



ACTIVITIES REPORT 2021

62ND FINANCIAL YEAR

INNOVATION

PROFITABILITY

PRODUCTIVITY



With my Bank,
I move forward



BANCOBU FOR YOU



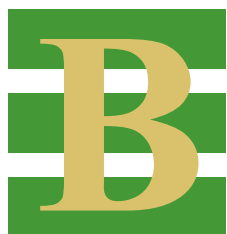
ACTIVITY REPORT AND FINANCIAL STATEMENTS

December 31, 2021

Presented to the Shareholders
Ordinary General
Assembly
of March 29, 2022

84, Chaussée Prince Louis RWAGASORE
P.O. Box 990 Bujumbura - Burundi
Tel. : +257 22 20 65 00 / Fax : +257 22 22 10 18
E mail : info@bancobu.com
Swift Code : BC BU BI BI
www.bancobu.com





Bancobu
Bank

Une tradition de bien faire

Depuis 1960

QUALITY POLICY HEALTH-SAFETY ENVIRONMENT

Convinced of the pivotal role that Bancobu plays in the irrigation and development of our economy, we are committed to fulfill our mission, design and market financial products and services that meet the needs of our customers through our vision of being an innovative, efficient and citizen bank

INSTITUTIONAL ENVIRONMENT

Because regulatory compliance is essential to support and sustain our bank and the economy,

We closely follow the evolution of regulations in order to measure their impact on our processes and adapt them accordingly

EXTERNAL CUSTOMERS

Because you have projects that require personalized financing,
Because you want fast, secure and easy-to-use payment solutions,
Because the cost of banking services is a central decision factor.

We provide advice and assistance in establishing a customized financing plan
We develop innovative digital platforms (eNoti, Webbank...) allowing you to make online payment transactions, in complete security.
We guarantee you the most competitive prices on the Burundian market.

ENVIRONMENT - HEALTH - SAFETY

Because the health and safety of our employees and partners is non-negotiable,
Because the environment and climate change are a universal concern.

We involve our teams in the process of awareness, training and prevention of health and safety risks.
We measure the evolution of our climate impact and take measures to reduce pollution and greenhouse gas emissions wherever possible.

SUPPLIERS

Because the availability and security of our platforms depends on our partners

We attach particular importance to regular dialogue and clear communication, with the aim of maintaining a high level of availability and safety while minimizing the costs associated with non-quality.

INTERNAL CUSTOMERS

Because internal communication and skills development are essential vectors of motivation and efficiency for our employees,
Because the good financial health of the bank is essential for our partner clients, employees and investors.

We offer each of them efficient tools and guarantee them access to the necessary training while sharing our values : LISTENING - INTEGRITY - EXCELLENCE.
We ensure that we master and continuously improve our operations in relation to stakeholders and external parties.

Bujumbura, on November 02, 2021

Sylvère BANKIMBAGA
Deputy Managing Director

Trinitas GIRUKWISHAKA
Managing Director

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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 statement Pay for goods and services at any point of sale (POS) world-wide- restaurants, supermarkets, hotels, shopping online etc
- Make internal transfers between your various BANCOBU accounts

Visa prepaid

- Travel the world with a peacefully of mind with your Visa Prepaid Card
- Access your money 24/7
- Withdraw money in the most secured, 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 secured shopping on the inter-net
- No need of 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

eNoti

All your banking transactions at your ease through BANCOBU eNoti, your mobile banking account.

On the BANCOBU Bank application or via the short code ***161 #OK** access your bank account and perform operations such as :

- Balance / account statement / Exchange Rate ;
- Transfers to Bancobu / Transfers to other local banks ;
- Money transfer to eNoti mobile accounts ;
- Purchase of Econet, Lumitel, Smart, Onamob airtime from one place, your eNoti account ;
- Cash Withdrawal and deposit from the agent closest to you ;
- Bill payment / StarTimes and Canal + subscriptions and much more ;
- Pay merchant (for goods and services).

Web

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

Western Union

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

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

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 0 or EUR 0
- 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

Terimbere Credit

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

Express Credit

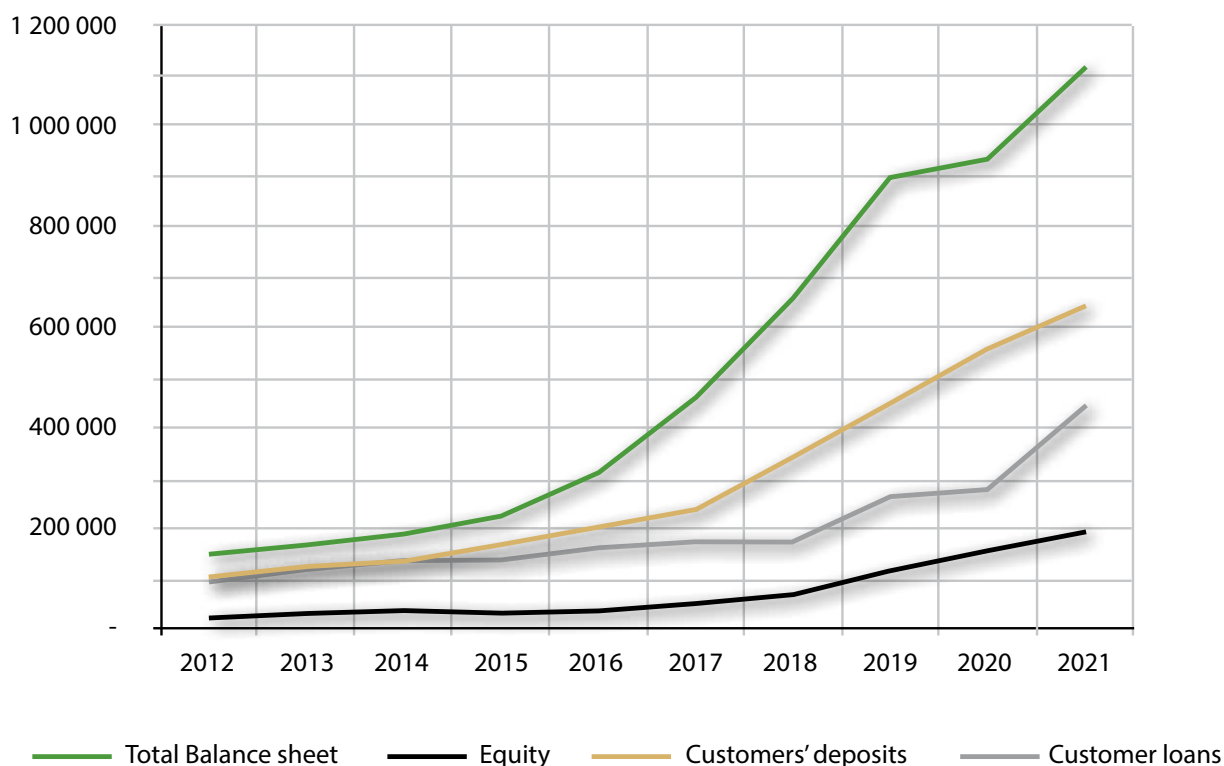
- Salary advance up to 80% of net salary
- Duration of up to six months
- Funds available within 12hrs
- Guaranteed by employment

KEY INDICATORS 2012-2021

(In BIF million)

BALANCE SHEET

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Balance sheet	146 184	164 629	186 944	223 205	308 524	459 562	657 075	897 603	934 154	1 115 856
Equity	21 543	28 484	33 812	28 936	32 962	47 641	65 542	113 578	153 905	190 999
Customers' deposits	105 607	124 260	131 330	165 641	201 219	235 637	339 778	448 367	556 742	641 559
Customer loans	91 031	116 455	134 297	138 544	158 323	171 179	171 878	261 801	279 316	442 923

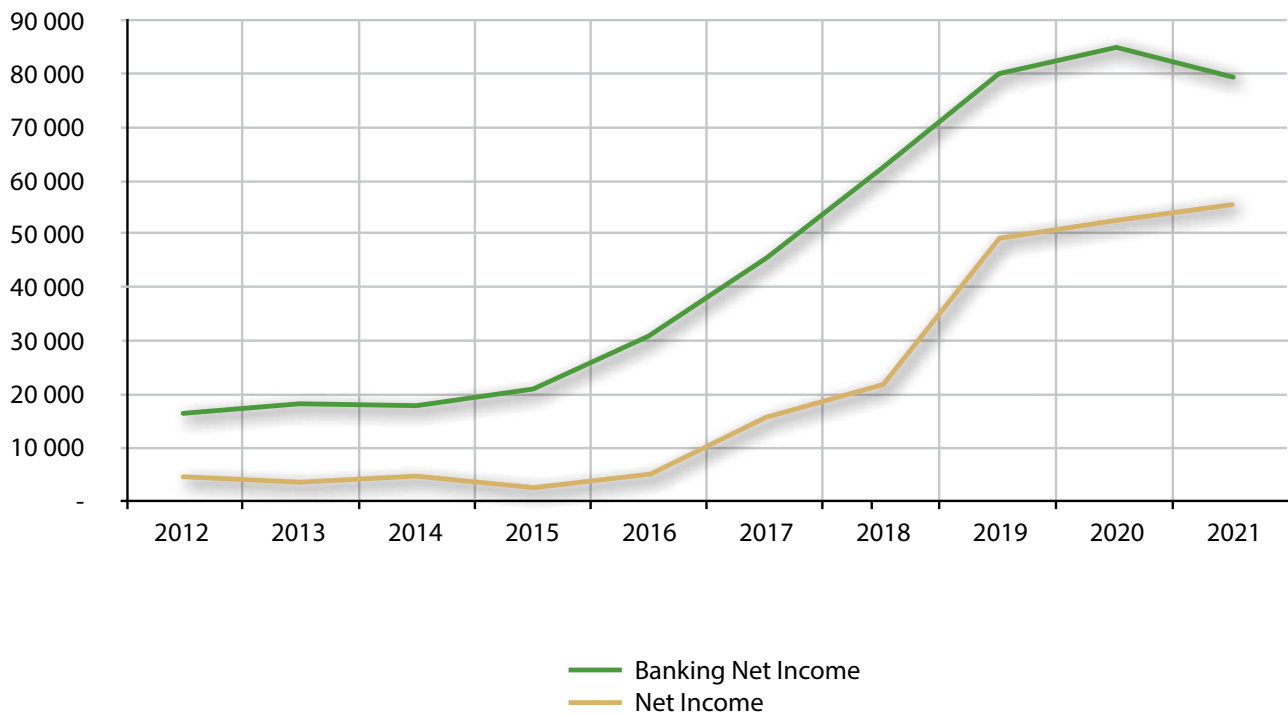


KEY INDICATORS 2012-2021

(In BIF million)

INCOME STATEMENT

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Banking Net Income	16 062	17 780	17 510	20 661	30 605	45 302	62 244	79 720	84 182	78 932
Net Income	3 946	3 270	4 184	2 328	4 452	15 127	21 329	48 852	52 180	55 031



SPEECH OF THE PRESIDENT OF THE BOARD OF DIRECTORS



“

The Bank's leading position in the market requires further innovative measures to ensure the sustainability of the Bank's growth.

”

Léa Ngabire

President of the Board of Directors

Ladies and Gentlemen Shareholders,

On behalf of the Board of Directors of the Commercial Bank of Burundi «BANCOBU» and in our own name, we have the pleasure to address to you of the holding of the Ordinary General Meeting of Shareholders of the closing of the financial year ending on 31/12/2022 and which corresponds to the 62nd financial year.

Before presenting in detail the achievements of the year 2021, we would just like to point out some of the most important facts of the past fiscal year :

- i. The elaboration of a new strategic development plan for the bank 2021-2025.
- ii. The adoption of some regulatory texts of reference to adapt to local and international standards related to the banking sector.
- iii. The expansion of the network to support the national financial inclusion policy through the eNoti mobile product.
- iv. The ongoing capacity building of the bank's staff in order to improve the quality of management and quality of services offered to our customers.
- v. The ongoing support with regards to the concerns of the surrounding communities, which gives it the character of a popular bank. The flagship action of the year 2021 was the delivery of a donation of 50 public garbage cans to support the implementation of hygiene and sanitation measures.

We can congratulate ourselves for the good performance achieved by our bank over the last three years. In fact, the net results achieved growth from one year to another: from BIF 48.9 billion at the end of the financial year 2019, to BIF 52.2 billion at 31/12/2020, it goes up to 55 billion at 31/12/2021, with a global market share of 33% of the results of all commercial banks in Burundi.

BANCOBU is committed to maintaining this position and by aiming more higher. This is the reason why we have set a new business strategic plan 2021 to 2025 with higher ambitions built on the following strategic pillars : **internationalization ; continuation of the effort to collect deposits and loans as well as market development activities.**

In order to strengthen the Bank's governance system, a review of the reference regulatory texts is conducted whenever necessary to adapt to the local and international standards of the banking sector. During fiscal year 2021, the Board of Directors reviewed and adopted the following regulatory texts : **Anti-Money Laundering and Terrorist Financing Policy ; Audit Charter ; Emergency Financing Plan; Environmental, Social and Governance Policy ; Multi-Year Audit Plan.**

In order to support the national policy of financial inclusion and above all to safeguard its leading position in the sector, the Bank continues to diversify and expand its distribution network. Since December 2020, the Bank has launched its new mobile product whose penetration is slowly but surely progressing. At the same time, it also continues to expand its physical network branches (in KAMENGE, OTRACO NGOZI, OTRACO GITEGA, OTRACO BURURU, ZEGE, Rutana Agency) and to ensure the effectiveness of other distribution channels which are webbank, SMS banking, private cards and Visa.

The bank has understood that in order to consolidate its performance, it is also necessary to reinforce the skills of its staff. It has been organized, in fact, training for executives provided either by internal, or by international experts and high-level academics in order to bring them up to date on the innovations implemented by the bank and the corporate culture in particular. These trainings were related to regulations ; governance ; marketing (pricing and distribution network), economic and financial culture.

In terms of social responsibility, Bancobu has remained attentive to the concerns of the surrounding communities. Indeed, it has contributed to the public treasury, under the mandatory 5% levy on the 2020 result, for an amount of BIF 2.746 billion in addition to the donation of 50 public garbage cans for the implementation of hygiene and sanitation measures. It should be noted that the mandatory contribution of 5% to be deducted from the result comes to the full amount of BIF 2.930 billion for the year ending 31/12/2021.

Ladies and Gentlemen ;

The Bank's leading position in the market requires further innovative measures to ensure the sustainability of the Bank's growth.

In this new and rather favorable context, the Bank is positioning itself to contribute to the financing of the private sector, including foreign direct investments.

Thus, the implementation of the Bank's Strategic Development Plan 2021-2025 is a contribution to the execution of Burundi's National Development Plan 2018-2027, contributing to the National growth. This implementation will be achieved mainly through :

- The continuation of the extension of the e-Noti distribution network up to the level of the census hills; and providing needful new options to our e-Noti ;
- The construction work of BANCOBU BUSINESS CENTER ;
- The search for correspondents and strategic partners ;
- Adapting the Bank's organization charter according to the requirements of our new strategic development plan ;
- Upgrading the Strategic business Development Plan 2021-2025.

The major challenges include :

- Continuing the search for international correspondents and financial partners in order to support international import/export trade ;
- Continuing the extension of the eNoti distribution network to the census hills ;
- The continuation of the construction work of BANCOBU BUSINESS CENTER.

We take this opportunity to congratulate the Management and Staff of the Bank for the efforts made in 2021, and encourage them to keep the same momentum for the achievement of the 2022 objectives which will create, I have no doubt, a real impact on the development of the Bank and on the overall economy of the country.

We thank you for your attention.

March 17, 2022

Léa NGABIRE

President of the Board of Directors

THE MANAGEMENT OF THE BANK



Sylvère Bankimbaga
Deputy Managing Director

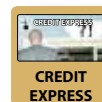


Trinitas Girukwishaka
Managing Director

THE BANCOBU AT THE DIGITAL AND MULTICHANNEL AGE

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 AND FINANCIAL STATEMENTS, FISCAL YEAR 2021

This report covers the main activities carried out by the Board of Directors during fiscal year 2021, the financial statements for the year ended on December 31, 2021, and the prospects for the fiscal year 2022.

As a preamble, we present to you the macro-economic framework in which the Bank has conducted its activities.

I. MACRO-ECONOMIC ENVIRONMENT

The real sector was characterized by a decrease in industrial production and parchment coffee inputs, while green leaf tea production increased compared to 2020.

The industrial production index fell by 20.8% from 206.6 in October 2020 to 163.6 in October 2021 in the corresponding month of 2020 as a result of the decrease in sugar production (-66.6%) and cigarette production (-30.7%).

Overall inflation stood at 9.9% in October 2021 compared to 7.0% in the same period of the previous year.

In terms of the balance of payments, the trade balance deficit worsened at the end of October 2021 to BIF 1,476.5 billion compared with BIF 1,198.6 billion as a result of the increase in imports (BIF 1,669.8 billion compared with BIF 1,454.0 billion) and the decrease in exports (BIF 193.3 billion compared with BIF 255.5 billion).

In terms of the exchange rate, the BIF depreciated year-on-year by 3.07% against the US dollar in October 2021.

At the level of public finances, as of the end of October 2021, the overall public finance deficit (excluding grants) narrowed to MBIF 406,859.5 compared to MBIF 604,556.2 for the same period last year.

In the banking sector itself, the quality of the banking sector's credit portfolio improved significantly from year to year.

The overall credit deterioration rate fell from 6.2% to 3.6% at end-October 2021, mainly as a result of reversals of provisions for written-off loans.

The sector's net income increased by 13.1% from MBIF 125,085.1 to MBIF 141,477.1. According to BRB (Bank of the Republic of Burundi), although ratios have declined, the banking sector remains sufficiently capitalized, solvent and profitable.

II. MAIN ACHIEVEMENTS IN FISCAL YEAR 2021

The Board of Directors held its meetings in accordance with the Bank's Articles of Association and its internal regulations to analyze, in particular, the management reports of the General Management and those drawn up by the specialized Committees of the Board of Directors, namely the Audit Committee, the Risk Management Committee, the Credit Committee and the Appointments and Remuneration Committee.

II. 1. ADOPTION OF A NEW 2021-2025 STRATEGIC PLAN FOR THE DEVELOPMENT OF THE BANK 2021-2025.

The Board of Directors, in its meeting held on March 30th, 2021, adopted a new 2021-2025 strategic plan for the development of the bank 2021-2025 ; the Bank having reached before term, the financial forecasts of the 2018-2022 Transformation Plan.

BANCOBU has achieved, in fact, a GNP of BIF 84.1 billion at the end of 2020 and accumulates alone a market share varying between 25 and 35% of the entire banking system on its main segments of activity. This has motivated the elaboration of a new Plan with new ambitions, built on the following strategic areas of focus :

Area 1: Internationalization.

The proposal of the Strategic Development Plan is to initiate a widening of the geographical market of BANCOBU by the establishment of the Bank in the countries closest to Burundi and having in common the same cultural and economic point of view.

The Strategic Development Plan also mentions the principle of a study of the interest of developing a prospecting in the West, by forms and means to be defined.

Area 2 : Continuation of the fundraising and credit effort.

The Strategic Development Plan proposes to identify new segments of the population that would allow the bank to significantly broaden its service base. The targets of expatriates and the female population are interesting for several reasons (foreign exchange collection and strengthening of female empowerment). In addition, the development of new activities adapted to small and medium-sized enterprises will also be initiated (microfinance, investment, leasing, bank-insurance, etc.) while prioritizing projects that are in line with the National Development Plan.

Area 3 : Developing market activity.

Burundi is preparing to set up a stock exchange as part of the economic integration process within the East African Community zone, of which it is a member. BANCOBU is already the leader in the market of Treasury Securities. This first success in the field of market banking commits it to capitalize on this achievement and continue this diversification process in the capital market.

In order to implement this Strategic Development Plan, the bank's management has set up Technical Committees which have already drawn up action plans for each area of focus. These Technical Committees are, for some actions, supported by consultants with proven skills in their field of intervention.

II. 2. AMENDMENT AND/OR ADOPTION OF REGULATIONS

The Bank's governance system is being strengthened through the implementation of the reference regulatory texts. A review of these texts is conducted whenever necessary to adapt them to local and international standards in the profession. During the fiscal year 2021, the Board of Directors reviewed and/or adopted the following regulatory texts :

II. 2. 1. Update of anti-money laundering and financing of terrorism policy

The Bank had its AML/CFT policy since 2013. This policy has been updated to be in line with the changes that have occurred in the local and international environment.

II. 2. 2. Update of the Audit Charter.

The Board of Directors adopted a new audit charter whose update was aimed at complying with the regulator's instruction through article 23 of the circular n°07/2018 and with the recommendations of the External Auditor and the consultant Carmen Dall.

II. 2. 3. Emergency Financing Plan.

The Emergency Financing Plan (EFP) is a clear statement of an institution's strategies for resolving liquidity shortages in case of an emergency. It is part of the overall framework of the risk control framework.

Circular 23/2018 on risk management states in its Article 29 that «The credit institution shall put in place an emergency funding plan that shall cover all anticipated crisis situations and allow for adequate management of a liquidity crisis regardless of their duration and severity.»

With the support of consultant Carmen Dall, the Bank developed its EFP consisting of 2 documents:

- The Emergency Financing Plan itself, in compliance with Article 29 of Circular 23/2018.
- And a methodological guide for organizing liquidity crisis simulations: in compliance with Article 30 of the same circular.

From this basis, the bank has effectively conducted a stress test on 10/09/2021 as recommended by the regulator. The objective of the exercise was, among others, to observe the impact of the crisis data on the liquidity ratios and the adequacy of the emergency financing measures adopted and to sensitize the actors on the need to take charge of the EFP monitoring and early warning system.

It enabled the Bank to demonstrate its capacity to respond effectively to a severe shock.

II. 2. 4. Environmental, Social and Governance Policy.

The Environmental, Social and Governance Policy covers two themes: (i) the environmental, social and governance («ESG») dimensions of the Commercial Bank of Burundi's activities and (ii) the bank's identity in terms of sustainable development for the Burundian community (including its employees), which intersects with the three ISO standards, namely Quality (9001-2015), Environment (14001-2015) and Health/Safety (45001-2018).



The objective of this policy is to promote the environmental and social sustainability of the activities conducted by Bancobu and its efforts to improve its impacts for Burundi and its population.

The Environmental, Social and Governance Policy is increasingly becoming a component of good governance and a reference for investors, correspondent banks and partners.

II. 2. 5. Multi-year Audit Plan.

BRB Circular No. 7 on internal control and the Audit Charter adopted by the Board of Directors refer to the multi-year internal audit plan that must guide the preparation of annual audit programs.

The multi-year audit plan was drawn up on the basis of 40 key activities that were inventoried in the framework of the quality management system, with an audit periodicity (one year, two years, three years) depending on the criticality of each activity.

II. 3. EXPANDING THE DISTRIBUTION NETWORK.

In order to support the national financial inclusion policy, the Bank has launched its new mobile product « Bancobu eNoti » since December 2020, which has two components: mobile money and mobile banking.

Mobile money is dedicated to the vast majority of people without access to a traditional bank account. Mobile banking is rather an additional comfort offered to those who already have a classic bank account and who now have the facility to manage their classic account via their cell phone. On a practical level, the classic account is linked to the eNoti mobile account and transaction flows can be made in both directions.

The eNoti product strengthens the multi-channel distribution of the Bank's services by providing new channels and new distribution networks, the main actors of which are the commercial agents with the objective of having at least one Bancobu eNoti agent on each census hill in the country (about 2,500). As of 31/12/2021; the bank had already activated 979,719 new customers, 6,856 agents and 218 merchants.

At the same time, the Bank ensures the effectiveness of other distribution channels which are :

- The traditional branches and counters, numbering 54 (15 branches and 39 counters), with 103,408 customers ;
- The webbank channel with 5,347 subscribers as of 31/12/2021, compared to 4,288 as of 31/12/2020 ;
- SMS banking had 21,615 clients as of 31/12/2021 compared to 16,915 as of 31/12/2020 ;
- The use of the Bancobu private card (6,452 cards in circulation as of 31/12/2021) ;
- Use of the Visa card (4,375 cards in circulation as of 12/31/2021).



Opening ceremony of the Kamenge market counter



Opening Ceremony of the Rutana Market Counter

II. 4. SOCIAL BALANCE SHEET.

The total number of permanent staff has increased by 31 units. From 396 units as at 01/01/2021, it raised to 427 units as at 31/12/2021, of which 188 units were women (44%) and 239 were men.

To meet specific needs, the Bank has set up a system of temporary staff whose deployment depends on the needs of the various departments. This is also another approach for the Bank to contribute to reducing the unemployment rate among young graduates and give them the opportunity to gain experience in banking. The number of temporary staff is 208, i.e. 32.75% of permanent staff as at 31/12/2021.



In addition, the Bank is pursuing its program to improve the socio-professional conditions of its staff. This is being done in particular by strengthening skills through training (five executives are currently following the Technical Institute of Banking (ITB)), contributing to the supplementary pension fund, paying for life insurance and health care, and granting loans to staff at the social rate.

Still under the chapter of capacity building, it has been organized training for executives provided either by internal expertise or by the company Carmen Dall in order to update them on the innovations implemented by the bank and the corporate culture in particular. Thus, 154 executives followed the training program which covered the following topics :

- Regulations
- Governance
- Marketing (pricing and distribution network)
- Economic and financial culture
- Medium-term vision

A methodology for the elaboration of performance-based contracts has been introduced and a new evaluation form for these contracts has been adopted. A training on this methodology of elaboration of performance contracts and their evaluation has been provided.

II. 5. THE BANK'S SOCIAL RESPONSIBILITY : A CITIZEN BANK.

Being a citizen bank means that the Bank remains careful and responsive to the concerns of the communities in need of material, financial and technical support.

In this context, the Bank supports the initiatives of the communities within the framework of its social responsibility policy. The Bank is involved in the following major areas : social, humanitarian and charitable activities and sponsorship of cultural and sport events.

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



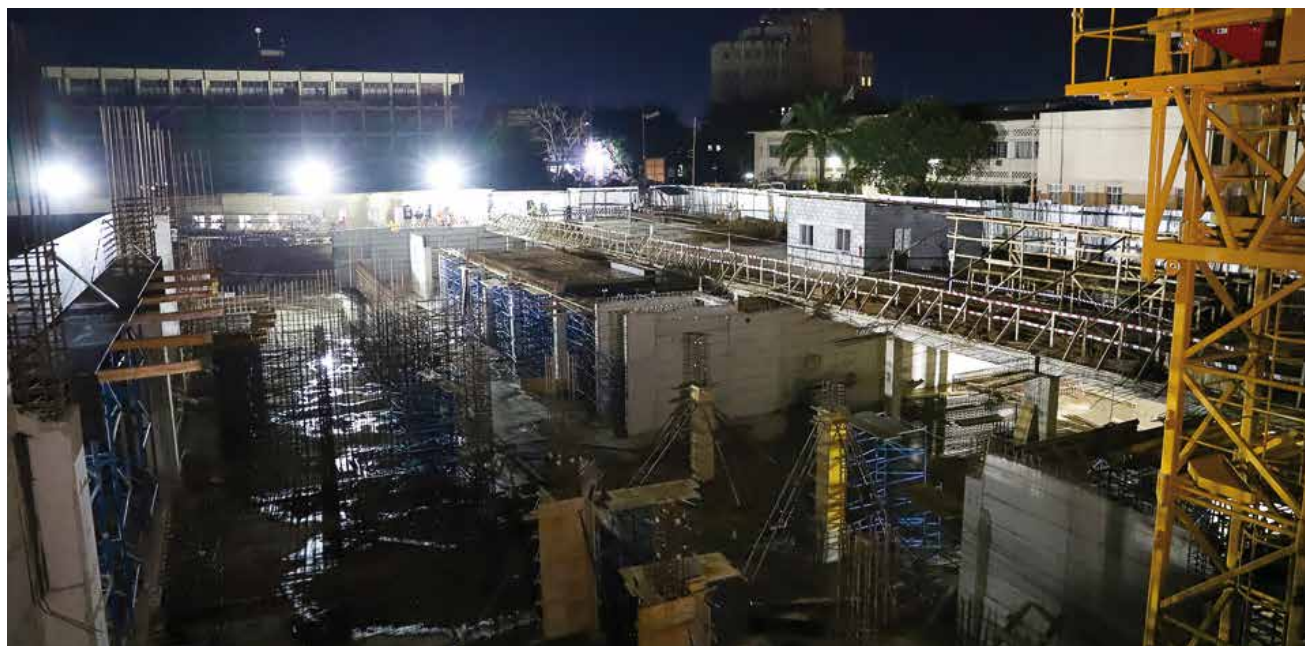
On the sidelines of the March 8 celebration, the women of Bancobu, supported by the Bank, came to the aid of mentally handicapped children at Kanyosha orphanage

In response to the call from the MUKAZA COMMUNE to support the implementation of the requirements of the law on hygiene and sanitation measures recommended by the Ministry of Public Security, Home affairs and Community Development. Bancobu financed the manufacture of 50 public waste garbage cans that are installed in various places to collect waste, particularly plastic bottles and non-degradable bags. The achievements of the year 2021 under this section is BIF 497 million.

We have also contributed to the treasury, under the mandatory 5% levy on the 2020 result, in the amount of BIF 2.746 billion. This mandatory contribution comes to the full amount of Bif 2.930 billion for the year ending December 31, 2021.

II. 6. BANCOBU BUSINESS CENTER.

At Bancobu, the year 2021 was also characterized by the beginning of construction work on its «Bancobu Business Center» real estate complex. This project has been selected as a priority project and will be carried out over 30 months at a cost of the equivalent of USD 29 million. The completion rate as of 31/12/2021 is 10.37%.



The current situation of the works as of 31/12/2021

III. PRESENTATION OF THE FINANCIAL STATEMENTS AS OF 12/31/2021

The presentation of the financial statements for the year 2021 is made in comparison with the previous year in order to highlight annual trends in the Bank's key financial indicators.

III. 1. EVOLUTION OF THE MAIN BALANCE SHEET ITEMS 2020-2021.

CHART 1 : Evolution of the balance sheet total (in BIF billion).

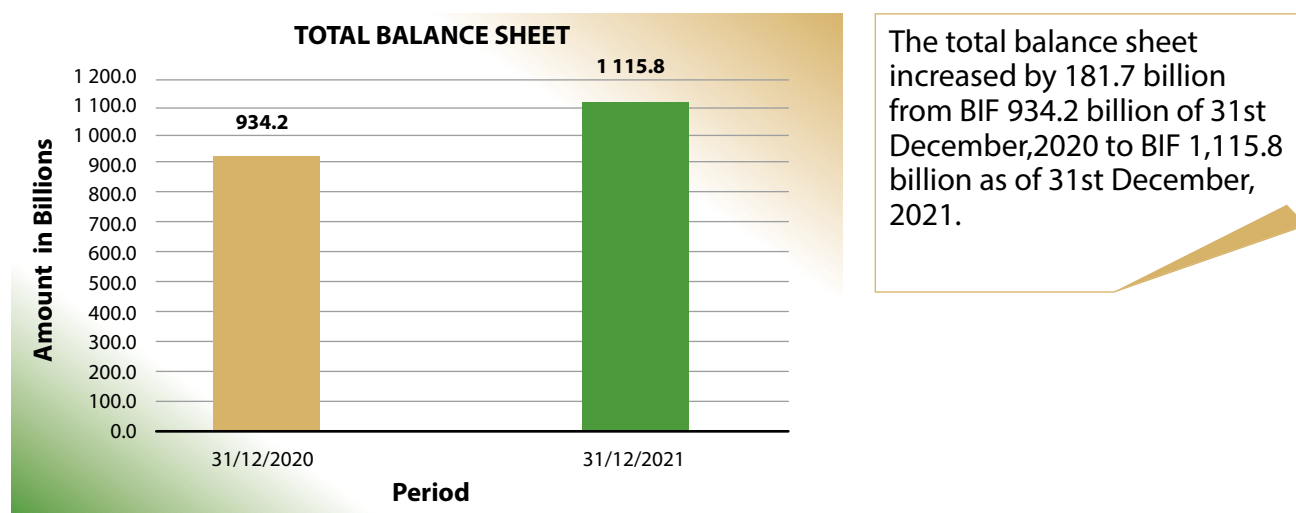


CHART 2 : Evolution of outstanding customer loans.

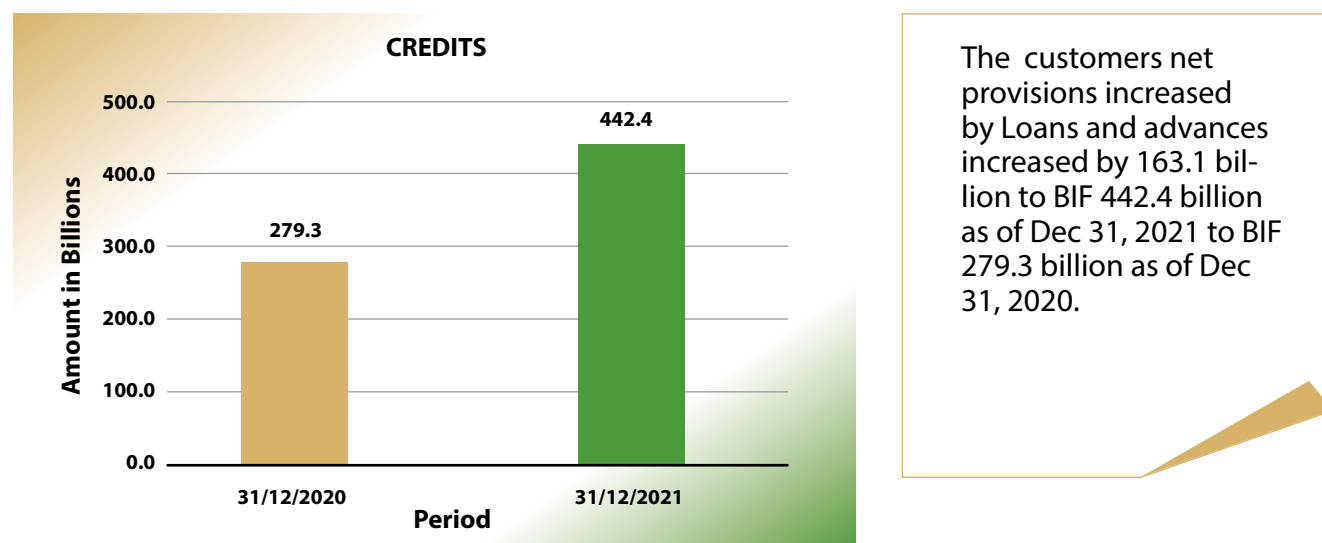
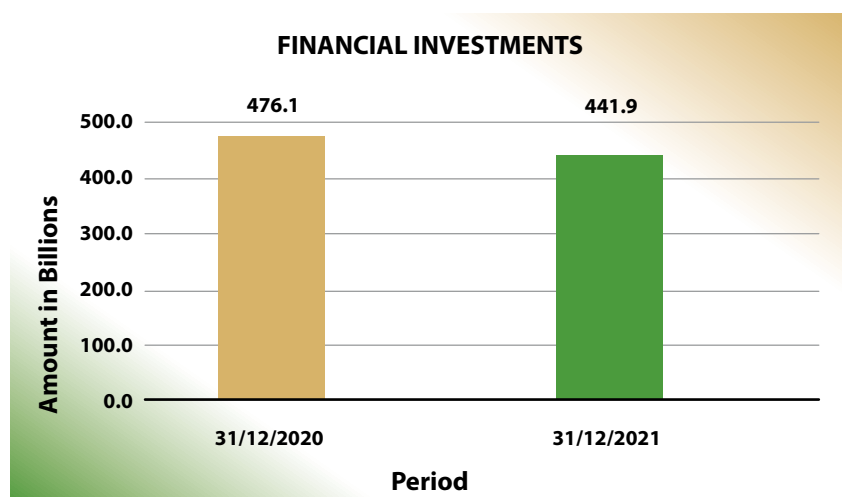
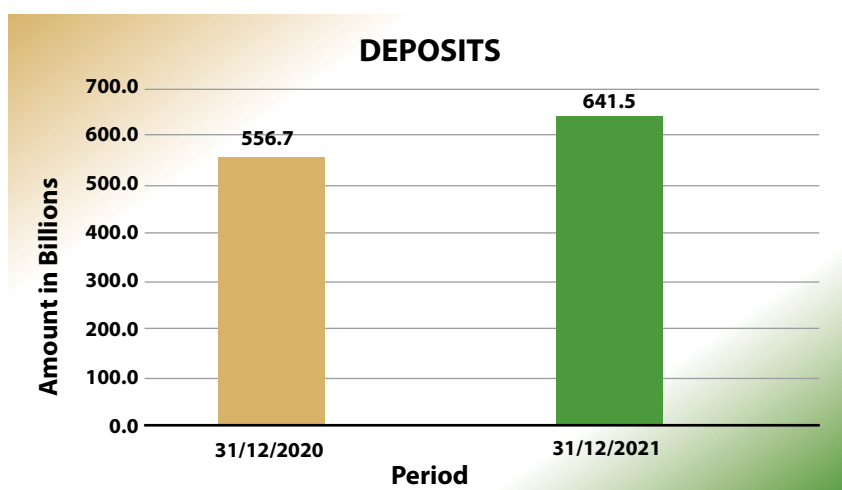


CHART 3 : Financial Investments.



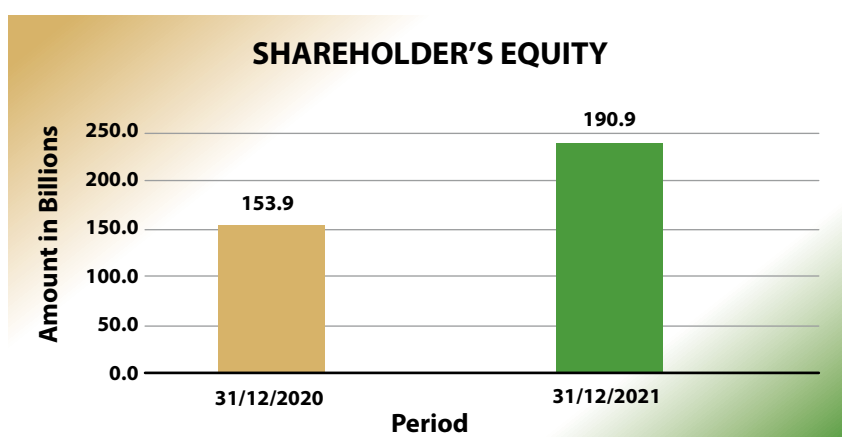
Financial investments (financial assets held to maturity) decreased by 34 billion from BIF 476 billion as of 12/31/2020 to BIF 441.9 billion as of 12/31/2021, i.e. a decrease of 7%.

CHART 4 : Evolution of outstanding customer deposits.



Deposits (debts to customers) increased by 84.8 billion to reach BIF 641.5 billion at 31/12/2021 against BIF 556.7 billion at 31/12/2020, i.e. an increase of 15%.

CHART 5 : Changes in shareholders' equity.

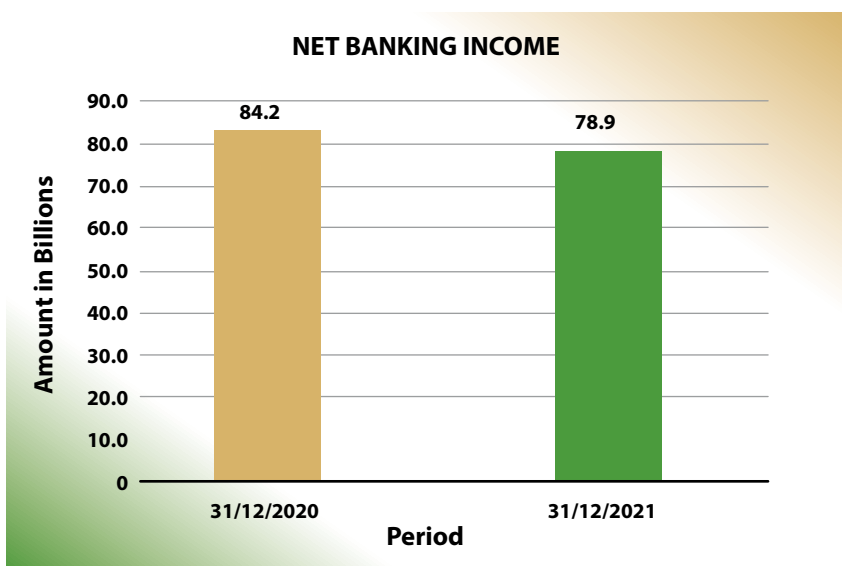


Shareholders' equity increased by 37.0 billion to BIF 190.9 as at 31/12/2021 compared with BIF 153.9 as at 31/12/2020, i.e. an increase of 24%.

All the major balance sheet items increased except for investments in treasury securities, whose decline is largely offset by the increase in loans to the economy.

III. 2. EVOLUTION OF THE INCOME STATEMENT 2020-2021.

CHART 6 : Change in net banking income.

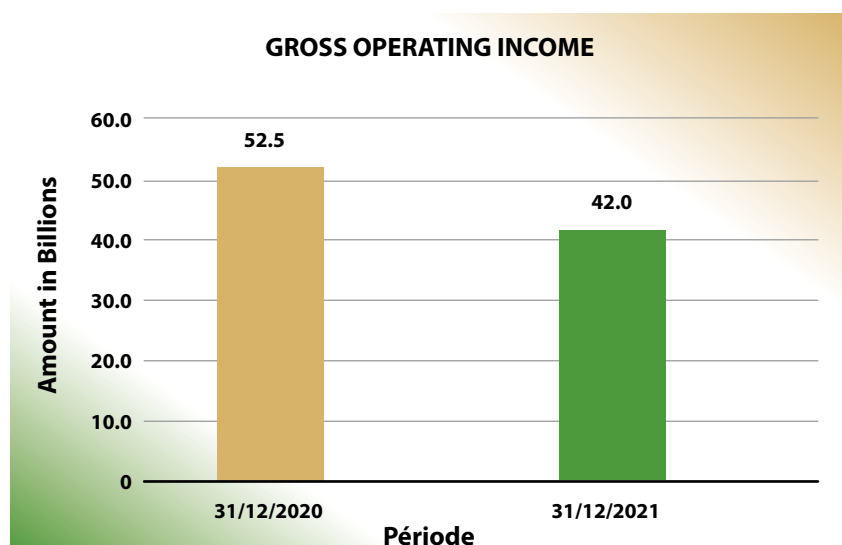


The Net banking income (NBI) decreased by BIF 5.2 billion to BIF 78.9 billion at 31/12/2021 compared to BIF 84.2 billion at 31/12/2020, i.e. a decrease of 6%.

This decrease is explained by several factors :

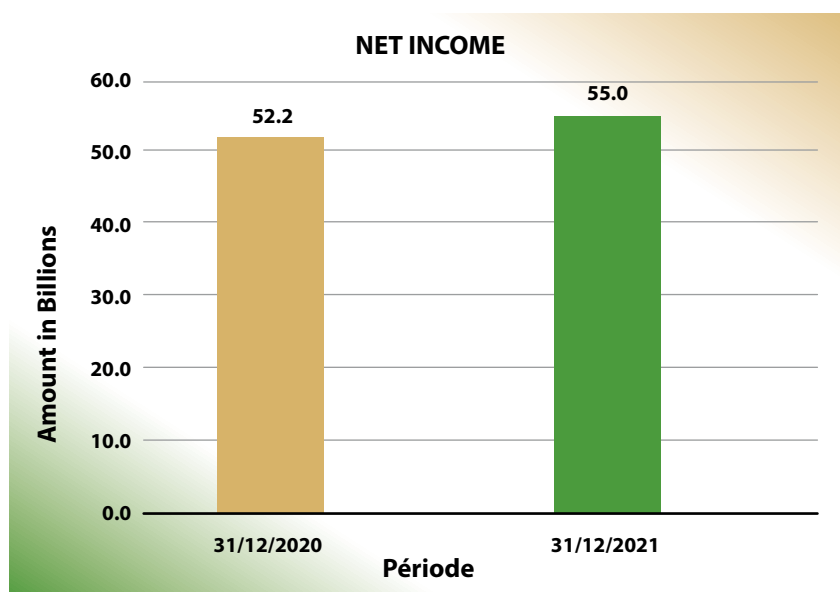
- The profitability of securities has decreased following the fall in interest rates despite the fact that most of the securities having reached their maturity had been replaced (e.g. the securities which were remunerated at 13.5% have fallen to 8% net) and an amount of more than 100 billion is concerned ;
- A decrease in gains on available-for-sale Treasury securities and in net foreign exchange commissions ;
- The Net banking income (NBI) decreased by BIF 5.2 billion to BIF 78.9 billion at 31/12/2021 compared to BIF 84.2 billion at 31/12/2020, i.e. a decrease of 6%.

CHART 7 : Evolution of gross operating income.



Gross operating income (GOI) declined by BIF 10.57 billion to BIF 42 billion at December 31, 2021, compared with BIF 52.5 billion at December 31, 2020, following an increase in operating expenses related to the Master Innovation Program.

CHART 8 : Change in net income



Net income increased by 5% to BIF 55 billion at December 31, 2021 compared with BIF 52.1 billion at December 31, 2020.

The detailed financial statements for the year ended December 31, 2021 include the following charts presented in the following pages :

- Financial position (Balance sheet)
- Income statement
- Cash flow statement
- Statement of changes in equity.

IV. PROSPECTS FOR 2022

The year 2022 start under good auspices with the resumption of international cooperation, which not only complements domestic financing efforts but also indicates a decrease in country risk. The recent discovery and validation of world-class mining deposits of metals needed for new technologies (Nickel, 3T, and «rare earths» representing, depending on the case, between 5 and 10% of the world's reserves) is seen as a significant issue that could boost economic activity.

In this new and rather favorable context, the Bank is positioning itself to contribute to the financing of the private sector, including foreign direct investment.

Thus, the implementation of the Bank's 2021-2025 Strategic Plan is presented as a contribution to the execution of Burundi's 2018-2027 National Development Plan, particularly in the financing of growth sectors (whose outstanding amount is already 120 billion as already mentioned above).

This implementation will be achieved mainly through :

- The extension of the e-Noti distribution network up to the level of the census hills and providey needful new option to our e-Noti platform ;
- The construction work of BANCOBU BUSINESS CENTER ;
- The search for correspondents and strategic partners ;
- Adaptation of the Bank's organization charter according to the requirements of our new strategic plan ;
- Updating the Strategic 2021-2025 Business Development Plan.

Thank you for your attention.

Bujumbura, March 2022

President of the Board of Directors.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Shareholders of the commercial Bank of Burundi (BANCOBU) S.M.

Opinion.

We have audited the accompanying financial statements of commercial Bank of Burundi (BANCOBU) S.M., which comprise the statement of financial position as at December 31, 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the related notes, including the summary of critical accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2021 and the results of its operations for the year then ended in accordance with accounting standards applicable to commercial banks in the Republic of Burundi. The overall result for the year ended on this date is fifty-six billion nine hundred and sixty seven million one hundred and fifty eight thousand Burundi francs (MBIF 56,967,158). The balance sheet total is one thousand one hundred and fifteen billion eight hundred and fifty-five million seven hundred and sixty-one thousand Burundian francs (MBIF 1,115,855,761).

Basis of the opinion.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are described in more detail in the section «Auditor's Responsibilities for the Audit of Financial Statements» of this report. We are independent of the organization in accordance with the International Ethics Standards Board's Code of Ethics for Professional Accountants (the IESBA Code) and the ethical requirements applicable to the audit of financial statements in Burundi, and we have fulfilled our other ethical responsibilities under these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters.

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the period under review. These matters were discussed in the context of our audit of the financial statements taken as a whole and for the purpose of forming our opinion thereon, and we do not express a separate opinion on these matters.

Responsibilities of management and those charged with governance for the financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Burundi's accounting practices and funding agreements, and that such internal control as management which is considered as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is the management's responsibility to assess the organization's ability to continue as a going concern, to disclose any going concern issues and to apply the going concern basis of accounting unless management intends to liquidate the company or to cease operations, or if there is no realistic alternative.

The Board of Directors is responsible for overseeing the financial reporting process of the organization.

The Auditor's responsibilities.

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with ISAs will always detect any material misstatement that may exist. Misstatements may result from fraud or error and are considered material when it is reasonable to expect that, individually or in aggregate, they could affect the economic decisions that users of the financial statements make in reliance on them.

In an audit performed in accordance with ISAs, we exercise professional judgment and critical thinking throughout the audit. In addition :

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control ;
- We obtain an understanding of the elements of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control ;
- We assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures made by management ;
- We conclude on the appropriateness of the going concern basis of accounting and, based on the evidence obtained, whether there is any material uncertainty related to events or circumstances that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of the readers of our report to the disclosures in the financial statements about that uncertainty or, if those disclosures are not adequate, to express a modified opinion. Our conclusions are based on evidence obtained up to the date of our report. Future events or circumstances may cause the Company to cease operations ;
- We evaluate the overall presentation, form and content of the financial statements, including the disclosures in the notes, and assess whether the financial statements present the underlying transactions and events fairly ;
- We communicate to the Board of Directors, among other things, the planned scope and timing of our audit work and our significant findings, including any significant deficiencies in internal control that we may have identified during our audit.

We also provide the Board of Directors with a statement indicating that we have complied with the relevant ethical rules regarding independence, and disclose to them all relationships and other factors that may reasonably be thought to affect our independence and related safeguards, if any.

Of the matters communicated to the Board of Directors, we will determine that they were the most significant in the audit of the financial statements for the period under review: these are the key audit matters.

We describe these matters in our report, except when legal or regulatory requirements prevent disclosure or when, in extremely rare circumstances, we determine that we should not disclose a matter in our report because the adverse consequences of disclosure would reasonably be expected to outweigh the benefits to the public interest.

Bujumbura, 29 /03/2022

GN & ASSOCIATES S.P.R.L.

Eric NIZIGIYIMANA

Partner

RESOLUTIONS OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF MARCH 29, 2021

First resolution :

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37.41 and 49 of the Bank's Articles of Association, after examining the report of the Board of Directors for the financial year 2021, 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 Articles of Association, after examining the report of the Statutory Auditor on the accounts for the financial year 2021, 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 Articles of Association, after having heard the report of the Board of Directors and the Statutory Auditor, unanimously approves the financial statements for the financial year 2021 comprising the balance sheet, the income statement, the statement of changes in equity and the cash flow statement as well as the net result amounting to BIF 55.030.749.434.

Fourth resolution:

The result to be appropriated is set at BIF 57.770.687.188 taking into account the retained earnings of the year 2020 of BIF 2.739.937.854. The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37.41 and 50 of the Bank's Articles of Association, on the proposal of the Board of Directors, unanimously approves the allocation of this result as follows :

Legal reserves	BIF 2,888,534,358
Investment reserves	BIF 17,350,000,000
Optional reserves	BIF 15,000,000,000
Dividends	BIF 20,204,378,600
Retained earnings	BIF 2,327,774,230

Fifth resolution:

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37, 41 and 49 of the Bank's Articles of Association, after having approved the Bank's accounts, unanimously discharges the Directors for their management of the financial year 2021.

Sixième résolution :

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37, 41 and 49 of the Bank's Articles of Association, after approving the Bank's accounts, unanimously gives discharge to the Auditor for the audit of the financial year 2021.

Septième résolution :

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 16, 37 and 41 of the Bank's Articles of Association, on the proposal of the Board of Directors :

- Renews the mandate of Mr. Emmanuel MIBURO, Director representing INSS for a term of 4 years which will end at the Ordinary General Meeting of Shareholders of the year 2026 deciding on the accounts of the year 2025 ;
- Definitively appoints Mr. Jean Liévin GAKWAVU, Director representing the Group of shareholders OCIBU in liquidation (The Directorate of the State Assets in the Coffee Sector), BCC in Liquidation, COGERCO, ONATEL, OTB and REGIDESO, to complete the mandate of Mr. Christian KWIZERA which will end at the Ordinary General Meeting of shareholders of the financial year 2024 ruling on the accounts of the financial year 2023.

Huitième résolution :

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Article 31 of the Bank's Articles of Association, on the proposal of the Board of Directors, appoints the firm GN & Associates as the Bank's Statutory Auditor for a two-year term (2022-2023) which will end at the 2024 Ordinary General Meeting of Shareholders deciding on the accounts of the financial year 2023 and fixes its remuneration at BIF 26,762,400 including all taxes per financial year.

Done at Bujumbura, on March 29, 2021.

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



1. **Mrs. Léa NGABIRE**, President
2. **Mr. Stanislas BANKIMBAGA**, Scrutineer
3. **Mr. Charles NDAGIJIMANA**, Scrutineer
4. **Mrs. Trinitas GIRUKWISHAKA**, Secretary
5. **Mr. Eric NIZIGIYIMANA**, GN & Associates, Auditor

FINANCIAL SITUATION STATEMENT

(BALANCE SHEET)

RUBRIQUES (en BIF milliers)	31/12/2021	31/12/2020
ASSETS		
Coffers and the central bank (BRB)	24,079,746	36,542,086
Other financial assets	26,953,014	10,541,327
Available-for-sale financial assets	72,290,383	33,175,114
Loans and receiv to banks and similar insti	38,924,668	48,132,586
Customer loans and receivables	442,420,963	279,315,827
Held-to-maturity financial assets	441,922,671	476,067,018
Current and deferred tax assets	1,582,381	2,065,396
Other assets	13,888,514	6,816,469
Investments in affiliated companies	507,122	507,122
Investment properties	5,905,505	5,045,129
Tangible fixed assets	38,160,256	28,707,178
Intangible assets	9,220,538	7,238,491
TOTAL ASSETS	1,115,855,761	934,153,742
LIABILITIES	31/12/2021	31/12/2020
DEBTS		
Central Bank (BRB)	151,085,301	128,026,667
Amounts owed to banks & similar institut	110,779,705	75,802,164
Amounts owed to customers	641,558,807	556,742,355
Current and deferred tax liabilities	4,693,719	4,701,976
Other liabilities	5,527,734	5,324,708
Provisions for liabilities and charges	10,263,774	8,592,552
Investment grants	948,203	1,058,034
TOTAL LIABILITIES	924,857,243	780,248,456
EQUITY	31/12/2021	31/12/2020
Capital and related reserves	102,904,392	34,220,952
Consolidated reserves	19,678,970	55,322,635
Unrealized or deferred gains or losses	13,384,406	12,181,697
Results for the year	55,030,749	52,180,003
TOTAL CAPITAL AND RESERVES	190,998,518	153,905,287
TOTAL LIABILITIES	1,115,855,761	934,153,742

OVERALL INCOME STATEMENT

ITEMS (in Thousands of BIF)	31/12/2021	31/12/2020
Interest and similar income	95,983,716	94,873,396
Interest and similar expenses	-29,594,313	-27,093,074
Net interest income	66,389,404	67,780,322
Commissions (income)	8,292,281	8,440,908
Commissions (expenses)	-2,346,683	-775,962
Net foreign exchange gains or losses	4,562,509	4,933,795
Net gains or losses on financial investments	352,010	2,680,581
Income from other activities	1,683,232	1,122,747
Expenses from other activities	-568	0
Net banking income	78,932,185	84,182,391
Stuff expenses	-16,609,819	-14,522,236
Net depreciation, amortization and impairment of fixed assets	-2,251,133	-2,090,339
Other general operating expenses	-18,062,054	-14,985,514
Gross operating income	42,009,179	52,584,302
Net cost of risk	13,492,445	-283,606
Operating income	55,501,624	52,300,695
Net gains or losses on other assets	199,006	119,244
Income before tax	55,700,630	52,419,939
Income taxes	-669,881	-239,937
Net income	55,030,749	52,180,003
Net income per share	48	48
Diluted earnings per share	48	48
Other comprehensive income		
Unrealized gain or loss on available-for-sale assets	1,936,409	544,661
Comprehensive income	56,967,158	52,724,664
Comprehensive income per share	50	46

STATEMENT OF CHANGES IN EQUITY

SUBJECTS IN THOUSANDS OF BIF	CAPITAL	CAPITAL RESERVES	CONSOLIDATED RESERVE	UNREALIZED GAINS	NET INCOME	TOTAL
On December 31, 2019	33,196,996	1,023,956	4,889,380	5,108,501	21,329,067	113,578,063
On January 1, 2020	33,196,996	1,023,956	18,687,640	11,817,268	48,852,202	113,578,063
Allocation of 2019 result						0
Dividends, balance sheet premium and directors' fees paid						-12,217,207
Capital increase						0
Appropriation of earnings to reserves						0
Net income for the year						52,180,003
Unrealized gains on available-for-sale assets				544,661	544,661	544,661
Revaluation surplus of fixed assets				-180,233	-180,233	-180,233
Other						0
On december 31, 2020	33,196,996	1,023,956	55,322,635	12,181,697	52,180,003	153,905,287
On january 1, 2021	33,196,996	1,023,956	55,322,635	12,181,697	52,180,003	153,905,287
Allocation of the 2020 result						0
Dividends, balance sheet premium and directors' fees paid						-19,140,228
Capital increase	68,683,440					0
Allocation of profit to reserves						0
Net income for the year						55,030,749
Unrealized gains on available-for-sale assets				1,936,409	1,936,409	1,936,409
Revaluation surplus of fixed assets				-733,699	-733,699	-733,699
other						0
On December 31, 2021	101,880,436	1,023,956	19,678,970	13,384,406	55,030,749	190,998,518

CASH FLOW STATEMENT

SUBJECTS IN THOUSANDS OF BIF	31/12/2021	31/12/2020
Income before taxes	55,700,630	52,419,939
Net depreciation, amortization and impairment of tangible and intangible assets	2,251,133	2,090,339
Net charges to depreciation and provisions	-15,107,686	-227,585
Share of profit of associates		
Net loss/gain from investing activities	35,166	-119,244
(Income)/expenses from financing activities	0	0
Other movements (exchange rate fluctuations, investment revaluation)	-860,376	-158,828
Non-cash items included in net income before taxes and other adjustments	-13,681,762	1,584,683
Cash flows from transactions with banks and similar institutions	44,185,459	-19,496,959
Cash flows from customer transactions	-63,180,998	91,087,836
Flows related to other transactions affecting financial assets or liabilities	34,144,347	1,537,350
Cash flows from available-for-sale assets	-5,362,996	2,724,429
Flows related to other transactions affecting non-financial assets or liabilities		
-Income taxes paid	-29,923	0
Net decrease/(increase) in assets and liabilities from operating activities	9,755,889	75,852,656
Total net cash provided by operating activities (A)	51,774,757	129,857,278
Cash flow from financial assets and investments	-37,178,861	-514,247
Cash flow from investment properties		0
Cash flow from property, plant and equipment and intangible assets	-14,455,124	-7,003,302
Total net cash flow from investing activities (B)	-51,633,985	7,517,549
Cash flow from or to shareholders	-19,140,228	-12,217,207
Other net cash flows from financing activities	22,948,804	-127,170,136
Total net cash used in financing activities (C)	3,808,576	-139,387,343
Effect of exchange rate changes on cash and cash equivalents (D)	0	0
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	3,949,348	-17,047,613
Cash and cash equivalents at beginning of period	47,083,413	64,131,026
Coffer, central banks (assets and liabilities)	36,542,086	59,252,649
Demand deposits and loans with banks and similar institutions (assets and liabilities)	10,541,327	4,878,377
Cash and cash equivalents at the end of year	51,032,761	47,083,413
Coffer, central banks, post office banks (assets & liabilities)	24,079,746	36,542,086
Accounts and demand loans with banks and similar institutions (assets and liabilities)	26,953,014	10,541,327
	3,949,348	-17,047,613



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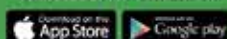


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