particularly the environmental risk are integrated in any analysis of credit files that BOA-NIGER does. This approach, familiar to large companies, is not necessarily for medium and small ones, which makes the task both difficult and educational, while being innovative.

Social and Societal

As a citizen bank, BOA-NIGER sponsors various sports disciplines every year: traditional wrestling, an important element of Niger's cultural heritage; football, a passion shared by all the youth of Africa and the world; athletics, a symbol of self-effort; tennis and golf, more elite sports but which attract a high number of decision-makers and business leaders.

In the medical field

BOA-NIGER made its contribution to the fight against child malnutrition through the second grant awarded as part of the West African Regional Development Fair, for the benefit of an orchard project of spirulina initiated by a Nigerien scientist. In addition, in 2007 BOA-NIGER decided to join the BANK OF AFRICA Foundation (BOA Foundation) and the creation of a local office of this Foundation, which will propose actions that can be carried out in these different settings in Niger, in the areas covered by the Foundation.

❖ Activity Summary

➢ Mobile banking

Now BANK OF AFRICA-Niger allows its customers to follow their operations on their accounts and their cards and to carry out transfer operations via a MyBOA mobile application. MyBOA is BANK OF AFRICA's new ergonomic and secure remote banking service available via a mobile application. Through their Android and iOS smartphones and tablets, customers could benefit from a variety of 24/7 banking services without having to travel to send money through your phone.

➢ Bank account

Designed to meet the specific needs of all clients, BOA Niger accounts are available in several versions. To also allow its clients to make their projects a reality and prepare for their future, BOA-Niger Savings products offer simple and concrete solutions. We therefore note the availability of a Check account, Small employee check account, Current account, Currency account, Elite account, Savings account and Term deposit account.

➢ Loans

BOA Niger supports its customers whatever their loan need. Indeed, the company offers loans ranging from home loans to loans for the preparation of religious holidays and school loans as well as payday advances, daily consumer loans and investment loans as well.

➢ Insurance

Often associated with a product, BOA-Niger insurances are also available individually, to better protect its clients. As an example, we note the Auto insurance "Zen", "Death and invalidity insurance" as well as the job loss insurance ...

Finally, it should also be noted that BOA Niger offers a whole range of offers suitable for companies of all sizes and in all sectors. Wide choice of products and services for large companies, SMEs / SMIs, associations, institutions and the liberal professions, particularly in: Investments Guarantees and Guarantees Financing (advances, credits, discounts, overdrafts ...) " international (documentary credit, currency bills, letter of guarantee ...), Investments (term deposits, cash voucher, currency account etc ...)

❖ Strategy

BOA-NIGER offers a rich and varied range of products, intended to cover as widely as possible the demand of its customers, both Individuals and Companies, and in particular:

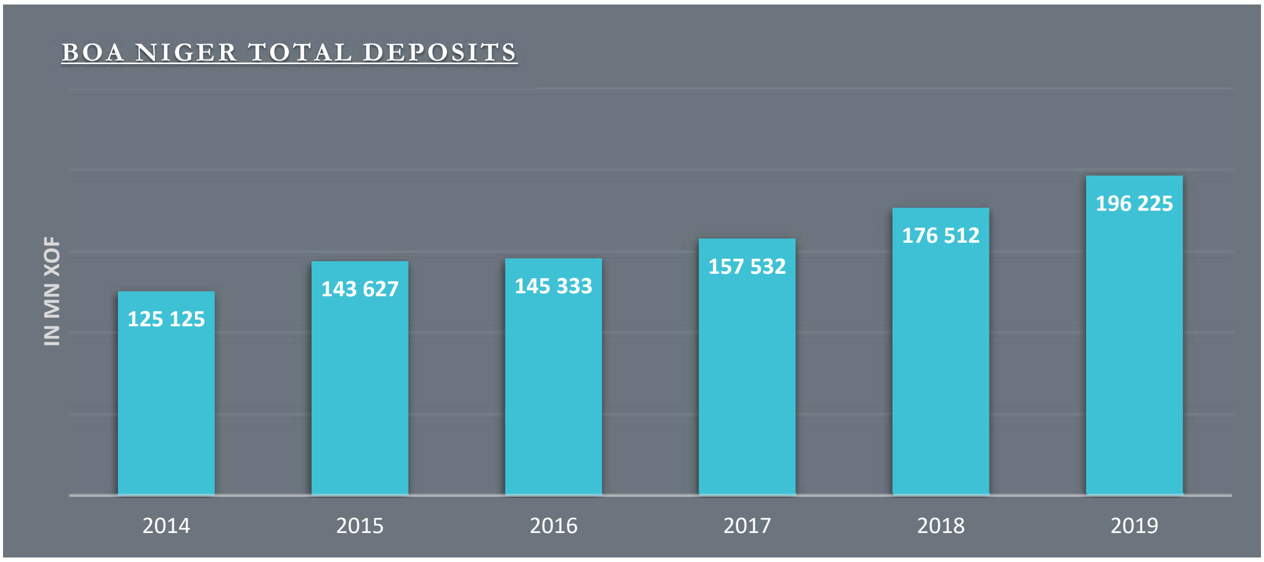
- ➢ Online Banking: The company continues to focus these investments on remote banking and mobile banking services. In addition, it plans to develop financial technologies with the main objective of facilitating mobile payments, wire transfers and back office activities.

- ➢ Expension: Over the next few months, the bank is planning an expansion to increase its customer portfolio and increase its deposit level.

- ➢ Loan: The bank would be in the optics to expand its loan portfolio and seems to be interested in the primary and secondary sectors in order to increase their loan / deposit ratio.

❖ Financial Analysis 2016-2019

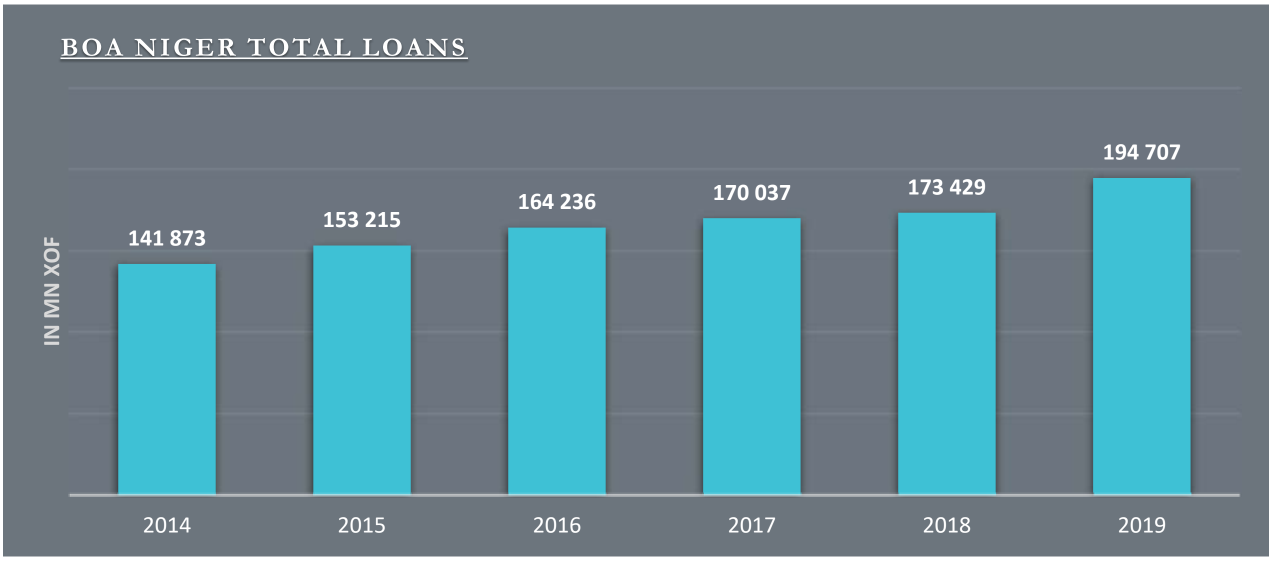
➢ Deposit



Source: annual reports

We note a remarkable growth in deposits at 9.42% per year between 2014 (XOF 125.12 billion) and 2019 (XOF 196.23 billion). This increase is linked to the increase in checking accounts and savings accounts as well as a very good performance of corporate deposits mainly on the large business market. Then, we note an increase in the deposits of the professional and private client while a pretty much stable rate of the ordinary deposits from the public sector and that of the government.

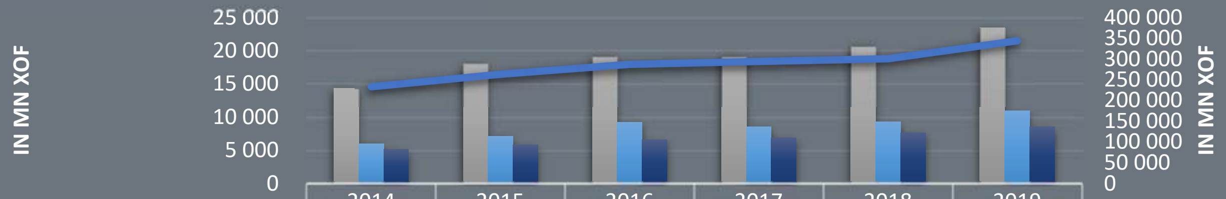
➢ Loans



Source: annual reports

The economic growth experienced in Niger continues to attract many investors. Despite the competitors' aggressiveness, the bank continues to have positive results over the years. Indeed, the growth of credit to customers increases by 6.54% per year going from XOF 141.87 billion in 2014 to XOF 194.71 billion in 2019. This growth is justified by an increase in loans in all sectors notably companies and professionals, individuals, and administrator and public sector. It has also been possible thanks to the increase in advertising campaigns on loans and the increase in mortgage loans which continues to experience significant growth.

BOA NIGER FINANCIAL KEYS



	2014	2015	2016	2017	2018	2019
Net Operating Income	14 347	18 053	19 087	19 086	20 630	23 447
Operating Expenses	5 997	7 104	9 237	8 563	9 246	10 914
Net Income	5 096	5 795	6 600	6 891	7 666	8 502
Total Assets	233 126	262 943	286 739	293 625	300 491	343 901

Net Operating Income Operating Expenses Net Income Total Assets

From 2014 to 2019, the economic and financial activity of BANK OF AFRICA (BOA) Niger posted a positive direction, with most of its fundamentals improving, thus confirming the constant pursuit of its development.

Indeed, BOA NIGER closed its financial years over this period with a favorable evolution of its main indicators, both in terms of activity, structure and result. These results are part of a macroeconomic context marked by growth in Gross Domestic Product (GDP) of 6.3% in the country, driven in particular by good agricultural production and investments in structuring projects.

Driven by both the 17.8% increase in banking margin and that of commissions and other banking income which was mainly driven by structured finance activities and service commissions (account management, electronic banking, international trade). Net Banking Income stood at XOF 23.4 billion, increasing by 10.32% per year since to 2014 (XOF 14.34 billion).

Due to the development of the activity in line with the revaluation of the salary index and the impact of the 2019 tax reforms, the general operating expenses of the bank increased by 12.7% between 2014 and 2019, amounting to XOF 10.91 billion in 2019 compared to XOF 5.99 billion in 2014. As a result, the cost to income ratio stood at 50.8% in 2019, 49.7% in 2018 and 44.88% in 2014.

Finally, the net result increased at an annual rate of 10.78 % to XOF 8.50 billion in 2019 compared to XOF 5.09 billion in 2014 allowing BOA NIGER to post an improving Return on Equity (ROE) of 24.8% in 2019. The solvency ratio, the main indicator of the Bank's financial soundness, remains at a level reassuring and comfortable: 13.9% along with a cost of risk under control. The rate of stable non-performing loans is 9.97% and a national coverage rate greater than 26.22%.

The bank's total Assets stood at XOF 343.90 billion compared to XOF 233.13 billion in 2014, an increase of 8.09% per year. These performances are the results of the relevance of the strategic orientations (marketing) of the Board of Directors. It should also be noted that the cost of risk of the bank grew slightly by 98.3%, going from XOF 627 million in 2018 to XOF 1.24 billion in 2019.

The company was the first Nigerien bank in terms of loans, second in terms of deposits, recorded a strong increase in the bank margin but a rather moderate increase in the commission.

- Investment

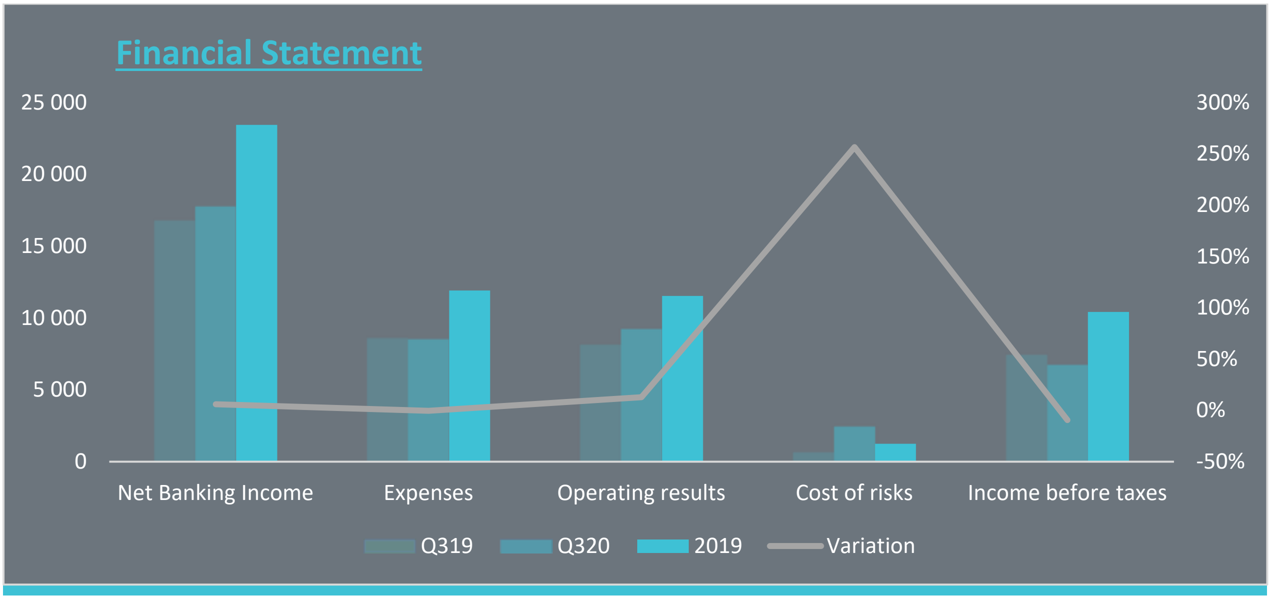
Bassary Touré, Vice-President of the West African Development Bank (BOAD) and the Managing Director of BANK OF AFRICA - NIGER, Sébastien Toni, signed on May 2019 an agreement through which the regional institution provides a refinancing line of XOF 10 billion available to our Nigerien subsidiary. This initiative, intended for Micro, Small and Medium Enterprises (MSMEs), is part of the 3rd edition of a program initiated by BOAD and its German partner KfW, aimed at supporting UEMOA companies by financing their investments.

➢ OUTLOOK

For 2020, BOA NIGER intends to pursue the execution of their strategic plan which is to continue the transformation and deployment of their digitalization strategy and by implementing their various plans aimed at creating more value for all of their partners and this despite the context of health crisis linked to COVID-19. In fact, the bank's management has so far not closed down operating sites or resorted to staff activity shutdowns. The Bank of Africa Group in general "does not deplore the significant impact due to the Covid 19 crisis." The information was given on May 2020, during the press conference, two days after the presentation of the results at the 31 December 2019 of the six subsidiaries of Bank Of Africa (BOA) listed on the Regional Stock Exchange (Brvm).

Another highlight is the signing of a partnership memorandum of understanding with WEMA BANK, a Nigerien bank, for a commercial collaboration, the objective of which is to capture the flows between Niger and the countries where the Group operates.

❖ RECENT RESULTS EVOLUTION



The Net banking income increased by 5.95% to XOF 17.81 billion against XOF 16.810 billion in the third quarter of 2019.

During this period, the bank slightly reduced its operating expenses by 0.57% with an achievement of XOF 8.57 billion against XOF 8.62 billion as of September 30, 2019 which had a positive impact on the cost to income ratio which went from 51.25% in the third quarter of 2019 to 48.10% a year after.

Gross operating income improved by 12.80% to XOF 9.243 billion against XOF 8.194 billion at the end of September 2019.

On the other hand, the bank's cost of risk increased sharply by XOF 1.79 billion, from XOF 698.61 million as of September 30, 2019 to XOF 2.49 billion a year later. BOA Niger officials justify this situation by the deterioration of the portfolio in a context of the Covid-19 health crisis.

As a result of this deterioration in the cost of risk, the pre-tax profit fell by 9.45% to XOF 6.79 billion against XOF 7.49 billion as of September 30, 2019.

Consequently, the net income of BOA Niger, fell by 3.06% in the third quarter of 2020 compared to the same period of 2019. This result fell to XOF 6.25 billion as of September 30th 2019 vs XOF 6.06 billion as of September 30th 2020, i.e. a contraction of XOF 191.23 million.

❖ SWOT Analysis

STRENGTHS

- Subsidiary of the large group Bank of Africa (BMCE)
- Leader in the banking sector in Niger
- Brand recognition and awareness

WEAKNESSES

- Low level of interbank lending
- Low presence in mortgage activity

OPPORTUNITIES

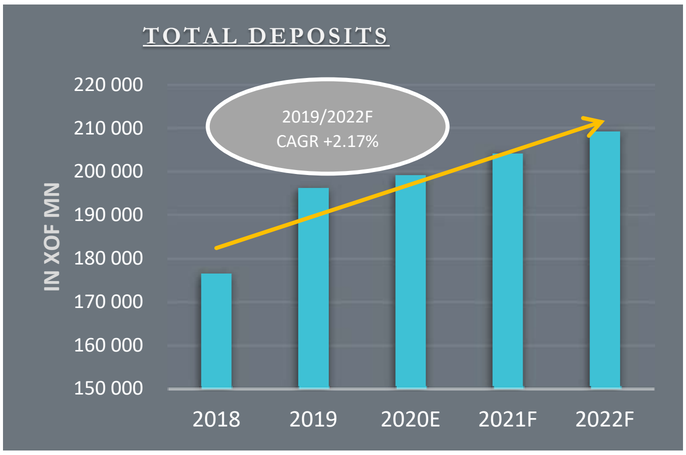
- Very regulated sector
- Low banking penetration
- Growth in investment in the country

THREATS

- The rise of mobile Money
- The Bank exposed to strong competition in the banking sector
- The COVID-19 pandemic

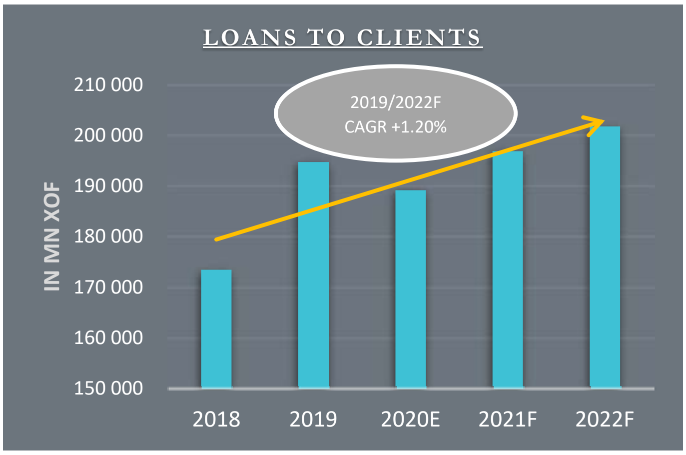
❖ FORECAST Assumption (2020-2022)

➢ Evolution of deposits



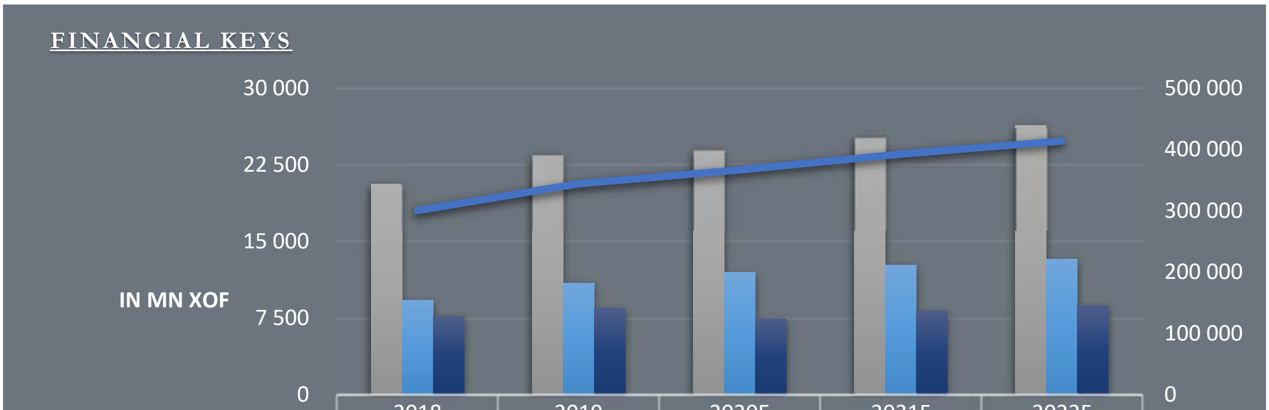
The company's deposits are expected to reach in 2020 XOF 199.17 billion (+1.5% as compared to 2019) to support the increase in loans and thanks to a potential slight progression in a growth of saving accounts (+9%) in the 2nd semester of the year as well as +2.5% in 2021 and 2022 to bring the number to XOF 204.15 billion in 2021 and XOF 209.25 in 2022. This growth will be in line with our estimated growth for the industry along with the positive impact of a growing banking rate in Niger combined to the impact of COVID-19 outbreak.

➢ Evolution of credits



In comparison, Net loans granted to customers (mainly to the trade, transport and community services sectors) are expected to decrease in 2020 by 0.93% and reach XOF 192.88 billion compared to XOF 194.71 billion in 2019 and expected to grow in the years 2021 and 2022 by 2.05% and 2.50% respectively reaching XOF 196.85 billion in 2021 and XOF 201.77 billion in 2021. The decrease expected in 2020 would be directly linked to the impact of COVID 19 on the economic sector. On the other side, the increase expected in 2021 and 2022 would be linked to a slight increase in the weight of SMEs account (15% of the portfolio in 2019 vs. 14% in 2018 and 12% in 2017) as part of the bank's Asset.

➢ FINANCIAL KEYS



	2018	2019	2020E	2021F	2022F
Net Operating Income	20630	23447	23 912	25 142	26 342
Operating Expenses	9246	10914	12 001	12 670	13 289
Net Income	7666	8502	7 457	8 235	8 737
Total Assets	300491	343901	366 230	392 243	413 820

Net banking income is expected to get a little higher by 5.82% in 2020 at XOF 24.81 billion, 3.82% in 2021 at XOF 25.76 billion and 5.24% in 2021 at XOF 27.10 billion. All of that will only be possible thanks to the increase in the net interest income combined with a maintained amount of interest charges occurring every year. In addition, we should also notice a 13% increase in net commissions every year to XOF 5.57 billion in 2020, XOF 6.22 billion in 2021 and finally XOF 6.88 billion in 2022 compared to XOF 4.93 billion in 2019 which is a good driver of the positive outcome of the Net Banking income. Another reason would be a more stable economic environment and due to the expected sharp increase in loans granted to customers who will earn interest. All this would be linked to the resumption of credit activities in several sectors (real estate, Petroleum, food, agro-industry, etc.) as part of the development in the country.

The cost of risk, for its part, is expected at 0.3% of outstanding loans for the years to come with an improved coverage rate of 88%, thanks to collection mechanisms, except in 2020, where we would note an increase linked to the COVID-19 pandemic crisis.

- Net profit

In our estimation, the net profit would decrease by 16.45% in 2020. On the other side, we hope for an increase in net income in the years 2021 (+22.62%) and 2022 (+7.02%) to respectively XOF 8.71 billion and XOF 9.32 billion following an increase in interest income (+0.31% in 2021 and +2.80% in 2022) added to a good control of expenses.

Indeed, this regression of more than 16.45% to XOF 7.10 billion in 2020 would be linked to the increase (+10,8%) in general operating expenses as well as the increase in the cost of risk of 128.37% the same year due to COVID 19 pandemic as well as the increase in charges related to term deposits (DAT).

We should also note that difficult access to finance hinders economic activity and affects its dynamism. The average interest rate in Niger remains high compared to other WAEMU countries. With an interest differential of 2.2%, credit is more expensive for small and medium-sized enterprises (SMEs) than for large one

Valuation Analysis

We recommend a **Buy** on BOA Niger Stock with a 12-month target price of **XOF 4 500** based on aggregate of three methods. We value the company on relative multiples among our international peers in banking sector, our relative Price to Book (P/B) multiples of **1.31**x. In addition to relative multiple valuation method, we have also used the DD method as we anticipate positive cashflows over the forecast period and the Gordon Growth Model. We have found the most relevant method to be for this company would be the Gordon Growth Model and the Price to book as investors are really interested on the important amount that the company disburse over the years. In our view, Boa Niger's shares are currently undervalued as our average value using all the methods is **25.00%** higher than the actual price.

Price to Book valuation

In line with international trading comparable, we apply a 1.31x multiple to our FY20E P/B for BOA Niger to reach a fair value of **XOF 3 700** based on this method.

P/B model (Avg. peers 1.31x)	2020E
BVPS (XOF)	2 867
Shareholder value per share (XOF)	3 700

Gordon Growth Model

The estimated dividend per share for 2020 is XOF 372. Since we expect dividend yield to be at 9.31% of the market stock price, we are able to determine a price of **XOF 4 000** at the end of 2020.

Gordon Growth Model (GGM)	2020e
DPS	372
Market yield expected	9.31%
Growth rate	0.0%
Shareholder value per share (XOF)	**4 000**

Dividend Discount Model valuation

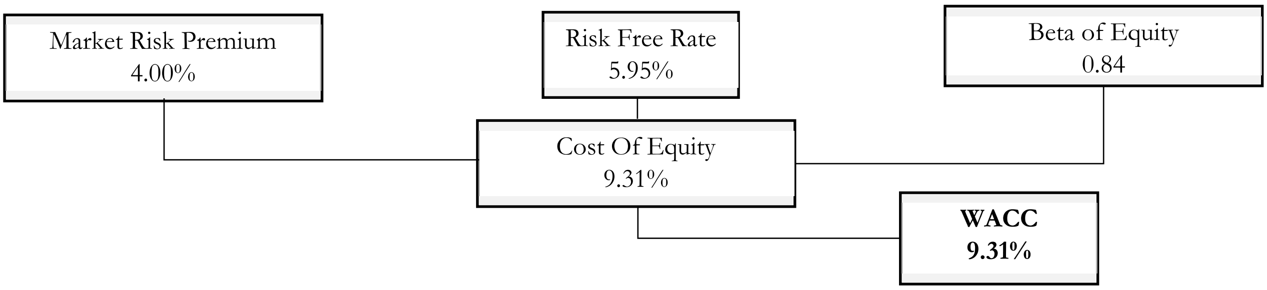
Based on our growth assumptions, our DCF valuation summary indicates a value per share of **XOF 7 000 in 2020**.

Since our DCF method considers a three – year forecast period, there are of course certain risks and uncertainties related to such forecast. We have therefore also included a sensitivity analysis of the main input parameters to examine how variances in those parameters would affect and alter the DDM value.

Our DDM valuation can be summarized as follow:

DDM model	2020e	2021e	2022e
PV of Cashflows (XOF mn)	91 386	105 365	109 000
Shares outstanding	13 000 000	13 000 000	13 000 000
Shareholder value per share (XOF)	**7 000**	**8 100**	**8 400**

WACC Inputs and Outputs



Target Price

We have looked at various valuation matrices to assess a fair value and set a target price for BOA Niger. Our valuation analysis includes the price to book multiples and Gordon Growth Model based on an international peer group providing Financial services and DDM method with a sensitivity analysis on main parameters.

Valuations methods	Weight Factors	2020E
DDM model	20%	7 000
P/B model	40%	3 700
GGM model	40%	4 000
Shareholder value per share (XOF)	**100%**	4 500

Therefore, BOA Niger stock is expected to trade between **XOF 3 700** and **XOF 7 000** based on anticipated 2020 results. Our target price of **XOF 4 500** is a potential upside of **25.00%** from the current share price of XOF 3 600.

Peer Group

Table below is a list of comparable publicly listed international companies operating in Banking. This provide a benchmark according to which BOA Niger could be valued. We found the averages P/B of 1.23x and Dividend yield of 9.43%. We further give a brief description of each of the companies in our peer group.

Companies	Ticker	Country	Market Cap. (mn XOF)	P/E multiple	ROE	Div.yield	P/B	Loan Growth	Cost to Income	Clos. Price as of 5th February*
BOA BENIN	BOAB	Benin	79 094	4.88x	17.48%	12.50%	0.85x	3.10%	54.82%	3 900
BOA BURKINA FASO	BOABF	Burkina Faso	83 600	4.5x	24.32%	11.11%	1.1x	2.85%	45.25%	3800
BOA COTE D'IVOIRE	BOAC	Côte d'Ivoire	68 400	5.56x	27.08%	10.54%	1.5x	6.34%	55.18%	3420
BOA NIGER	BOAN	Niger	46 800	5.20x	24.81%	12.83%	1.23x	12.27%	50.83%	3 600
BOA MALI	BOAM	Mali	22 943	na	ns	ns	0.68x	2.91%	71.37%	1485
BOA SENEGAL	BOAS	Senegal	35 880	4.07x	21.11%	11.50%	0.86x	10.69%	58.92%	1 495
ECOBANK CI	ECOC	Côte d'Ivoire	186 622	6.95x	21.12%	12.25%	1.47x	-12.48%	52.83%	3 390
CORIS BANK	CBIBF	Burkina Faso	246 400	9.24x	19.64%	5.68%	1.82x	4.00%	38.13%	7 700
NSIA BANQUE CI	NSBC	Côte d'Ivoire	108 832	5.79x	14.01%	2.54%	0.81x	9.96%	68.35%	4 400
SGCI	SGBC	Côte d'Ivoire	248 889	4.58x	26.53%	4.05%	1.09x	22.34%	88.02%	8 000
SIB	SIBC	Côte d'Ivoire	130 500	5.03x	27.21%	11.25%	1.37x	9.47%	45.42%	2 610
Weighted average				**5.58x**	**22.22%**	**9.43%**	**1.23x**	**6.50%**	**57.19%**	

** Prices are based on local currencies.*

- **BANK OF AFRICA Group**

(BOA Group) is now established in 18 countries, including 8 in West Africa with the BRVM joining: (BOA-BENIN (2000), BOA-NIGER (2003), BOA- CÔTE D'IVOIRE and BOA-BURKINA FASO (2010), BOA-SENEGAL (2014) and BOA-MALI (2016)) through a network of 17 commercial banks, 1 holding company, 2 regional holding companies, 2 investment companies, 2 technical assistance subsidiaries, 2 processing and IT support companies, and 1 representative office in Addis Ababa. Since 2010, the BANK OF AFRICA Group has been majority owned by BMCE Bank (Moroccan Foreign Trade Bank), the 3rd largest bank in Morocco. BMCE Bank provides powerful strategic and operational support to the BANK OF AFRICA Group, as well as direct access to international markets thanks to its presence in Europe and Asia.

- **ECOBANK group**

Ecobank is today the leading pan-African bank, present in 33 countries of the continent. It is established in more African countries than any other bank. Ecobank is, to date, operational in countries of West, East, Central and Southern Africa and the Bank also has a subsidiary in Paris and representative offices in Dubai, Johannesburg, London, Luanda and Beijing.

- **CORIS BANK**

Founded in 2008, after the takeover by the family business (Établissement Nassa) of the assets of Financière du Burkina, Coris Bank International is experiencing great expansion. First in its local market, it became on June 30, 2016, the first bank in Burkina Faso, with XOF 713 billion in balance sheet total, ahead of the subsidiary of Moroccan BMCE, Bank of Africa (XOF 673 billion), and the pan-African Ecobank (668 billion).

- **NSIA BANQUE CI**

NSIA adventure began in 1995 with the creation in Côte d'Ivoire of a non-life insurance company. In 1996, NSIA made its first acquisitions by buying the Life and Non-Life subsidiaries of Assurances Généraux de France (AGF), in the Ivory Coast (AGCI Vie and AGCI IARD). From then on, gradually, by organic and external growth, the NSIA Group was built and is today present in twelve (12) countries of Central and West Africa with 1 Holding, 1 Foundation and 29 subsidiaries in Insurance, Banking, Finance, Real Estate and Technology, with more than 2,800 employees.

- **SIB**

A public limited company with a capital of CFAF 10 billion, La Société Ivoirienne de Banque (SIB), a subsidiary of the Attijariwafa bank group since 2009, has been contributing to the Ivorian banking offer since 1962. It provides coverage for the Ivorian territory with 64 branches and 2 business centers. in 21 cities and has a workforce of more than 800 employees to support its customers on a daily basis and meet their needs.

- **SGBCI**

Société Générale Côte d´Ivoire (SGCI) was founded in 1962 as the Société Générale de Banques en Cote d'Ivoire (SGBCI) with the participation of the State and several international financial partners. Société Générale Côte d´Ivoire is the Ivorian subsidiary of the large European financial group Société Générale present in 13 countries in Africa. Present for more than 50 years in Côte d'Ivoire, it has established itself as a benchmark bank, leader on the Ivorian and sub-regional banking market, with 19% of the market share in jobs and 19% in resources.

Summary: assumption figures

Year	2018	2019	2020E	2021F	2022F
Income Statement (XOF mn)					
Interest Income	19 255	21 536	22 995	23 126	23 752
Interest expense	6 706	6 758	7 078	7 159	7 338
Net Interest Income	**12 549**	**14 778**	**15 918**	**15 967**	**16 414**
Fee Income	4 847	4 928	5 568	6 223	6 882
Net investment income					
Other operating income	3 235	3 742	3 326	3 570	3 812
Total operating income	**20 630**	**23 448**	**24 812**	**25 760**	**27 109**
Operating expenses	9 247	10 914	12 001	12 670	13 289
Depreciation	1 008	1 004	1 204	1 239	1 289
Pre-provision operating profit	**10 376**	**11 529**	**11 607**	**11 851**	**12 531**
Net provisions	627	1 242	2 837	1 098	1 023
Operating profit	**9 750**	**10 287**	**13 067**	**12 664**	**13 409**
Extraordinary profit	(32)	128	0	0	0
Pre-tax profit	**9 717**	**10 415**	**8 770**	**10 754**	**11 508**
Taxation	2 051	1 912	1 666	2 043	2 187
Net profit	**7 666**	**8 503**	**7 104**	**8 711**	**9 322**
Minorities	-	-	-	-	-
Others	-	-	-	-	-
Attributable net profit					
Diluted EPS	590	654	546	670	717
DPS	415	462	372	443	443
BVPS	2 517	2 756	2 840	3 156	3 404

Year	2018	2019	2020E	2021F	2022F
Balance sheet (XOF mn)					
Gross loans and advances	**173 429**	**213 075**	**214 647**	**221 875**	**229 299**
less: loan loss provisions	5 719	5 229	6 281	5 255	5 386
Net loans and advances	167 710	207 846	208 367	216 620	223 913
Cash and central bank	20 423	27 746	46 611	59 654	67 105
Due from banks	14 475	18 368	21 760	25 024	27 526
Investment, net	670	260	260	260	260
Fixed assets, net	8 102	10 801	10 935	10 196	9 407
Other assets	11 047	7 153	6 258	6 520	6 803
Total assets	**300 491**	**343 902**	**365 885**	**392 613**	**414 467**
Customer deposits	176 512	196 225	199 168	204 148	209 251
Due to banks	79 956	99 679	117 621	135 264	148 791
Debt	0	0	0	0	0
Other liabilities	11 306	12 174	12 174	12 174	12 174
Total liabilities	**267 775**	**308 078**	**328 963**	**351 586**	**370 216**
Total equity	**32 716**	**35 824**	**36 922**	**41 027**	**44 252**
Total Equity & Liability	**300 491**	**343 902**	**365 885**	**392 613**	**414 468**
Risk Weighted Assets	182 043	203 609	203 520	207 111	212 664
Common shareholders	32 716	35 824	36 922	41 027	44 252
Core Equity Tier 1	32 716	35 824	21 125	23 300	24 456
Tier 1 capital	33 590	35 824	36 922	41 027	44 252

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Sell	Total return	<0

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