



**Bancobu**  
Bank

# ACTIVITIES REPORT 2019

60th Financial Year

PROFITABILITY

PRODUCTIVITY

INNOVATION





*Take advantage of  
our range of products*

# ACTIVITY REPORT AND FINANCIAL STATEMENTS

## December 31, 2019

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Presented to the Shareholders  
Ordinary General  
Assembly of March 13, 2020

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## Mission

« To make and launch on the market, financial services and products that cater for the needs of customers :  
Individuals and Companies »

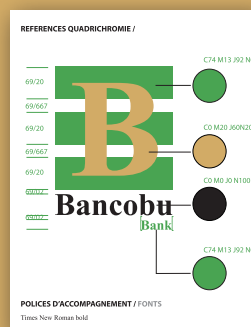
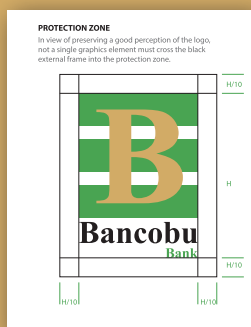
## Vision

« to be an innovative, performing and citizenoriented Bank »

## Values

« LISTENING - INTEGRITY - EXCELLENCE »

## Logo



## Devise

« A tradition of doing well »

# SUMMARY

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# OUR PRODUCTS



## e-banking

### Retail & Corporate

#### Visa Cards / ATM / POS

- Discover the security, convenience and flexibility of BANCOBU Visa ATM Cards
- Withdraw money from BANCOBU ATMs 24/ 7
- Check your account balance and history Pay for goods and services at any point of sale (POS) worldwide- restaurants, supermarkets, hotels, shopping online etc
- Make internal transfers between your various BANCOBU accounts

#### Visa prepaid

- Travel the world with a peace of mind with your Visa Prepaid Card
- Access your money 24/7
- Withdraw money in the most secure, convenient and flexible manner with more than 1 million ATMs worldwide
- Pay for goods and services at any point of sale (POS) in more than 185 countries
- Enjoy easy and secure shopping on the inter-net
- No obligation to possess a bank account

#### Visa Cash Advance

- Withdraw Cash in BIF, EUR or USD from our vast network of branches
- Available during normal banking hours

#### Bancobu-Mcash

- Use your finger or your mobile phone for :
  - Withdrawing and depositing money through our agents network all over the country
  - Transferring your funds instantly to your family, friends and business partners everywhere in Burundi
- Bancobu-Mcash is available on all kinds of mobile phones through all networks in Burundi

#### Web

- Access your account online- banking 24/7, anywhere and anytime
- Online account statement
- Online exchange rate inquiry

#### Western Union

- Instant money transfer within Burundi and around the world
- More than 235,000 agents worldwide
- World number's 1 rapid transfer



## Corporate

### Fixed Deposit Account

- Minimum balance of BIF 5,000,000
- Term (Investment period) agreement
- Negotiable interest rates
- Fixed Capital during the period
- Interest is paid at maturity

### Flexi-savings Account

- Minimum balance of BIF 5,000,000
- Duration 12 months and above
- Negotiable interest rates
- Reviewable capital during the period
- Interests available at any time

### Business Credit

- Vehicle and Asset Financing
- Investment Financing
- Line of Credit
- Letter of Credit
- Invoice discounting
- Bank guarantee



## Retail

### Terimbere Credit

- Available to young entrepreneurs with no real security
- Amount up to BIF 5 million
- Duration of repayment : 1 year

### Current Account

- Guaranteed availability of funds
- Access our vast network of branches open 7 days a week
- Manage your account remotely via free internet banking
- Minimum opening balance of BIF 50,000
- Access to Savings and Credit facilities
- Transfer of funds from account to account (Intra-bank or interbank)
- International transfer
- Foreign Exchange

### Foreign Currency account

- Minimum opening balance of USD 50 or EUR 50
- No account maintenance fees
- Manage your account remotely via free internet banking
- Access to Savings and Credit facilities
- Access our vast network of branches open 7 days a week
- International transfer
- Foreign Exchange

### Future Savings Account

- Minimum opening balance of BIF 50,000
- No account maintenance fees
- An annual interest rate of 4.5%

### Group Credit

- Credit on group salary
- Attractive interest rates
- Duration of repayment : up to 5 years
- Guaranteed by employment and surety
- Monthly repayments retained by the employer and paid to the Bank

### Joint Account

- Guaranteed availability of funds
- Access our vast network of branches open 7 days a week
- Manage your account remotely via free internet banking
- Minimum opening balance of BIF 50,000
- Access to Savings and Credit facilities
- Transfer of funds from account to account (Intra-bank or interbank)
- Joint management of funds
- International transfer
- Foreign Exchange

### Express Credit

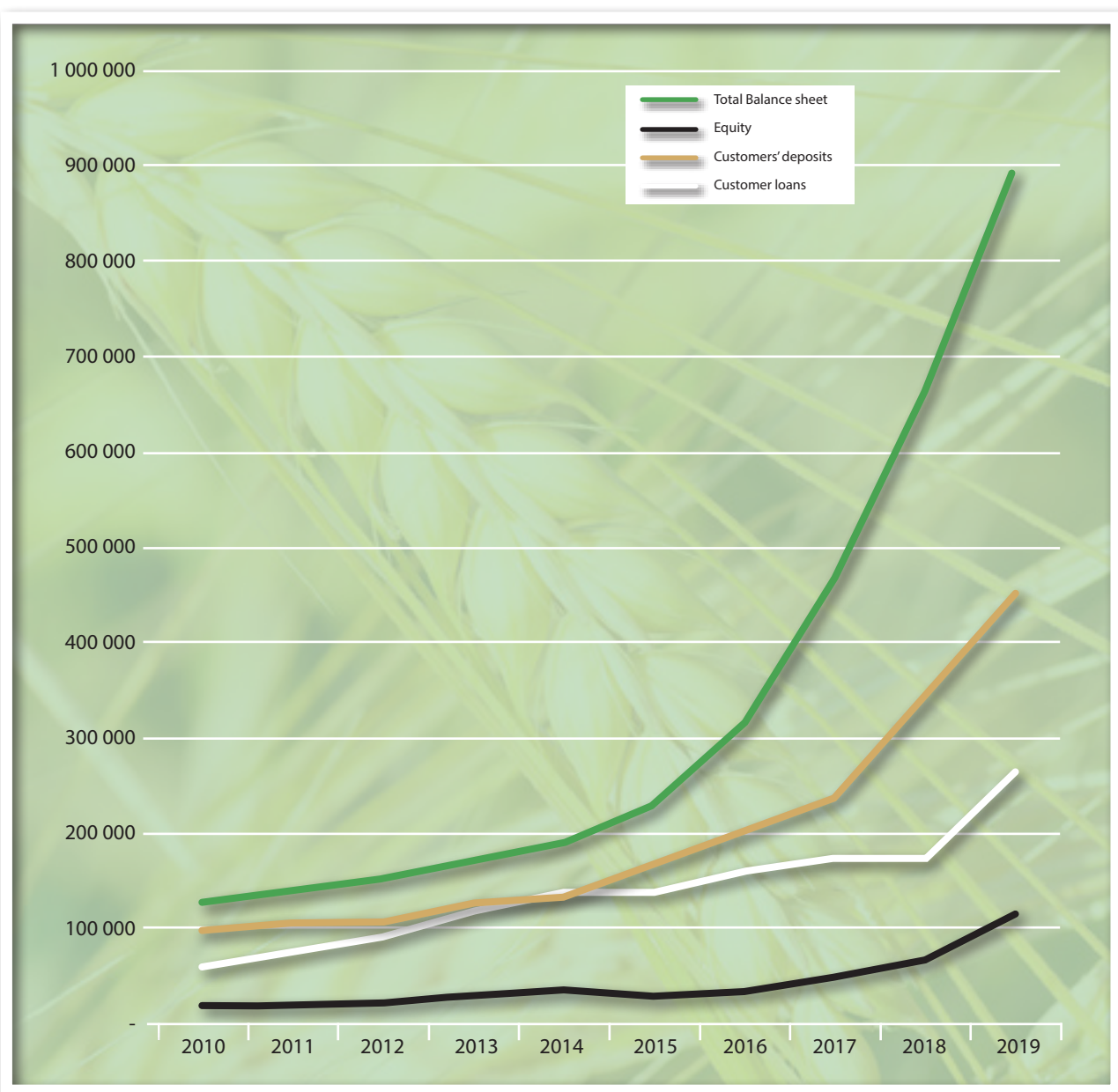
- Salary advance up to 80% of net salary
- Funds available within 12hrs
- Duration of up to six months
- Guaranteed by employment

# KEY INDICATORS 2010-2019

(In BIF million)

## BALANCE SHEET AND INCOME STATEMENT

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Balance sheet	122 267	135 228	146 184	164 629	186 944	223 205	308 524	459 562	657 075	897 603
Equity	17 671	19 009	21 543	28 484	33 812	28 936	32 962	47 641	65 542	113 578
Customers' deposits	96 108	104 220	105 607	124 260	131 330	165 641	201 219	235 637	339 778	448 367
Customer loans	59 360	74 593	91 031	116 455	134 297	138 544	158 323	171 179	171 878	261 801



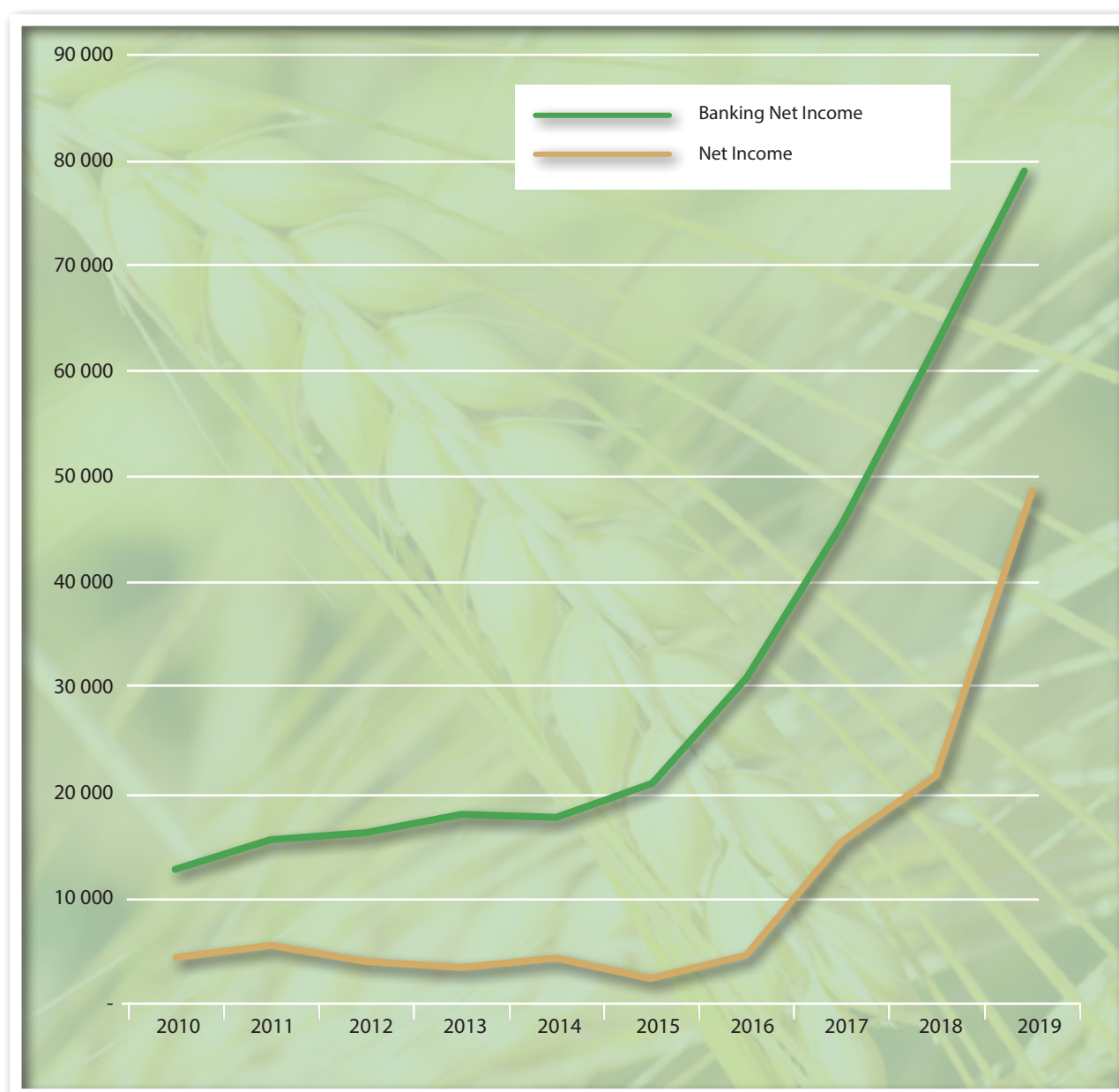


# KEY INDICATORS 2010-2019

(In BIF million)

## INCOME STATEMENT

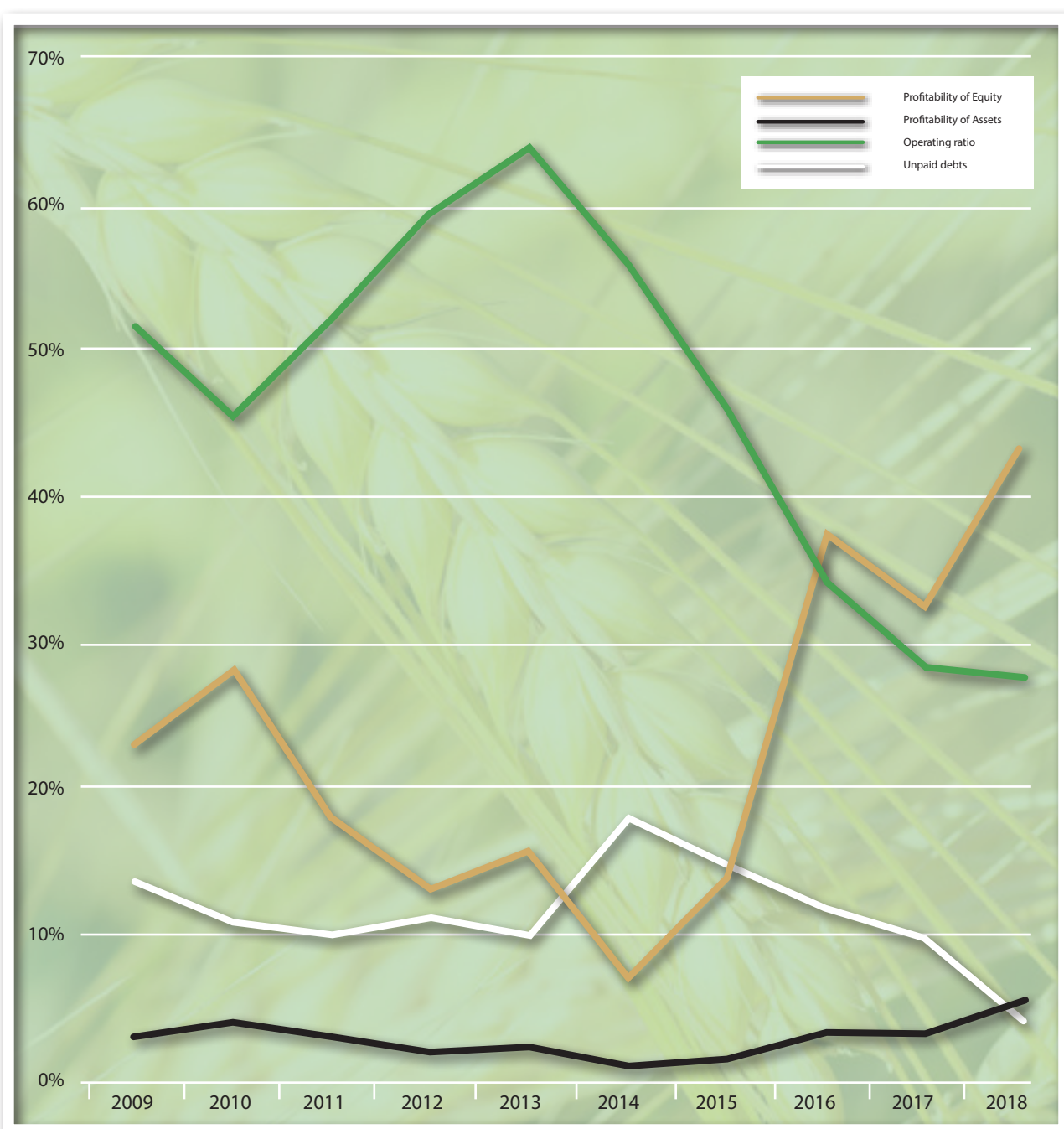
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Banking Net Income	12 632	15 399	16 062	17 780	17 510	20 661	30 605	45 302	62 244	79 720
Net Income	4 150	5 302	3 946	3 270	4 184	2 328	4 452	15 127	21 329	48 852



# KEY INDICATORS 2010-2019

## PROFITABILITY AND MANAGEMENT RISK

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Profitability of Equity	23%	28%	18%	13,0%	15,6%	7,0%	14,0%	37,3%	32,5%	43,3%
Profitability of Assets	3%	4%	3%	2,0%	2,2%	1,0%	1,5%	3,2%	3,2%	5,4%
Operating ratio	51,7%	45,6%	52,3%	59,5%	63,9%	56,0%	46,0%	34,4%	28,3%	27,7%
Unpaid debts	13,7%	10,9%	10,0%	11,2%	9,9%	18,0%	14,7%	11,8%	9,7%	4%



*With my Bank,*

**I move forward**



**BANCOBU FOR YOU**

# SPEECH OF THE PRESIDENT OF THE BOARD OF DIRECTORS

“

The financial year 2019 was therefore another opportunity to materialize the motto of the Bank « **A tradition of doing well** » and its values « **Listening - Integrity - Excellence** » ...

”

## Léa Ngabire

President of the Board of Directors



Ladies and Gentlemen Shareholders,

On behalf of the administration board of the Commercial Bank of Burundi «BANCOBU» and on my behalf, we are pleased to address to you on the occasion of the holding of the Ordinary General Meeting of Shareholders for the financial year ended 31/12/2019 and which coincides with the 60th social financial year.

The Financial year 2019 is the second year of the implementation of the Transformation plan 2018-2022 which is based on 3 strategic ways : **Innovation - Productivity - Profitability**.

We can already congratulate ourselves on the good performances achieved during the first two years of this Transformation Plan even exceeding the 2018-2022 Business Plan forecasts. Indeed, after a net result largely positive of BIF 21.3 bn at the end of the 2018 financial year, the BANCOBU has just more than doubled its net income, set at 48.9 bn on 12/31/2019.

Our Bank thus maintains its leading position in the banking sector with market share for loans (29%), deposits (25%), total assets (31%) and net income (44%). In addition, the positive evolution of the income statement provides the Bank with exceptional income of 43.0% at the end of 2019 for the income on equity (ROE) and 5.4% for income on assets (ROA) when the average income in the sector income is 26.1% and 3.0% respectively.

Before presenting in details the achievements of the year 2019, we would like to just highlight some of the most significant facts of the past financial year :

- i. The Bancobu has remained attentive to the concerns of the surrounding communities and this gives it the character of a civic bank. The flagship action of 2019 will have been the presentation of the donation of the flyover bridge at the Town Hall as part of strengthening road safety.
- ii. The reorganization of the Bank which allowed it to integrate innovations introduced by the Regulator for instance the introduction of Independent directors and strengthening the internal bodies of control and risk management.
- iii. With the approval from the BRB as a Value Specialist Treasury (VST), our bank quickly established itself as the main player on the new secondary market for Treasury securities. With the purchase of securities, the Bank allowed Treasury creditors to bail out their Treasury. Similarly, with the sale of the securities, it enabled Investors to have new means of savings.
- iv. The implementation of innovative mega-projects such as the project of construction of the real estate complex « BANCOBU BUSINESS CENTER » whose studies have just concluded that it is feasible as well as the Digital Transformation Project including a Mobile Platform E-NOTI.

The financial year 2019 was therefore another opportunity to materialize the motto of the Bank « **A tradition of doing well** » and its values « **Listening - Integrity - Excellence** » so that our Institution become a **truly innovative, efficient and civic**.

Ladies and Gentlemen Shareholders,

The 2020 perspectives will be dominated in particular by the continuation of these Mega projects mentioned above.

It is the start of construction of the building complex BANCOBU BUSINESS CENTER on an area of 22,000 m<sup>2</sup> and including 2 office towers of R + 7 and R + 5 respectively containing administrative offices, a mall tray on 2 levels, a modern conference room with more than 300 seats and a parking floor in the basement on the entire surface of the plot which can contain 140 vehicles.

As for the Digital Transformation Project, it is a matter of effective setting up of BANCOBU DIGITAL E-NOTI including the implementation of an integrated digital platform with Amplitude UP, with added value for the customer who will have in his phone the electronic account and the bank account with possibilities to do various operations between these two accounts.

At the same time that we congratulate the Management and the Staff of the Bank for the efforts made in 2019, we would encourage them to keep the same momentum so that the implementation of these projects can create a real impact on the development of the Bank and the overall economy of the country.

We thank you for your attention.

Bujumbura, March 13th, 2020

**Léa NGABIRE**

**President of the Board of Directors.**

# THE MANAGEMENT OF THE BANK



**Gaspard Sindayigaya**  
Managing Director

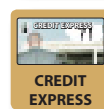
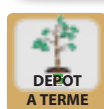


**Sylvère Bankimbaga**  
Deputy Managing Director

## THE BANCOBU AT THE ERA OF DIGITIZATION AND MULTICHANNEL

*We optimize the customer experience on every aspect of contact*

The Bank is implementing its multi-channel strategy by deploying new distribution ways made possible by the beginning of the digitalization of banking services



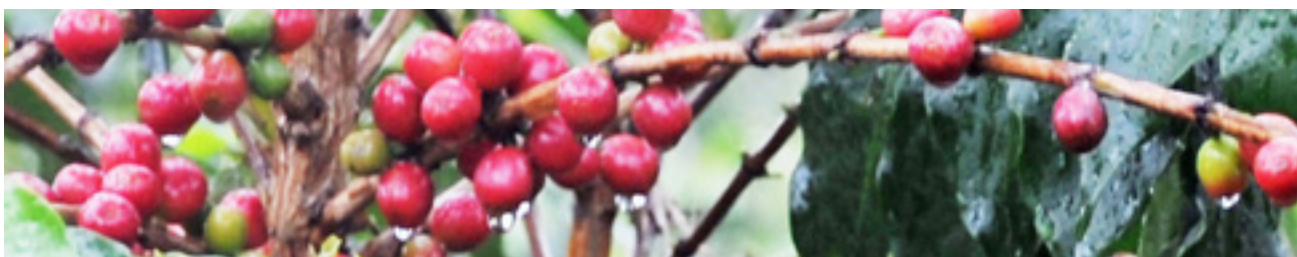
# ACTIVITY REPORT OF THE BOARD OF DIRECTORS, FINANCIAL YEAR 2019

The 2019 financial year is the second year of the Bank's Transformation Plan that is expanding over the 2018-2022 period.

This report covers the main activities carried out in the implementation of this Bank transformation plan, financial statements for the year ended 12/31 /2019 and finally gives an overview on the perspectives for the financial year 2020. As a preamble, we present the macroeconomic framework in which the Bank has carried out its activities.

## I. BURUNDIAN ECONOMY

In its report on economic indicators, the Bank of the Republic of Burundi (BRB) reports that parchment coffee supplies have declined year over year by 17% to stand at 21,320 at the end of 2019 against 25,796 tons at the end of 2018.



Thus, the share of Treasury securities in the total assets of the sector increase by one point to 42.1% while the share of the portfolio credit allocated to the private sector fell by 3 points to stand at 34.2%.

Generally the evolution of the results in the banking sector is positive and that increases the profitability of the sector with a rate of income on assets (ROA) of 3.0% and that of equity (ROE) of 26.1%.

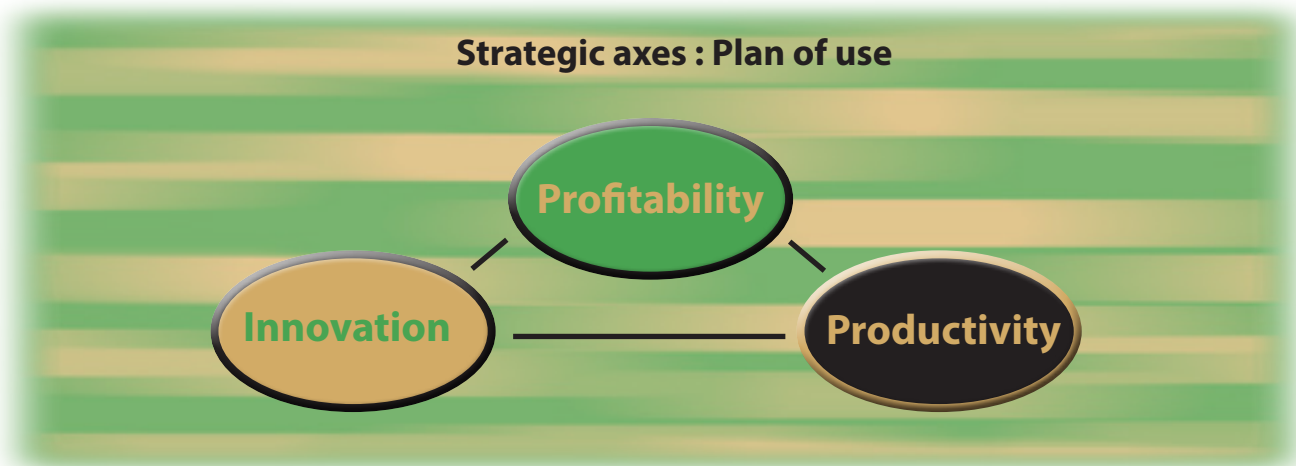
At the regulatory level, the reforms continue, with the implementation of the law governing the banking activities and its application circulars. The year 2019 was characterized by measures to improve consumer protection through regular publication of the tariff services and financial statements on banks' websites, in the Official Bulletin of Burundi (BOB) and in le Renouveau Newspaper. These new reforms complement those already in force, such as the appointment of independent directors, the appointing of the group of qualified shareholders and strengthening of the management of banking risks.



## II. IMPLEMENTATION OF THE 2018-2022 TRANSFORMATION PLAN

### II. 1. REVIEW OF THE STRATEGIC AREAS

The Bank's transformation plan for the 2018-2022 period consolidates the achievements of 2013-2017 strategic plan and is based on three major pillars, namely the trilogy : **Innovation-Productivity-Profitability.**



The implementation of this transformation plan requires an in-depth review in the Commercial channels, back-offices and risks, as well as a reshaping of the transverse channels, supporting the three operational sectors.

### II. 2. MAIN ACHIEVEMENTS DURING THE 2019 FINANCIAL YEAR

During the 2019 financial year, the administration board held its meetings in accordance with the Bank's articles and its internal regulations to analyze in particular the Management reports from General Management and those drawn up by the specialized Committees of the Board of Directors, namely the Audit Committee, the Risk Management Committee and the Loan Committee.

We note below the main achievements of this Council for the year ended 12/31/2019.

#### II. 2. 1. Research for organizational excellence

In light of the regulatory innovations introduced by the (BRB) regulator, sector, a new organizational chart for the Bank was created with the creation of a Risk Department and Compliance and implementation of a new internal control system at 3 levels, level 1 (Business Line Management), level 2 (Risk and Compliance Department) and level 3 (Internal Audit).

In addition to these structures, the system has been supplemented by the adoption of regulatory texts on reference below :

- Risk management policy ;
- The compliance charter ;
- The Audit Charter ;
- The Business Continuity Plan.

These texts complement the business continuity policy of activity and the policy and anti-money laundering and terrorist financing procedures.

All these efforts have made our bank ranked among the top 10 banks in terms of compliance with international standards of the banking profession according to the ACCPA (Association of Certified Compliance Professionals in Africa) classification.

## **II. 2. 2. Capacity building at all levels**

To take ownership of ongoing innovation programs as part of the Transformation, training sessions were organized at all levels.

From top management to middle managers, they benefited from training sessions on various themes : development of managerial potential, management of operational risk, fundamentals of customer service, etc ... while noting that even members of the Board of Directors were able to benefit from a training session on the new regulatory risk management system.

## **II. 2. 3. Participation in the Treasury securities market**

The Bank seized the opportunities offered on the treasury securities market in order to have less risky jobs and has become a leader in both the primary market and the secondary market for Treasury securities.

During the 2019 financial year, the Bank was able to buy securities on the primary market at BIF 166 billion. Approved as a Treasury Value Specialist (TVS), the Bank has since its first year of presence on the secondary market bought securities worth BIF 42 billion. Of these securities purchased on both markets, the Bank has resold securities for a value of BIF 49 billion. Thus, the Bank allowed, on one hand, creditors of the Treasury to replenish their cash and, on the other hand, Investors to have new means of savings.

## **II. 2. 4. Network expansion, contribution to financial inclusion and service offer digital financing**

In the objective of proximity and support for the national policy of financial inclusion, the network increases to 47 operating sites from 45 in 2018, an increase of two sites : Mutaho (Gitega) and the Ministry of Transport (Bujumbura). The number of accounts opened in 2019 is 17,227 and the Bank thus totalizes 103,408 accounts on 12/31/2019 on the Amplitude platform.

In terms of digital financial services, the Bank counts on 12/31/2019 194,015 private cards and 3,345 Visa cards in circulation, 13,449 SMS Banking subscribers, 3,426 Internet Banking subscribers to which 540,876 electronic accounts must be added on the mobile Platform.

## **II. 2. 5. Social report**

From 408 employees on 12/31/2018, the total number of permanent staff decreases of 7 employees to stand at 401 employees on 12/31/2019 including 173 women and 228 men. This decrease is partly explained by departures to retirement.

To meet ad hoc needs, the Bank has put in place a temporary staff system. Whose deployment is made according to the needs of the various departments. It is also another approach for the Bank to contribute to reducing the level of unemployment of young graduates and give them the opportunity to gain banking experience.

The temporary staff placed at the Bank increases by 13 people to make 93 people at the end of the 2019 financial year.

The Bank is also continuing its program to improve socio-professional conditions of its staff. This involves for instance strengthening the skills in the training at the Banking Technical Training Institute (BTI), the contribution to the supplementary pension fund, the supporting of life insurance and health care as well as granting loans to staff at the social rate

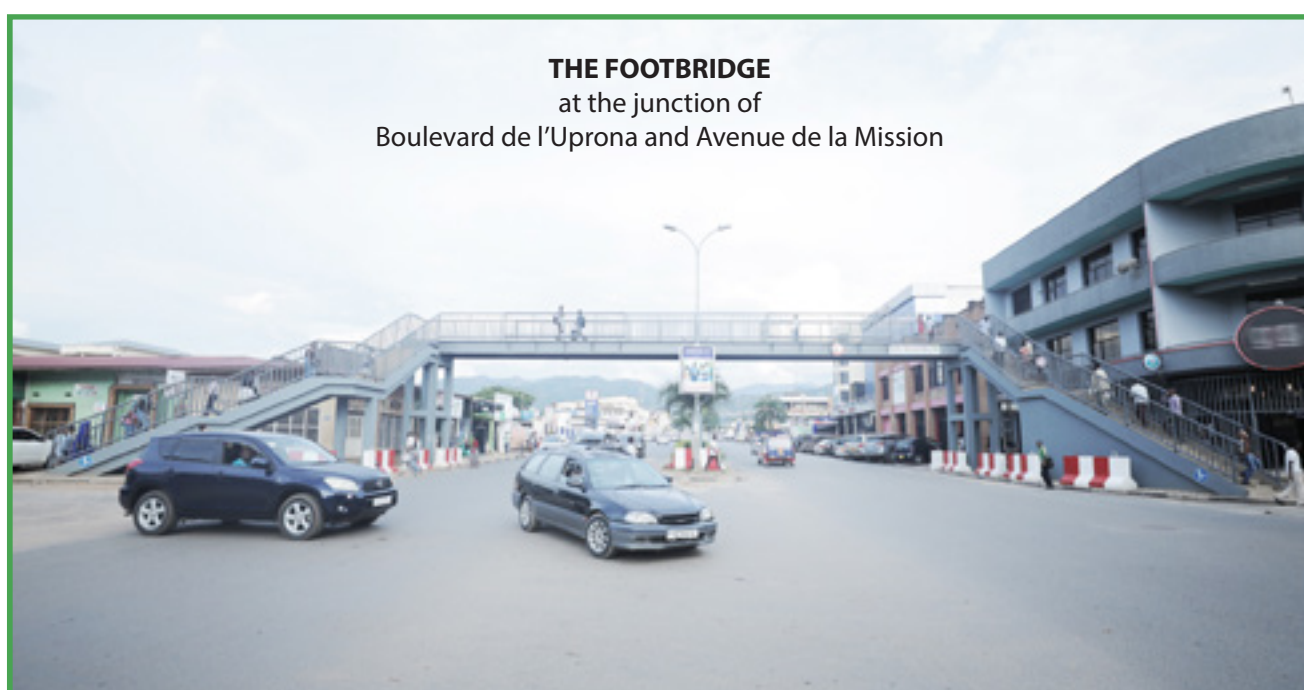
## **II. 2. 6. Social responsibility of the Bank : a citizen bank**

Being a citizen bank means that the bank remains attentive and responds to concerns of surrounding communities.

In this context, the Bank supports the initiatives of surrounding communities in the framework of its social responsibility policy. It operates along the following major areas : social, humanitarian, charitable actions and sponsorship of cultural events and sports. With regard to social and humanitarian actions, the Bank continued to support different humanitarian organizations in their program to support the poorest. As for when sponsoring cultural and sporting events, the Bank mainly supports the promotion of Burundian athletes through the Burundi Athletics Federation. It is involved in promoting the entrepreneurship of young operators through Burundi Business Incubator (BBIN).

The Bank also supports staff sports and humanitarian initiatives through the Club BOS (Bancobu Omnisport) and those taken by female staff, especially during the International Women's Day.

The flagship action of 2019 was the presentation of the donation of the footbridge at the Town Hall as part of strengthening road safety, which cost BIF 483 million.



## II. 2. 7. Master Innovation Program

The Bank is running several projects as part of its Master Innovation Program executed through the capital budget. The largest innovative projects are listed below.

- The construction project of the « Bancobu Business Center » real estate complex whose studies has just concluded that the project will occupy a built surface of 22,000 m<sup>2</sup>. The construction works will last 4 years for a cost estimated at BIF 50 Billion. This building complex which will house the Headquarters of the Bank includes 2 office towers of R + 7 and R + 5 respectively containing administrative offices, a mall tray on 2 levels, a modern conference room with more than 300 seats and a parking floor in the basement over the entire surface of the plot which can contain 140 vehicles.

Model of the « BANCOBU BUSINESS CENTER » project



- The Performance Management Project and Optimization of back office resources aimed at the implementation of an action plan for reforming working methods and performance appraisal to improve customer service while securing the operations. The cost of the project is estimated at BIF 235 Million.

With such an innovation program, internal communication within the network becomes a major issue in order to support the change management inherent in any innovation. It is in this context that a team has been put in place to publish each month a Newsletter in order to disseminate within the network the highlights according to the editorial line below : « Bancobu, New working methods, new behaviors to boost Innovation, Productivity and Profitability ».

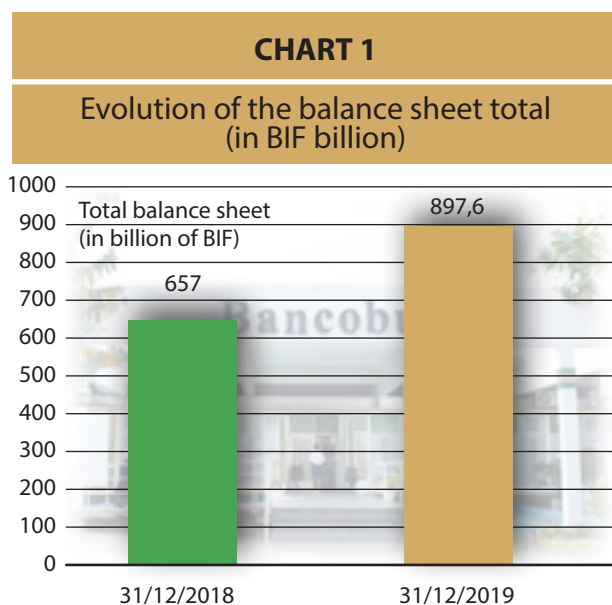
Our wish is that every member of staff will be involved in the transformation of the Bank and make theirs the spinoffs from all of these projects.

### III. PRESENTATION OF THE FINANCIAL STATEMENTS ON 12/31/2019

The presentation of the financial statements for the 2019 financial year is made in comparison with the previous ones to highlight the annual trends of the key financial indicators of the Bank.

#### III.1. EVOLUTION OF THE MAIN MASSES OF THE 2018-2019 BALANCE SHEET

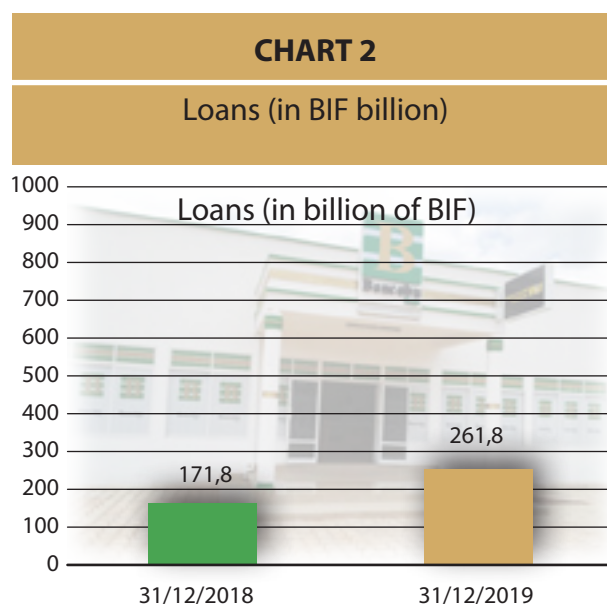
Chart 1 : Evolution of outstanding customer loans



The total balance sheet amounts in BIF billion was 897.6 billion on 12/31/2019 against BIF 657.1 billion on 12/31/2018, an increase of 37%.

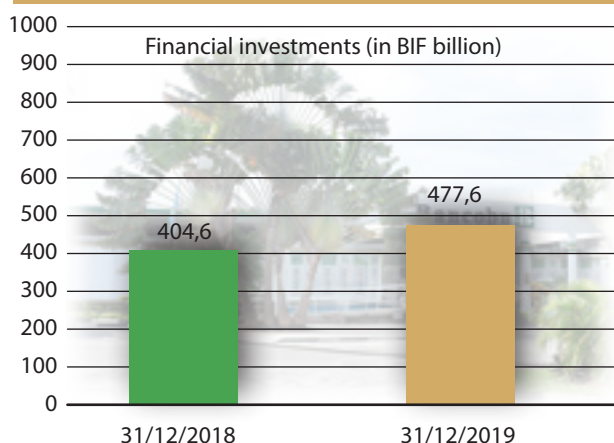
The main balance sheet assets are loans and receivables from customers and financial investments which represent 82.4% of the total balance sheet on 12/31/2019.

Chart 2 : Evolution of outstanding customer loans

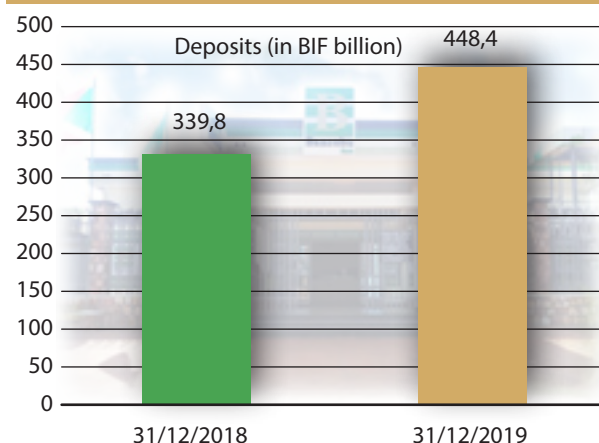


Loans and receivables from customers net of provisions increased by 52% to make BIF 261.8 billion on 12/31/2019 versus against BIF 171.8 billion on 12/31/2018.

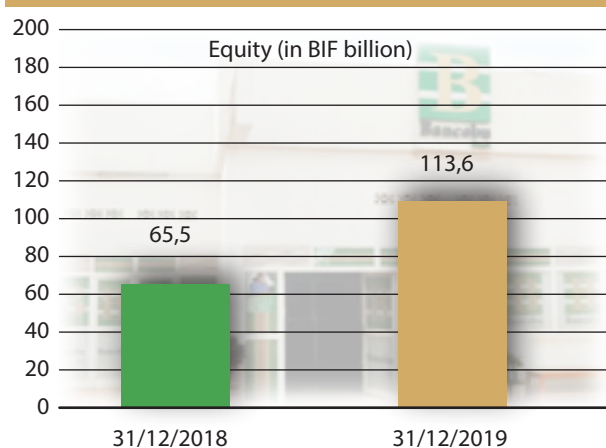
The quality of the portfolio is improving as the default rate drops by 6 points to make 4% while unpaid receivables are fully provisioned.

**CHART 3****Financial investments**

The financial investments (financial assets held to maturity) increased by 18% to make BIF 477.6 billion on 12/31/2019 against BIF 404.6 billion on 12/31/2018.

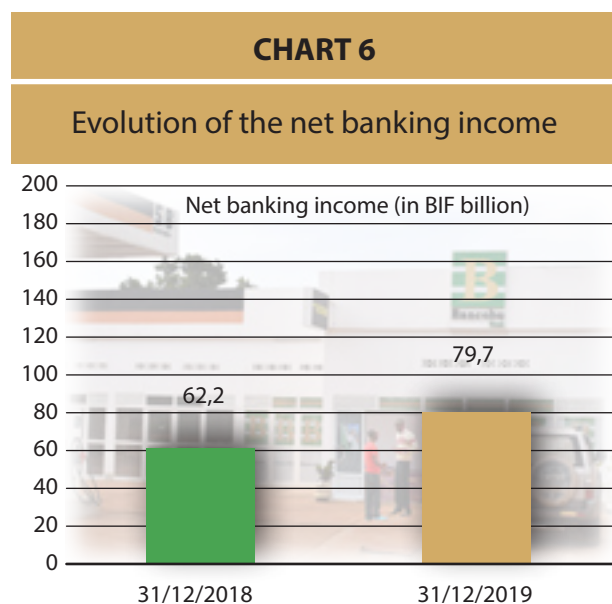
**CHART 4****Evolution of outstanding customer deposits**

The deposits (loans to customers) increased by 32% to reach BIF 448.4 billion on 12/31/2019 against BIF 339.8 billion on 12/31/2018.

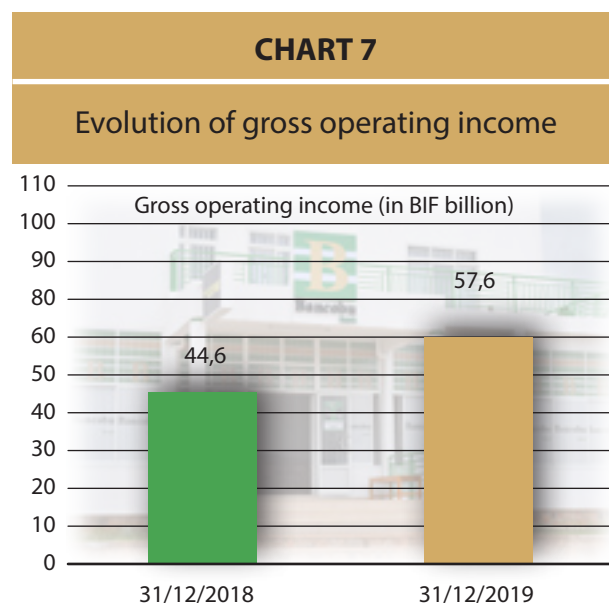
**CHART 5****Evolution of equity**

Equity rose from BIF 65.5 billion to BIF 113.6 billion, i.e. 73% annual increase due to the allocation into reserves of 65% of the 2018 result and the good performances achieved in 2019.

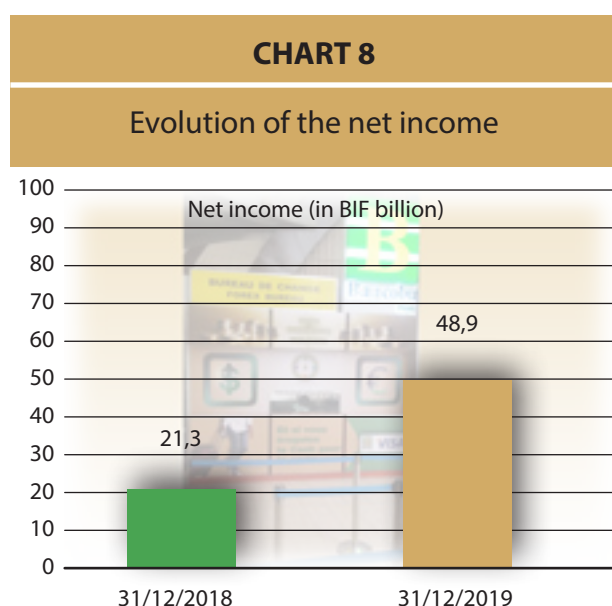
### III. 2. EVOLUTION OF THE 2018-2019 INCOME STATEMENTS



The net banking income (GNP) (Gross National Product) increased by 28% to make BIF 79.7 billion on 12/31/2019 against BIF 62.2 billion on 12/31/2018. This development is mainly due to an increase in the intermediation margin of 32% (+15.2 billion) and profits on Treasury securities transactions available for sale of 652% (+2.5 billion) of the new secondary securities market.



The gross operating income (GOI) increased by 29% to make BIF 57.6 billion on 12/31/2019 compared to BIF 44.6 billion on 12/31/2018 due to the relative mastery of the general costs which results in an operating coefficient (general costs / GNP) which remains stable at 28% when the generally accepted standard is 60%.



The net income more than doubled. It is BIF 48.9 billion on 12/31/2019 against BIF 21.3 billion on 12/31/2018 making an increase of 129%.

This evolution is due in particular to the 64% drop in net cost of risk from BIF 22.8 billion to BIF 8.3 billion.

In terms of income, the positive development of the profit and loss accounts means that the Bank got exceptional income at the end of 2019, i.e. 43.0% for the profit on equity (POE) and 5.4% for Profit on assets (POA) when the average of this sector Profit is 26.9 and 3.8% respectively. Our Bank thus keeps its leading position in the banking sector with loan market shares (29%), deposits (25%), total assets (31%) and net income (44%). The detailed financial statements for the year ended 31/12/2019 are presented in the appendix.

They include the following tables :

- Financial statement (Balance sheet)
- Income statement
- Cash Flow
- Situation of changes in equity

In view of these achievements which go even beyond the budget and the Business Plan, the Board would like to congratulate the Management and the Staff of the Bank for the efforts made and the shareholders for your support. Together, we are committed to keeping the course given the perspectives in sight.

## IV. 2020 OUTLOOK

In view of the performance achieved in 2019, an update of the 2020-2022 business plan has just been carried out when the 2020 budget was adopted. Continuing the implementation of the Bank's Transformation Plan therefore constitutes the essential of the outlook for the Bank for the year 2020.

This implementation will be achieved in particular through the effective establishment of BANCOBU DIGITALE, the start of construction of BANCOBUBUSINESS CENTER as well as the consequent adaptation of the governance of the Bank.

The Bank will thus consolidate its leadership on the domestic market and will improve its positioning in relation to banks in the sub-region. Concretely, the leadership of the Bank will have to confirm itself in the collection of deposits through BANCOBU DIGITALE, active intervention on the primary and secondary market of treasury securities as well as continued funding of key sectors of the economy defined in the National Plan for Development (NPD) 2018-2027.

This is the report of the administration board, whose financial statements for the financial year ended 31/12/2019. The Board has submitted these statements to the External Auditor for certification whose opinion will be presented to you later.

We thank you for your attention.

Bujumbura, March 2020

**Board of Directors.**



# REPORT OF THE EXTERNAL AUDITOR ON THE FINANCIAL STATEMENTS

**To the Shareholders of the Commercial Bank of Burundi (BANCOBU) Mixed Co.**

## **Opinion**

We carried out the audit of the financial statements of the Commercial Bank of Burundi (BANCOBU) S.M, which include the statement of the financial position on December 31, 2019, and the overall statement of income, the statement of changes in equity and the statement of cash flows cash for the year then ended, as well as the notes, including the summary of the main accounting methods.

In our opinion, the accompanying financial statements give, in all their significant respects, a true picture of the company's financial position on December 31, 2019, as well as the financial performance for the year then ended, in accordance with accounting standards applicable to commercial banks in the Republic of Burundi. The net income for the year then ended is forty-eight billion eight hundred fifty-two million two hundred and two thousand Burundian francs (**MBIF 48,852,202**) while the overall income of the year then ended is fifty five billion seven hundred forty million nine one hundred and ninety-four thousand Burundian francs (**MBIF 55,740,994**). The total balance sheet is at eight hundred ninety seven billion six hundred two million seven hundred eighty-five thousand Burundian francs (**MBIF 897,602,785**).

## **Basis of opinion**

We conducted our audit based on International Standards on Auditing (ISA). The responsibilities incumbent upon us under these standards are more fully described. In the «Auditor's responsibilities for auditing financial statements» section of this report. We are independent of the organization in accordance with the Code of ethics accounting professionals from the International Standards Council on Professional Conduct accountant (the IESBA Code) as well as the rules of ethics that apply to auditing financial statements in Burundi and we have fulfilled other ethics responsibilities that are incumbent upon us according to these rules and the IESBA code. We estimate that the audit evidence we have obtained is sufficient and appropriate to provide our audit opinion with basis.

## **Key audit questions**

The key audit questions are the questions that, in our professional judgment, were the most significant in the audit of financial statements during the reporting period. These questions have been addressed in the context of our audit of the financial statements taken as a whole and at purposes of forming our opinion on them, and we do not express a separate opinion on these issues.

## **Management and governance responsibilities for the financial Statements**

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices in force in Burundi and the financing, as well as internal control which it considers necessary to enable preparing financial statements free from material misstatement, whether these result from fraud or errors.

When preparing the financial statements, it is the management which is responsible for assessing the ability of the organization to continue operating, to communicate if appropriate the issues related to the continuity of operating and then apply the accounting principle of it unless the management intends to liquidate the company or to cease its activity if no other realistic solution is available. It is the responsibility of the administration board to monitor the financial reporting process of the organization.

### **Responsibilities of the statutory auditor**

Our objectives are to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or errors, and issue an auditor's report containing our opinion. The reasonable assurance corresponding to a high level of assurance, which however does not guarantee that audit carried out in accordance with ISA standards always makes it possible to detect any significant anomaly that could exist. The anomalies can result from fraud or errors and they are considered significant when they are reasonable to expect that, individually or collectively, they can influence economic decisions that users of financial statements take based on them.

As part of an audit carried out in accordance with ISA standards, we exercise our professional judgment and exercise critical thinking throughout this audit.

In addition :

- We identify and assess the risks that the financial statements involve significant anomalies, whether these result from fraud or errors, we carry out and implement audit procedures in response to these risks, and bring together sufficient and appropriate evidence to support our opinion. The risk of non-detection of a significant anomaly resulting from fraud is higher than that of a significant anomaly resulting from an error, because fraud may involve collusion, falsification, willful omissions, misstatement or circumvention of internal control ;
- We gain an understanding of the elements of internal control relevant to the auditing order to design audit procedures appropriate to the circumstances, not in order to express an opinion on the effectiveness of the company's internal control ;
- We assess the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by the management, as well as related information provided by the latter ;
- We draw an appropriate conclusion of how the management use the accounting principle of business continuity and, depending on the elements of evidence obtained, and the existence or not of a significant uncertainty related to events or situations likely to cast significant doubt on the ability of the company to continue operating.

If we conclude that there is a meaningful uncertainty, we are bound to draw the attention of our report readers to the information provided in the financial statements regarding this uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on the evidence obtained up to the date of our report. Future events or situations could also lead the company to cease its operation.

- we assess the overall presentation, form and content of the financial statements, including the information provided in the notes, and assess whether the financial statements represent the underlying transactions and events in a way that gives a true picture.

We communicate to the administration board in particular the planned scope and timing of audit work and our significant findings, including any significant deficiencies of the internal control that we would have noted during our audit.

We also provide the administration board with a statement that we comply with the relevant ethical rules regarding independence, and let them know about any relationships and other factors that can reasonably be considered likely to affect our independence as well as the related backups if any.

Among the questions communicated to the administration board, we will determine that they were most important in the audit of the financial statements for the reporting period : These are key audit questions. We describe these questions in our report, unless the legal or regulatory texts prevent the publication or if, in extremely rare circumstances, we will determine that we should not be reporting a question in our report because we can reasonably expect the harmful consequences of the communication of this question outweigh the public benefit.

Bujumbura, on 03/13/2020

**GPO PARTNERS BURUNDI S.P.R.L.**

**Patrick GASHAGAZA**

**Associate.**

# RESOLUTIONS OF THE ORDINARY GENERAL MEETING OF BANCOBU SHAREHOLDERS OF MARCH 13, 2020

## **First resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37.41 and 49 of the Bank's Statutes, after examining the report of the Board of Directors for the 2019 financial year, unanimously approves this report.

## **Second resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37.41 and 49 of the Bank's Statutes, after examining the report of the Auditor on the accounts for the 2019 financial year, unanimously approves this report.

## **Third resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with articles 37.41 and 49 of the Bank's statutes, after hearing the report of the administration board and the External Auditor, unanimously approves the financial statements for the financial year 2019 including the balance sheet, the income statement, the table of change in equity and cash flow statement as well as the net income to BIF 48,852,201,542.

## **Fourth resolution :**

The income to be allocated being decided at BIF 48,925,918,132, the Ordinary General Meeting of BANCOBU shareholders, deliberating in accordance with articles 37.41 and 50 of the statutes of the Bank, on a proposal from the administration board, unanimously approves the allocation of this result as follows :

Legal reservations	BIF	408,548,560
Reserves for investment	BIF	14,700,000,000
Optional reservations	BIF	19,150,000,000
Dividends	BIF	9,999,164,140
Bonuses	BIF	614,182,107
Balance sheet premium	BIF	1,603,860,451
Postponement again	BIF	2,450,162,874

## **Fifth resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37.41 and 49 of the Bank's Statutes, after having approved the Bank accounts, unanimously discharge the Directors for their management of the financial year 2019.

**Sixth resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37.41 and 49 of the Bank's Statutes, after having approved the Bank accounts, unanimously gives discharge to the External Auditor for the verification of the financial year 2019.

**Seventh resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with article 23 of the Bank's statutes, on a proposal from the Board of Directors, reviews upwards the emoluments of the Directors to bring them to BIF 1,500,000 net per month and per member and removes attendance fees for various meetings of the Specialized Committees of the administration board.

**Eighth resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with articles 16,37 and 41 of the Bank's statutes, on a proposal from the Administration Board :

- Renews the mandate of Mr Sylvère BANKIMBAGA, Director representing the Management of the Bank, for a period of 4 years which will end when the Ordinary General Meeting of Shareholders of 2024 ruling on the accounts of the financial year 2023 ;
- Renew the mandate of Mr Stanislas BANKIMBAGA, Director representing the Group of majority shareholders in the private sector for a period of 4 years which will end at the Ordinary General Meeting of Shareholders of 2024 ruling on the accounts for the financial year 2023 ;
- Renews the mandate of Mr Christian KWIZERA, Director representing the OCIBU group of shareholders in liquidation (Department of State Heritage in the Coffee Sector), BCC in Liquidation, COGERCO, ONATEL, OTB and REGIDESO on behalf of COGERCO, for a period of 4 years which will end when the Ordinary General Meeting of Shareholders of 2024 ruling on the accounts of financial year 2023.
- Appoints Mr Roger NDIKUMAGENGE, Director representing the Group of minority shareholders in the private sector for a period of 4 years which will end at the Ordinary General Meeting of Shareholders in 2024 ruling on the accounts for the financial year 2023.

**Ninth resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with article 31 of the Bank's statutes, on a proposal from the Administration Board, appoints GN & Associates as Statutory Auditor of the Bank for a two-year mandate (2020-2021) which will end at the OGM of Shareholders of 2022 ruling on the accounts for the year 2021 and fixing their remuneration at BIF 26,762,400 including all taxes per financial year.

**Done in Bujumbura, on 03/13/2020.**

## The members of the Bureau of the Ordinary General Meeting of Shareholders :

From left to right

1. Mr. Gaspard SINDAYIGAYA, Secretary;
2. Mrs. Léa NGABIRE, President ;
3. Mr. Stanislas BANKIMBAGA, Scrutineer ;
4. Mr. Jean Petit NDIKUMASABO, Scrutineer ;
5. GPO Partners, Statutory Auditor.



## *Et si vous troquiez le cash pour la carte ?*

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de compte en banque*
- Voyagez en toute  
sécurité*
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sur internet*



# STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

(in thousands)

Assets	31/12/2019	31/12/2018	Annual Variation	
			Amount	%
Cash and Central Bank (BRB)	59 252 649	23 395 121	35 857 528	153
Other financial assets	4 878 377	10 910 444	-6 032 066	-55
Hedging derivatives				
Financial assets available for sale	32 116 206	267 915	31 848 291	162
Loans and receivables from banks and assimilated	17 848 001	15 179 719	2 668 282	18
loans and receivables from customers	261 800 864	171 877 525	89 923 339	52
Financial assets held till the deadline	477 604 368	404 590 458	73 013 910	18
Current and deferred tax assets	2 005 353	2 105 091	-99 739	-5
other assets	5 609 849	2 640 233	2 969 616	112
Non-current assets held for sale	0	0	0	0
Investments in affiliated companies	507 122	407 122	100 000	25
Investment property	4 886 301	4 410 342	475 959	11
Tangible fixed assets	27 715 551	18 554 409	9 161 143	49
Intangible assets	3 378 143	2 736 290	641 854	23
gap acquisition	0	0	0	0
<b>TOTAL ASSETS</b>	<b>897 602 785</b>	<b>657 074 669</b>	<b>240 528 116</b>	<b>37</b>

LIABILITIES				
DEBTS				
Central Bank (BRB)	255 056 667	219 107 563	35 949 103	16
Financial liabilities at fair value through profit or loss	0	0	0	0
Hedging derivatives	0	0	0	0
Debts to banks and assimilated	65 014 538	21 293 023	43 721 515	205
Debts to customers	448 367 141	339 777 929	108 589 212	32
Debts represented by securities	0	0	0	0
Current and deferred tax liabilities	4 779 218	2 218 613	2 560 605	115
Other liabilities	2 411 941	2 930 510	-518 569	-18
Debts related to non-current assets held for sale				
Technical provisions of insurance contracts				
Provisions for risks and charges	7 197 047	4 853 547	2 343 500	48
Investment grants	1 198 170	1 350 584	-152 414	-11
<b>TOTAL DEBTS</b>	<b>784 024 722</b>	<b>591 531 769</b>	<b>192 492 953</b>	<b>33</b>

EQUITY				
Capital and related reserves	34 220 952	34 220 952	0	0
Consolidated reserves	18 687 640	4 889 380	13 798 260	282
Unrealized or deferred gains or losses	11 817 268	5 103 501	6 713 767	132
The financial year result	48 852 202	21 329 067	27 523 135	129
<b>TOTAL CAPITAL AND RESERVES</b>	<b>113 578 063</b>	<b>65 542 900</b>	<b>48 035 163</b>	<b>73</b>
<b>TOTAL LIABILITIES</b>	<b>897 602 785</b>	<b>657 074 669</b>	<b>240 528 116</b>	<b>37</b>



# STATEMENT OF THE TOTAL NET INCOME

(BIF thousands)

ITEMS	31/12/2019	31/12/2018	Annual Variation	
			Amount	%
+ Profits and similar income	85 580 783	63 914 987	21 665 796	34
- Profits and similar charges	-22 404 228	-15 938 491	-6 465 737	41
Net Profits	63 176 555	47 976 496	15 200 059	32
+ Commissions (products)	8 781 113	7 705 671	1 075 442	14
- Commissions (charges)	-776 214	-466 889	-309 325	66
+/- Net exchange gains or losses	4 462 826	6 179 922	-1 717 096	-28
+/- Net gains or losses on financial investments	2 551 914	10 813	2 541 101	23 500
+ Products from other activities	1 566 708	1 227 441	339 267	28
- Expenses from other activities	-42 901	-389 609	346 708	-89
Net banking income	79 720 002	62 243 847	17 476 155	28
- Staff costs	-11 194 634	-8 822 056	-2 372 578	27
- Net allowances, amortization and depreciation of fixed assets	-1 913 566	-1 805 590	-107 976	6
- Other general operating expenses	-9 003 225	-7 003 087	-2 000 138	29
Gross operating income	57 608 577	44 613 114	12 995 464	29
- Net cost of risk	-8 250 727	-22 818 132	14 567 405	-64
Operating profit	49 357 850	21 794 981	27 562 869	126
+/- Net gains or losses on other assets	-79 864	10 678	-90 541	-848
profit before taxes	49 277 986	21 805 659	27 472 327	126
- Income taxes	-425 785	-476 592	50 808	-11
Net profit	48 852 202	21 329 067	27 523 135	129
Résultat net par action	43	19	24	129
Diluted earnings per share	43	19	24	129
<b>NET PROFIT</b>	<b>48 852 202</b>	<b>21 329 067</b>	<b>27 523 135</b>	<b>129</b>
<b>OTHER COMPONENTS OF THE OVERALL PROFIT</b>				
Unrealized gains or losses on assets available for sale (IAS 39)	665 760	0	665 760	
Revaluation differences on fixed assets (IAS 16 and 38)	6 149 771	0	6 149 771	-72
Others	<b>73 263</b>	262 160	-188 898	<b>158</b>
<b>TOTAL OVERALL PROFIT</b>	<b>55 740 994</b>	<b>21 591 227</b>	<b>34 149 768</b>	<b>158</b>
Total earnings per share	49	19	30	

# STATEMENT OF VARIATION OF CAPITAL

(in thousands BIF)

ITEMS IN BIF THOUSANDS	Capital	Reserves related to the capital	Consolidated reserves	Unrealized profits	Income	Total of Equity
<b>Closing equity</b>	<b>18 315 584</b>	<b>1 023 956</b>	<b>8 569 921</b>	<b>4 605 074</b>	<b>15 126 810</b>	<b>47 641 345</b>
<b>Change of methods and correction of errors</b>						
<b>Equity opening 2018</b>	<b>18 315 584</b>	<b>1 023 956</b>	<b>8 569 921</b>	<b>4 605 074</b>	<b>15 126 810</b>	<b>47 641 345</b>
<b>Appropriation of 2017 earnings</b>						
Balance sheet bonus, dividends, bonuses paid					-3 925 939	-3 925 939
Increase in capital	14 881 412		-14 881 412			
Incorporation of reserves			11 200 871			
Others (details in the notes)					-11 200 871	
<b>Net income for the year</b>					<b>21 329 067</b>	<b>21 329 067</b>
<b>Subtotal: shareholder transactions</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>4 889 380</b>	<b>4 605 074</b>	<b>21 329 067</b>	<b>65 044 473</b>
<b>Other elements of the overall result</b>						
Unrealized profit or losses on assets available for sale				411 292		411 292
Fixed asset revaluation differences				-175 025		-175 025
Others				262 160		262 160
<b>Equity closing 2018</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>4 889 380</b>	<b>5 103 501</b>	<b>21 329 067</b>	<b>65 542 900</b>
<b>Change of methods and correction of errors</b>						
<b>Equity opening 2019</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>4 889 380</b>	<b>5 103 501</b>	<b>21 329 067</b>	<b>65 542 900</b>
<b>Appropriation of 2018 earnings</b>						
Balance sheet bonus, dividends, bonuses paid					-7 530 806	-7 530 806
Increase in capital						
Incorporation of reserves			13 798 260		-13 798 260	
Others (details in the notes)						
<b>Net income for the year</b>					<b>48 852 202</b>	<b>48 852 202</b>
<b>Subtotal : transactions between shareholders</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>18 687 640</b>	<b>5 103 501</b>	<b>48 852 202</b>	<b>106 864 295</b>
<b>Other elements of the overall income :</b>						
Unrealized profit or losses on assets available for sale				665 760		665 760
Fixed asset revaluation differences				5 974 745		5 974 745
Others				73 2635		73 263
<b>Closing equity</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>18 687 640</b>	<b>11 817 268</b>	<b>48 852 202</b>	<b>113 578 063</b>

# CASH FLOW TABLE

(in thousands BIF)

	31/12/2019	31/12/2018
<b>Profit before tax</b>	<b>49 277 986</b>	<b>21 805 659</b>
Net allowances, amortization and depreciation of tangible fixed assets and intangible	1 913 566	1 805 590
Net allowances for impairment and provisions	-5 518 427	-1 013 425
Share of profit from associates		
Net loss / net profit from investing activities	79 864	-17 515
(Income) / expenses of financing activities	0	0
Other movements (fluctuation in exchange rates, revaluation of investment)	-475 959	85 888
<b>Non-monetary items included in net income before taxes and other adjustments</b>	<b>-4 000 957</b>	<b>860 538</b>
Flows linked to operations with banks and similar	41 053 234	-79 052
Customer transaction flows	24 257 563	88 189 567
Flows linked to other operations affecting financial assets or liabilities	-73 013 910	-194 636 875
Flows linked to other operations affecting non-financial assets or liabilities	1 515 659	-3 319 164
- Taxes paid	-425 785	-476 592
<b>Net decrease / (increase) in assets and liabilities from operating activities</b>	<b>-6 613 238</b>	<b>-110 322 116</b>
<b>Total net cash flow generated by operating activity (A)</b>	<b>38 663 791</b>	<b>-87 655 920</b>
Flows linked to financial assets and investments		
Flows linked to investment properties	0	0
Flows linked to tangible and intangible fixed assets	-5 821 681	-2 307 156
<b>Total net cash flow from investing activities (B)</b>	<b>-37 104 212</b>	<b>-2 307 156</b>
Flux de trésorerie provenant ou à destination des actionnaires	-7 530 806	-3 925 939
Other net cash flows from financing activities	35 796 689	76 316 735
<b>Total Net cash flow from financing activities (C)</b>	<b>28 265 883</b>	<b>72 390 796</b>
<b>Effect of changes in exchange rates on cash and cash equivalents (D)</b>	<b>0</b>	<b>78 701</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C + D)</b>	<b>29 825 462</b>	<b>-17 493 579</b>
Opening cash and cash equivalents	34 304 564	51 799 144
Cash, central banks (assets and liabilities)	23 395 121	39 259 721
Accounts and loans / sight loans with banks and similar (assets and liabilities)	10 910 444	12 539 423
<b>Cash and cash equivalents at closing</b>	<b>64 131 026</b>	<b>34 305 564</b>
Cash, central banks, CCP (assets & liabilities)	59 252 649	23 395 121
Accounts and loans / sight loans with banks and similar (assets and liabilities)	4 878 377	10 910 444
<b>Change in net cash</b>	<b>29 825 462</b>	<b>-17 493 579</b>

# SMS Banking



Où que vous soyez,  
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**Demande de  
solde**



**Virement  
compte à compte**



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