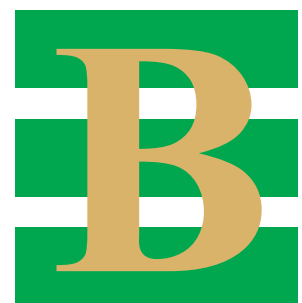




ACTIVITIES REPORT

2022

63rd FINANCIAL YEAR



Bancobu
Bank



www.bancobu.com

ACTIVITY REPORT AND FINANCIAL STATEMENTS

December 31, 2022

Presented to the Shareholders
Ordinary General
Assembly
of March 29, 2023



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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

Terimbere Credit

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

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

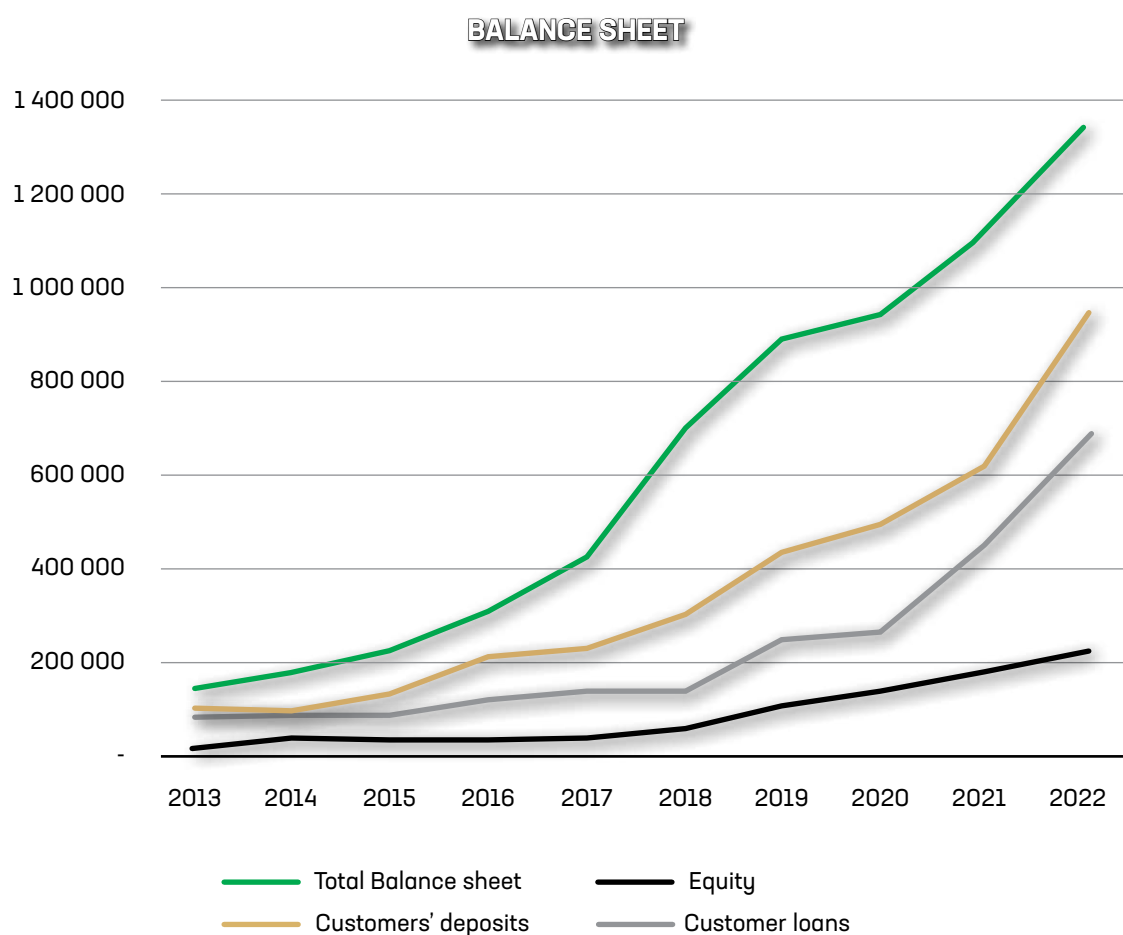
Express Credit

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

KEY INDICATORS 2013-2022

(In BIF million)

	BALANCE SHEET									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Bilan	164 944	186 944	223 205	308 524	459 562	657 075	897 603	934 154	1 115 856	1 362 326
Capitaux propres	28 484	33 812	28 936	32 962	47 641	65 542	113 578	153 905	190 999	223 398
Dépôt clientèle	124 260	131 330	165 641	201 219	235 637	339 778	448 367	556 742	641 559	953 277
Crédits à la clientèle	116 455	134 297	138 544	158 323	171 179	171 878	261 801	276 316	442 421	675 461



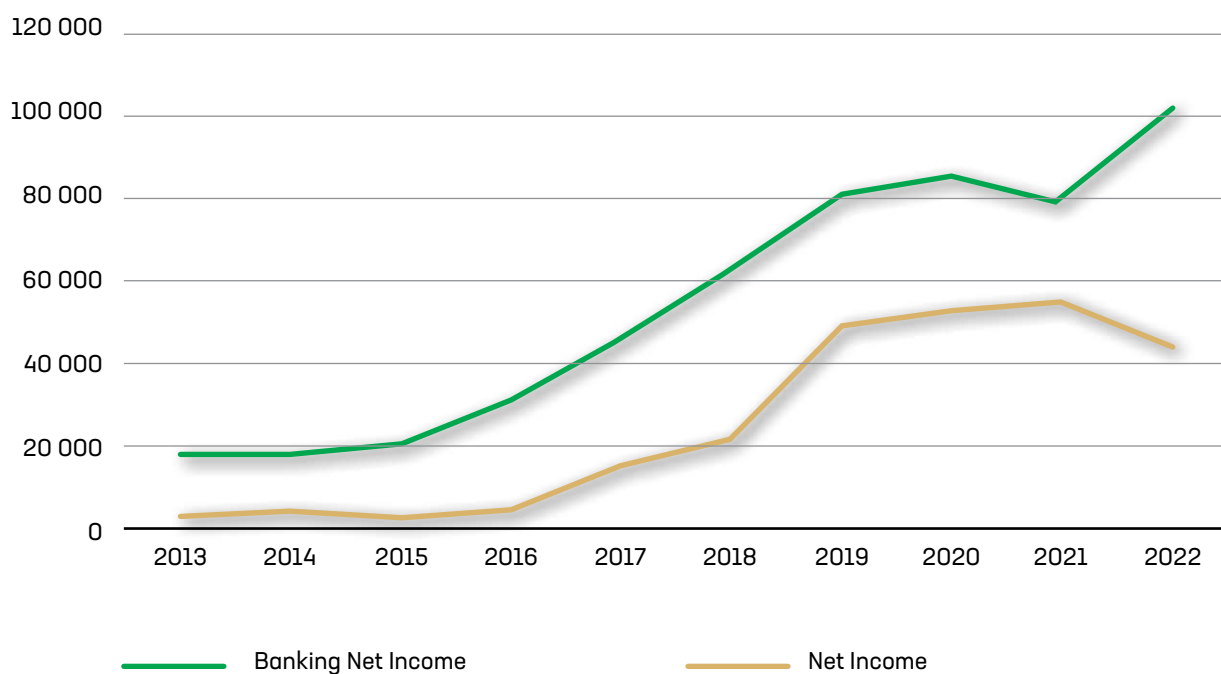
KEY INDICATORS 2013-2022

(In BIF million)

INCOME STATEMENT

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Produit Net Bancaire (PNB)	17 780	17 510	20 661	30 605	45 302	62 244	79 720	84 182	78 932	100 558
Résultat Net (RN)	3 270	4 184	2 328	4 452	15 127	21 329	48 852	52 180	55 031	43 771

INCOME STATEMENT



SPEECH OF THE PRESIDENT OF THE BOARD OF DIRECTORS



“

... the Bank is positioning itself to contribute to the funding of the private sector. We are thinking in particular of market activities through the project to create the Stock Exchange and the project to rebuild Bujumbura's central market.

”

Léa NGABIRE

President
of the Board of Directors

Ladies and Gentlemen shareholders,

Before presenting the balance sheet for the financial year ending on December 31, 2022, which coincides with the company's 63rd financial year, we would like to highlight the most significant events of the past financial year :

1. Certification of three ISO standards.
2. Approval of regulatory reference texts to adapt to local and international professional standards.
3. Continued expansion of the network to support the national policy of financial inclusion through the eNoti mobile product.
4. Continued capacity-building for bank staff to enhance their skills and improve the quality of management and services provided to our customers.
5. Approval of a new structural organization chart in line with ISO requirements, in order to maintain the obtained certificates and prepare new ones.

We can congratulate ourselves that, since the launch of the Strategic Development Plan 2021-2025, the Bank has performed well, with net results evolving as follows : BIF 52.2 billion at the end of the 2020 financial year, BIF 55 billion on December 31, 2021 and BIF 43.8 billion on December 31, 2022.

Despite this decline, due to the effects of tax reform on the financial market, Bancobu retains its leading position in the sector, with a market share of 34% of all commercial banks' profits.

On the strength of this position and with new ambitions, BANCOBU is continuing to implement its Strategic Development Plan, based on the following strategic focuses : **internationalization; continued efforts to collect deposits and loans; and the development of market activities.**

In order to strengthen the Bank's governance system, a review of the reference regulatory texts is carried out whenever necessary to adapt to local and international professional standards. During the 2022 financial year, the Board of Directors reviewed and/or approved the following regulatory texts : **Code of ethics and professional conduct and credit policy.**

With the aim of supporting the national policy of financial inclusion, the Bank continues to diversify and extend its distribution network. Thus, the bank's digitalization process continues through the new eNoti mobile banking product launched on the market in December 2020.

At the same time, it continues to expand its physical network (RUTANA branch, counters at RUTEGAMA, MABAYI and TBC), while ensuring the effectiveness of other distribution channels and payment methods, including web banking, SMS banking, proprietary cards and Visa.

The Bank understands that to consolidate its performance, it also needs to manage the skills of its staff. To this end, it has pursued a training program for executives, carried out with the support of in-house skills and high-level international experts, with the aim of fully mastering the innovations implemented by the bank and its new organizational culture.

It was in this context that a strategic retreat was organized for the extended Management Committee, which spent three days in NGOZI. The themes chosen were ISO action plans, governance, project management and compliance. The retreat concluded with an action plan currently being implemented.



In terms of social responsibility, Bancobu has remained attentive to the concerns of the surrounding communities. Indeed, it has contributed BIF 2,930 billion to the public treasury, taken from the results for the 2021 financial year.

It has also contributed BIF 100 million to other national projects, such as the construction of the presidential palace in Gitega (Urubumbiro rw'amahoro), and BIF 20 million to the National Reforestation and Environmental Protection Program (Ewe Burundi Urambaye), to name but a few.

Ladies and Gentlemen shareholders ;

The Bank's leading position in the market calls for further, more innovative measures to ensure the sustainability of the Bank's growth.

In this context, the Bank is positioning itself to contribute to the funding of the private sector. We are thinking in particular of market activities through the project to create the Stock Exchange and the project to rebuild Bujumbura's central market.

The implementation of the Strategic Development Plan, now in its 3rd year, should continue with :

- Further extension of the eNoti distribution network to the census hills ;
- Completing the construction of BANCOBU BUSINESS CENTER, scheduled for completion in September 2023 ;
- Pursuing the internalization process, in particular by setting up a subsidiary or branch in two countries of the East African Community (EAC) sub-region ;
- Continued search for correspondents and strategic partners ;
- The ongoing adaptation of the Bank's organization to the requirements generated by the Bank's strategic development plan in general, the digital transformation and the maintenance of ISO certification.

We take this opportunity to congratulate the Bank's Management and Staff on the efforts made in 2022 and the achieved results, and encourage them to keep up the momentum towards the 2023 objectives.

Thank you for your kind attention!

Bujumbura, March 2023

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 2022

The 2022 financial year is the second year of the Bank's Strategic Development Plan, which covers the period 2021-2025.

This report covers the main activities carried out to implement this plan, the financial statements for the year ended 31/12/2022 and, finally, an overview of the outlook for the 2023.

As a preamble, we present the macroeconomic framework in which the Bank has carried out its activities.

I. MACRO-ECONOMIC ENVIRONMENT

In its report on economic indicators (December 2022), the Bank of the Republic of Burundi (BRB) reports that, from one year to the next, the real sector in December 2022 was characterized by an increase in industrial production and parchment coffee supplies, while green leaf tea production declined. The industrial production index increased by 9.3% in December 2022, standing at 183.7 compared with 168.1 in the corresponding month of 2021, mainly due to the extension of the sugar production campaign and the increase in cigarette production (+49.0%), while BRARUDI's beverage production fell (-16.4%). Parchment coffee supplies for the 2022/2023 campaign increased sharply by 190.8% to the end of December 2022 compared with the same period of the previous campaign, standing at 23,125.9 tonnes versus 7,951.7 tonnes. This increase is linked to the cyclicity of the coffee plant compared with the same period of the 2020/2021 campaign, when coffee production increased by 24.5%. Cumulative green leaf tea production fell by 22.5% to the end of December 2022, to 3,776.7 tonnes against 4,875.4 tonnes in the same period of 2021.

From one year to the next, overall inflation stood at 26.6% in December 2022, compared with 10.0% for the same period last year. This accelerated inflation concerned both food (39.5 vs. 9.6%) and non-food (12.4 vs. 10.5%) inflation.

On the payment balance front, the trade deficit widened to 2,049.6 billion at the end of December 2022, compared with 1,709.0 billion for the same period in 2021. This deficit worsening is explained by a greater increase in imports (+420,300.4 billion) than in exports (+79,742 billion).

On the exchange rate front, the BIF depreciated year-on-year by 2.82% against the US Dollar in December 2022.

In terms of public finances, at the end of December 2022, the overall public finance deficit (excluding grants) was up compared with the same period of the previous year, standing at 787,401.6 versus MBIF 472,814.3.

In the banking sector itself, the quality of the banking sector's credit portfolio improved significantly from one year to the next. The overall deterioration rate fell from 3.4% at the end of December 2021 to 2.7% at the end of December 2022. The deterioration rates fell in the trade sector (2.6 vs. 2.7%), in industry (1 vs. 0.3%), in hotels and tourism (7.7 vs. 9.6%), and in equipment (2.3 vs. 4.5%). On the other hand, it rose from 3.7% to 4.2% in agriculture, and from 3.4 to 4.0% in construction.

In terms of volume, non-performing loans rose by 13.8% to MBIF 757.6 at the end of December 2022, compared with MBIF 594.6 for the same period in 2021.

Net Banking Income (NBI) rose by 22.9% year-on-year to BIF 406 billion at the end of December 2022, compared with BIF 331.1 billion. On the other hand, the sector's net income fell by 1.6% from BIF 166.6 billion to BIF 163.9 billion.

On the other hand, return on assets (ROA) fell from 3.4% to 2.5%, as did return on equity (ROE), from 28.0% to 21.6%.

According to the BRB, although ratios have fallen, the banking sector remains sufficiently capitalized, solvent and profitable.

On the regulatory front, reforms are continuing, with the implementation of the law governing banking activities and its application circulars, notably measures to improve consumer protection through the regular publication of service charges and financial statements on bank websites, in the Bulletin Officiel du Burundi (BOB) and in the Journal le Renouveau.

The 2022 financial year was also marked by the introduction, in article 122 of the 2022/2023 budget law¹, of taxation on income from treasury bills and bonds, with effect from July 01, 2022.

II. MAJOR ACHIEVEMENTS OF THE 2022 FINANCIAL YEAR

The Board of Directors met in accordance with the Bank's statutes and internal rules to review the management reports drawn up by General Directorate and by the Board's specialist 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. BANCObU WITH THREE-ISO CERTIFICATION

In April 2022, Bancobu was certified to three ISO standards.

These standards are :

- ISO 9001 : 2015 - Quality Management Systems,
- ISO 14001 : 2015 - Environmental Management System,
- ISO 45001 : 2018 - Occupational Health and Safety Management Systems.

¹Law no 1/22 of June 30, 2022 determining the general budget of the Republic of Burundi 2022/2023

Being certified to these standards shows that BANCOBU implements concrete and relevant actions to :

1. constantly provide products and services that meet customer expectations and comply with legal and regulatory provisions ;
2. reduce the negative impact of its activities on the environment ;
3. provide safe and healthy workplaces by preventing work-related injuries and illnesses.

This is an important approach for the success of PSD 2025, as these three ISO certifications encourage innovation, productivity and profitability. To this end, these standards help to strengthen and/or improve organization and practices, with a view to achieving the highest standards.

They ultimately lead to the creation of conditions that facilitate work and fulfillment for all. Being ISO certified is one thing; maintaining these standards is quite another. Management is therefore encouraging all Bank staff to adopt these standards as the basis of the Bank's new organizational culture.



Ceremony to award three ISO certificates to BANCOBU on April 27, 2022 at Van Beach

II. 2. REORGANIZATION OF THE BANK

The Bank was reorganized to meet the requirements of the PSD and ISO standards, in particular by setting up divisions to manage the Support, Operations, Human Capital and Finance processes.

The option of having divisions, an additional managerial level between the DGE and the Directorates, will enable the relative share of operational tasks to be reduced, leaving time for General Directorate to concentrate on genuinely strategic subjects or those of a genuinely high level of importance. This option also opens up the possibility of skills mobility, in order to retain human resources and promote both collective efficiency and individual development. In addition, this reorganization must be based on the subsidiarity principle, according to which a hierarchical level should only carry out those tasks that cannot be effectively performed at a lower level, and on a rule of delegation that aims for efficiency and responsiveness.

II. 3. AMENDMENT AND/OR APPROVAL OF REGULATORY TEXTS

The Bank's governance system is strengthened by the implementation of reference regulatory texts. These texts are reviewed whenever necessary to adapt them to local and international profession standards.

During the 2022 financial year, at its meeting of October 27, 2022, the Board of Directors approved the following regulatory texts :

- Code of the Ethics and Deontology
- Credit policy

II. 3. 1. Approval of the Code of the Ethics and Deontology

This document defines all the values, principles and rules of good conduct that all the Bank's staff and governing bodies must observe while carrying out their missions and in their relations with third parties, in order to preserve BANCOBU's reputation.

II. 3. 2. Approval of the Credit policy

The credit policy is a guideline document setting out the organization of credit activities, the credit risk management system and, in particular, limits on risk-taking, prohibitions on granting loans, classification of receivables and rules for restructuring unpaid receivables

II. 3. DISTRIBUTION NETWORK EXTENSION

As part of its proximity policy, Bancobu continued to expand its operating network during the year closed on December 31, 2022. To remain close to its customers, it opened a new branch in the provincial center of Rutana, a counter in Rutegama, a counter in Mabayi and a counter in the TBC building.

1. Picture View



2. Location

RUTANA Branch	Rutana Branch is located right in the center of Rutana province, in the residential area. The agency was officially opened on February 11, 2022.
RUTEGAMA Counter	The Rutegama counter is located in the commune of Rutegama in Muramvya Province, more precisely on the RN2 national road (Bujumbura-Gitega). This counter will serve customers not only from this commune, but also from the communes of Kiganda and Mbuye in Muramvya Province, the commune of Ndava in Mwaro Province and the commune of Giheta in Gitega Province, which border on the commune of Rutegama. The counter was officially opened on August 10, 2022.
MABAYI Counter	The counter is located near the modern market in Mabayi Commune in Cibitoke province.
TBC Counter	It is located in Bujumbura city, TBC building, across from Village Market on Science Avenue.

By the end of December 2022, the number of Bancobu operating sites will have risen to 58, in addition to 14,290 eNoti agents.

3. Offered Services

These new sites offer services such as account opening for individuals and companies, as well as for those wishing to become Super Agents, Agents and eNoti Merchants.

They also carry out all the classic banking operations such as withdrawals, deposits, transfers, credit applications, Western Union, etc.

4. Financial Inclusion and Digitalization

The contribution of these new sites to financial inclusion and digitization from opening to December 31, 2022 can be summarized as follows :

	Rutana Branch	Rutegama Counter	Mabayi Counter	TBC Counter	Bank Total
Number of current accounts	513	31	35	82	29 306
Number of linked customers on eNoti	186	1	0	-	21 351
Number of agents	391	0	5	-	14 290
Number of merchants	2	0	0	-	414

II. 4. SOCIAL BALANCE SHEET

The total number of full-time staff stood at 436 on December 31, 2022, including 194 women (45%) and 242 men.

To meet occasional needs, the Bank has set up a system of temporary staff, deployed according to the requirements of the various departments.

This is another way in which the Bank is helping to reduce unemployment among young graduates, and giving them the opportunity to gain banking experience.

The number of temporary staff is 230, representing 34.5% of the Bank's workforce on December 31, 2022.

In addition, the Bank is pursuing its program to improve the socio-professional conditions of its staff in accordance with the requirements of ISO 45001-2018 ("OHS").

This involves strengthening skills through training (9 senior executives are currently following the Manager course at the Institut Technique de Banque (ITB) (Technical Institute of Banking), contributing to the supplementary pension fund, paying for life insurance and healthcare, and granting loans to staff at the social rate.

Also in the capacity-building context, training courses were organized for senior executives, either by in-house specialists or by expert firms, to bring them up to speed on the innovations implemented by the bank and its corporate culture, in particular those related to ISO certification.

Within this framework, a 3-day strategic retreat (August 22-24, 2022) was organized in NGOZI for the Management Board, extended to include Department Heads, and concluded with an ISO-PSD-Reorganization action plan currently being implemented.

II. 5. THE BANK'S CORPORATE RESPONSIBILITY : A BANK OF GOOD CORPORATE CITIZENSHIP

Being a socially responsible bank means that the Bank remains attentive and responsive to the concerns of the surrounding communities. With its three ISO certifications, the Bank has adopted a Quality, Health, Safety and Environment policy.

As part of this policy, the Bank supports initiatives in the surrounding communities, with a view to strengthening its social responsibility to the various internal and external stakeholders.

The Bank supports staff sporting and humanitarian initiatives through its BOS Club (Bancobu Omnisport) and those taken by female staff, especially on International Women's Day. On this occasion, in 2022, the Bancobu delegation visited the **CENTRE MERE DE LA PROVIDENCE** located in the Bujumbura Province-Mutimbuzi Commune-Rubirizi district.



As part of the mandatory 5% levy on profits, Bancobu contributed BIF 2.9 billion to the Treasury for the year ending on December 31, 2021.

The Bank is also working to reduce the impact of its activities on the environment. These include saving energy by installing energy-saving air conditioners and lamps, saving water by using rainwater to water the garden and clean vehicles and premises instead of REGIDESO water, and saving fuel by regularly monitoring the performance of generators and vehicle consumption.

The BANCOSU BUSINESS CENTER complex currently under construction has also been designed with energy conservation in mind, as it will incorporate the use of solar energy.

II. 6. BANCOSU BUSINESS CENTER

During 2022, construction work continued on the “Bancobu Business Center” real estate complex. This project is progressing normally and, at the end of December 2022, the situation was as follows :

Project Owner	BANCOSU
Delegated Project Owner	SOBUCOS
Deadlines	22 months elapsed out of 31 contractual months, i.e. 71% of deadlines already used up
Design and Works Supervision Office	TBM
Project Manager	AMA Construction
Contract Amount	28,902,387.47 USD payable in 65% USD(18,786,551.86 USD) and 35% (BIF 24,278,005,475)
Cash Disbursements	6,640,942.19USD (i.e. 36%) and 7,232,326.92 (i.e. 29.1%)
Overall Work Progress	35.35%

Picture View

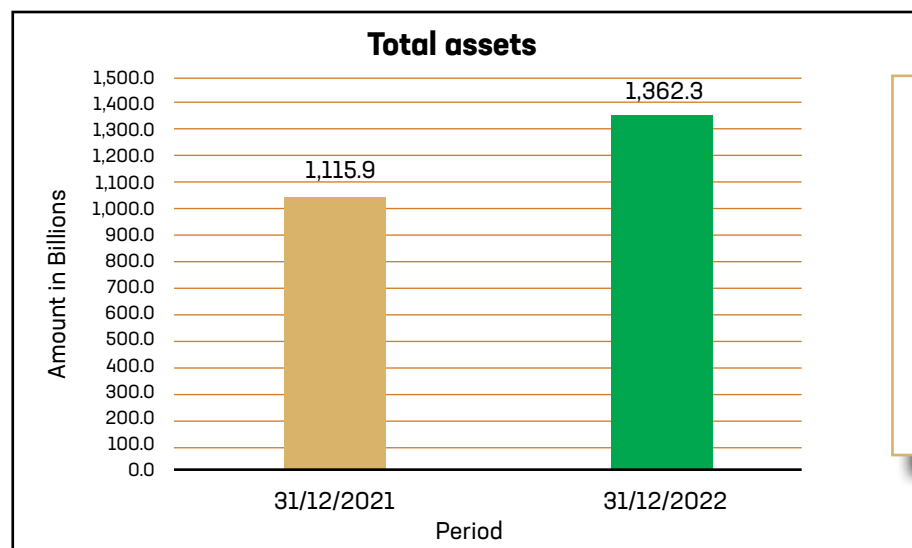


III. PRESENTATION OF FINANCIAL STATEMENTS ON DECEMBER 31, 2022

The financial statements of 2022 financial year are presented in comparison with those of the previous year, in order to highlight annual trends in the Bank's key financial indicators.

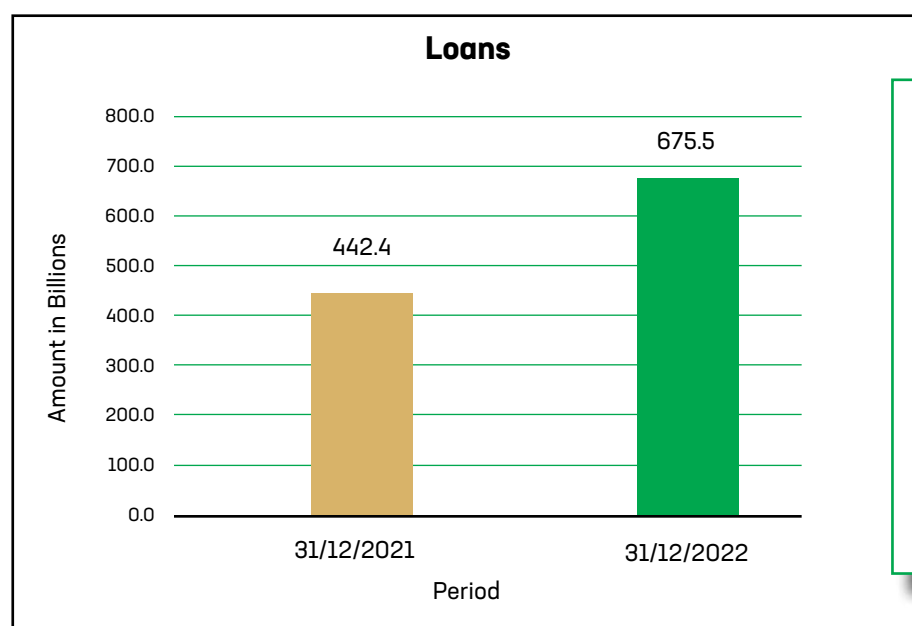
III. 1. CHANGES IN MAJOR BALANCE SHEET COMPONENTS FOR 2021-2022

Chart 1 : Change in balance sheet total (in BIF billions)



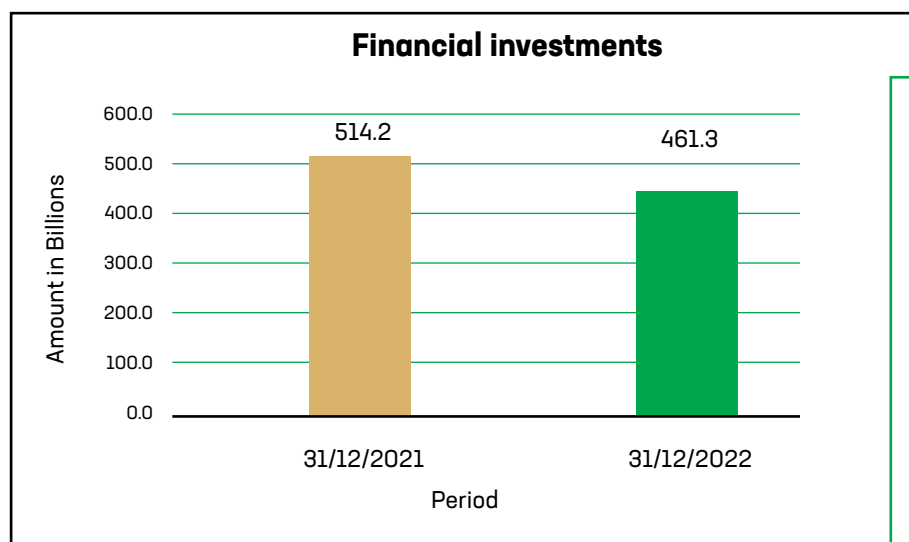
Total assets increased by 246.4 billion to BIF 1,362.3 billion on December 31, 2022, compared with BIF 1,115.8 billion on December 31, 2021, an increase of 22%.

Chart 2 : Change in Outstanding Customer Loans



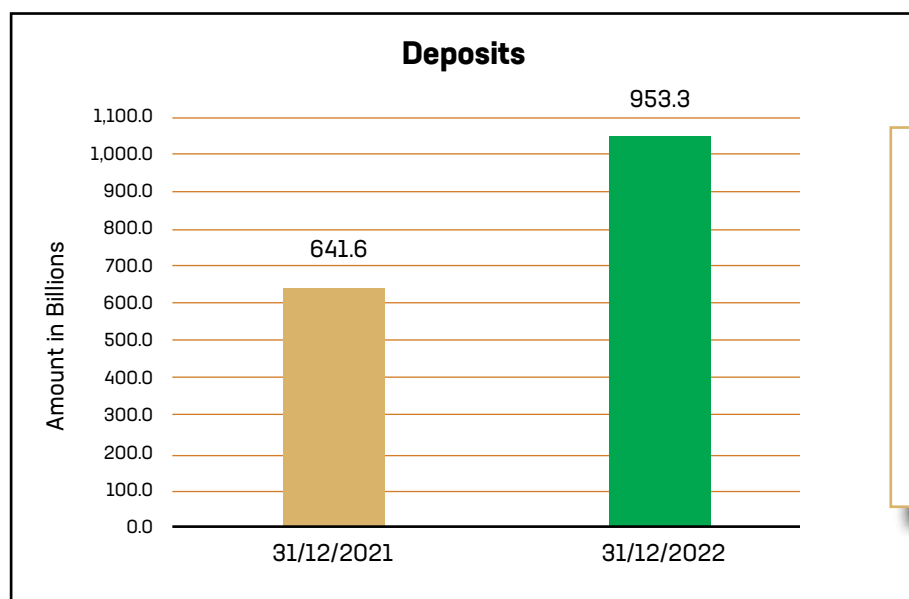
Loans and advances to customers net of provisions rose by 233.1 billion, or 53%, to BIF 675.5 billion on December 31, 2022, compared with BIF 442.4 billion on December 31, 2021. The overdue rate fell from 3.9% to 3.2%.

Chart 3 : Financial investments



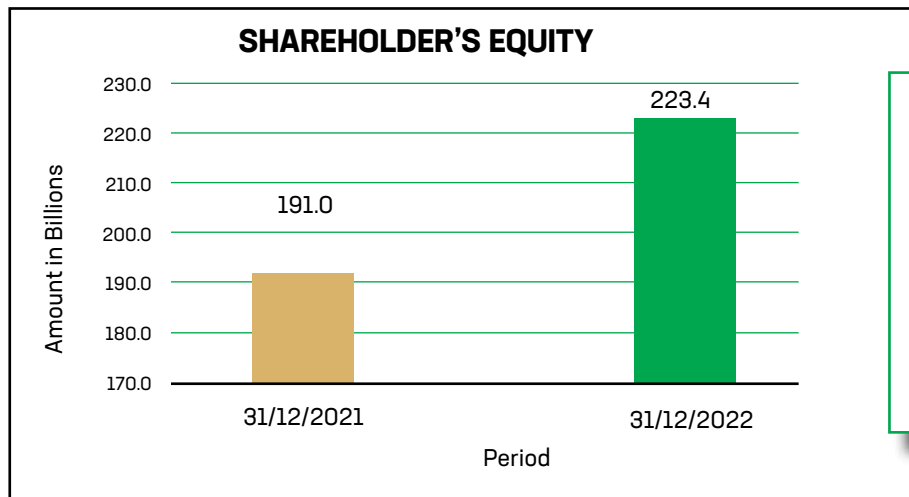
Financial investments (financial assets held to maturity and financial assets available for sale) fell by 52.9 billion, from 514.2 billion on December 31, 2021 to 461.3 billion on December 31, 2022, a decrease of 10%.

Chart 4 : Change in outstanding customer deposits



Deposits (payables to customers) increased by 311.7 billion to BIF 953.2 billion on December 31, 2022, compared with BIF 641.5 billion on December 31, 2021, an increase of 49%.

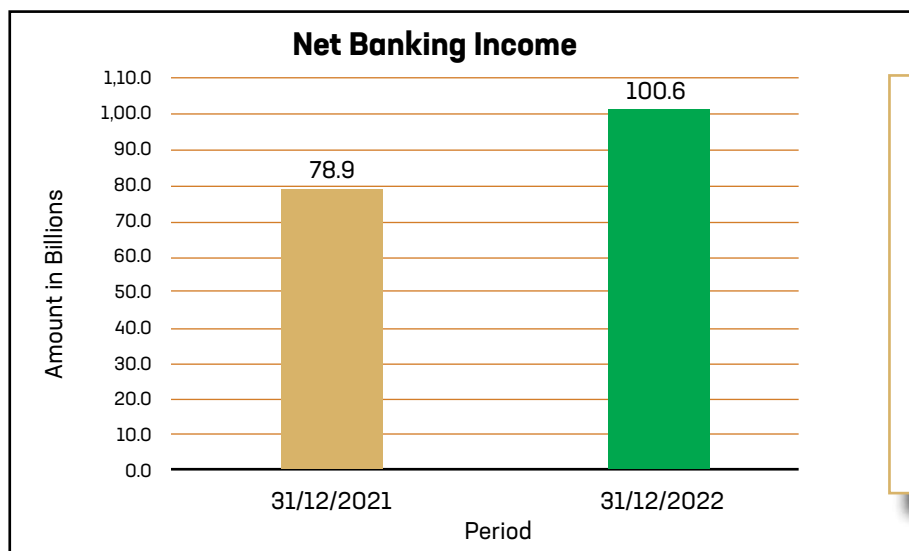
Chart 5 : Changes in Shareholders' Equity



Shareholders' Equity rose by 32.4 billion to BIF 223.4 on December 31, 2022, compared with BIF 190.9 on December 31, 2021, an increase of 17%.

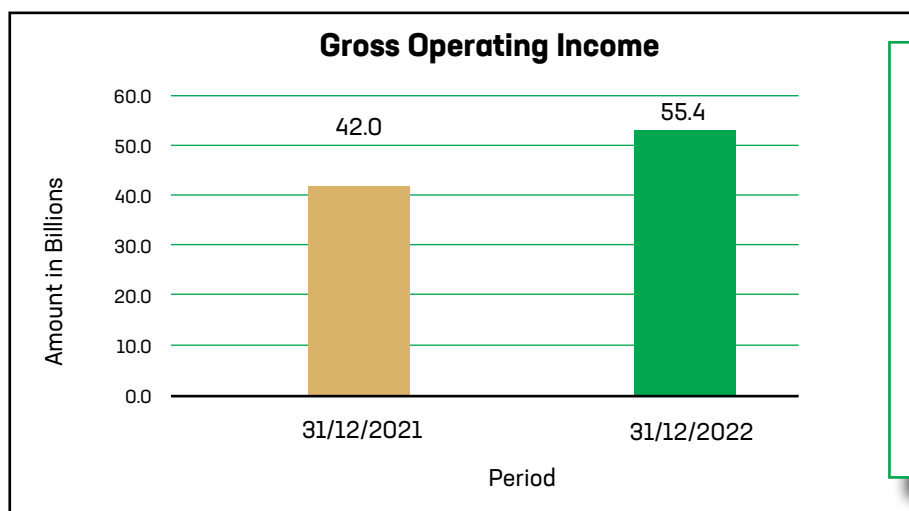
III. 2. INCOME STATEMENT PERFORMANCE 2021-2022

Chart 6 : Net Banking Income



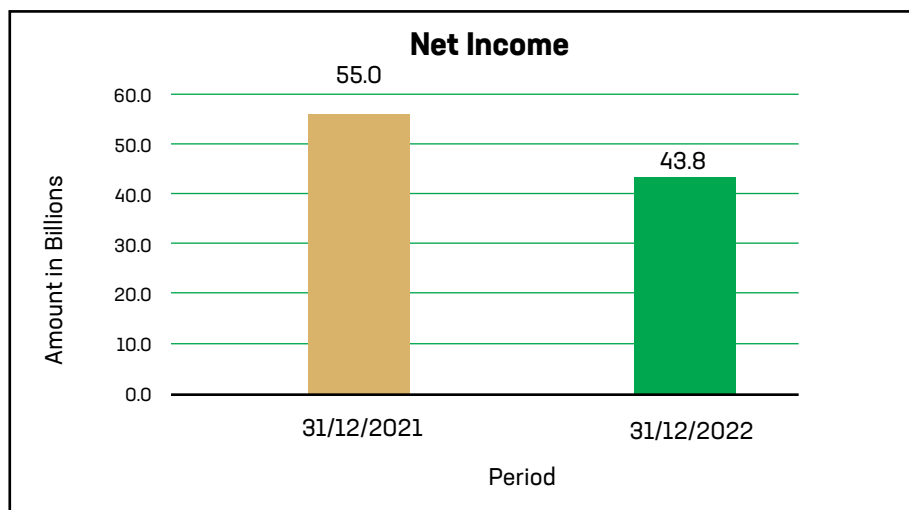
Net Banking Income (NBI) rose by 21.6 billion to BIF 100.5 billion on December 31, 2022, compared with BIF 78.9 billion on December 31, 2021, an increase of 27%.

Chart 7 : Change in Gross Operating Income



Gross Operating Income (GOI) increased by 13.4 billion to BIF 55.4 billion on December 31, 2022, compared with BIF 42 billion on December 31, 2021, as a result of the intensification of the bank's activities.

Graphique 8 : Change in Net Income



Net income fell by 20% to BIF 43.8 billion on December 31, 2022, compared with BIF 55 billion on December 31, 2021, mainly as a result of the new measure to tax income from treasury securities, which reduced income tax from BIF 669 million to BIF 10.1 billion. As a result, return on assets (ROA) fell from 4.9% to 3.24% and return on equity from 29% to 20%.

The detailed financial statements for the year ended on December 31, 2022 are presented in the appendix. They include the following tables :

- Financial statements (Balance sheet)
- Income statement
- Cash flow statement
- Statement of changes in shareholders' equity

IV. 2023 OUTLOOK

Further implementation of the Bank's 2021-2025 Strategic Development Plan remains the major focus of the Bank's outlook for 2023.

This will be achieved mainly through :

- Further extension of the e-Noti distribution network to the census hills
- Completion of the construction of BANCOBU BUSINESS CENTER
- Continued search for correspondents and strategic partners
- Adapting the Bank's organization chart to the requirements of the Bank's strategic development plan in general and digital transformation in particular.

This is the report of the Board of Directors for the year ended on December 31, 2022.

Thank you for your attention!

Bujumbura, March 2023

President of the Board of Directors.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORATE MANAGEMENT, THE BOARD OF DIRECTORS AND THE STATUTORY AUDITORS

The Directorate of Bancobu, under the supervision of the Board of Directors, is responsible for preparing financial statements that give a true and fair view of the Bancobu's financial position and the results of its operations. It is the Statutory Auditor's responsibility to express an independent opinion on these financial statements based on his audit, and to communicate this opinion to the bank's shareholders.

AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall fairness of the presentation of the financial statements.

OPINION

In Our opinion, the financial statements with a balance sheet total of MBIF 1,362,325,286 with a positive result (net profit) of MBIF 43,770,690 give a true and fair view of the financial position of Commercial Bank of Burundi (Bancobu) as of December 31, 2022, as well as its financial performance and cash flows for the year then ended, in accordance with the accounting standards applicable to commercial banks in the Republic of Burundi and Law No. 1/017 of August 22, 2017 governing banking activities in Burundi.

Bujumbura, March 3, 2023

The BANCObU GN& ASSOCIATES SPRL
auditor

Represented by :

Eric NIZIGIYIMANA
Associate

RESOLUTIONS OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF MARCH 30, 2023

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 2022, 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 2022, 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 2022 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 43,770,689,918.

Fourth resolution :

The result to be appropriated is set at BIF 46,098,464,148, 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	2,304,923,207
Investment reserves	BIF	13,850,000,000
Optional reserves	BIF	4,600,000,000
Dividends	BIF	23,049,017,740
Retained earnings	BIF	2,294,523,201

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 2022.

Sixth 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 approving the Bank's accounts, unanimously gives discharge to the Auditor for the audit of the financial year 2022.

Seventh resolution :

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

- Grants Mr Frédéric NTIMARUBUSA, Independent Director, a new and final 4-year term of office, expiring at the Ordinary General Assembly of Shareholders in 2027 convened to approve the financial statements for the year ending December 31, 2026.
- Grants Mr Léonidas NDAYIZEYE, Independent Director, a new and final 4-year term of office, which will expire at the Ordinary General Assembly of 2027 convened to approve the financial statements for the year ending on December 31, 2026.
- Renews the term of office of Mrs Léa NGABIRE, Director, for 4 years, expiring at the Ordinary General Assembly of 2027 convened to approve the financial statements for the year ending on December 31, 2026.

Done at Bujumbura, on March 2022.

THE MEMBERS OF THE BUREAU OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS



1. **Madame Léa NGABIRE**, President
2. **Monsieur Stanislas BANKIMBAGA**, Scrutineer
3. **Monsieur Emmanuel MIBURO**, Scrutineer
4. **Madame Trinitas KIRUKWISHAKA**, Secretary
5. **Monsieur Eric NIZIGIYIMANA**, GN & Associates, Auditor.



Certificat

La SQS atteste par la présente que l'organisation indiquée ci-après dispose d'un système de management répondant aux exigences des bases normatives mentionnées.



Bancobu
84, Chaussée P.L. Rwagasore
BP 990 Bujumbura
Burundi

Périmètre

Octroi des crédits, Collecte des dépôts, gestion des
moyens de paiement, placements inter-bancaires
Ressources Humaines, Logistique, Informatique,
Risques et Audit interne

Bases normatives

ISO 9001:2015
ISO 14001:2015
ISO 45001:2018

Système de management de la qualité
Système de management environnemental
Système de management de la santé et de la
sécurité au travail

No d'enreg. 46893

Validité 22.04.2022 – 21.04.2025
Emission 22.04.2022

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sqs.ch



A. Grisard
A. Grisard, Présidente SQS

Association Suisse pour Systèmes
de Qualité et de Management (SQS)
Bernstrasse 103, 3052 Zollikofen, Suisse

F. Müller
F. Müller, CEO SQS



Swiss Made



FINANCIAL SITUATION STATEMENT (BALANCE SHEET)

ITEMS (in Thousands of BIF)	31/12/2022	31/12/2021	ANNUAL VARIATION AMOUNT	%
ASSETS				
Coffers and the central bank (BRB)	26 808 223	24 079 746	2 728 477	11
Other financial assets	20 839 913	26 953 014	-6 113 102	-23
Available-for-sale financial assets	77 380 084	72 290 383	5 089 700	7
Loans and receiv to banks and similar institut	66 483 812	38 924 668	27 559 144	71
Customer loans and receivables	675 461 355	442 420 963	233 040 392	53
Held-to-maturity financial assets	383 949 813	441 922 671	-57 972 858	-13
Current and deferred tax assets	1 431 562	1 582 381	-150 818	-10
Other assets	23 849 696	13 888 514	9 962 282	72
Non-current assets held for sale	-	-	0	0
Investments in affiliated companies	507 122	507 122	0	0
Investment properties	7 148 755	5 905 505	1 243 250	21
Tangible fixed assets	69 084 909	38 160 256	30 924 653	81
Intengible assets	9 380 043	9 220 538	159 505	2
TOTAL ASSETS	1 362 325 286	1 115 855 761	246 470 625	22
LIABILITIES				
DEBTS				
Central Bank (BRB)	50 068 493	151 085 301	-101 016 808	-67
Amounts owed to banks & similar institut	95 897 386	110 779 705	-14 882 319	-13
Amounts owed to customers	953 277 086	641 558 807	311 718 279	49
Current and deferred tax liabilities	18 973 595	4 693 719	14 279 876	304
Other liabilities	6 750 500	5 527 734	1 222 767	22
Provisions for liabilities and charges	13 099 888	10 263 774	2 836 114	28
Investment grants	859 654	948 203	-88 549	-9
TOTAL LIABILITIES	1 138 926 602	924 857 243	214 069 359	23
EQUITY				
Capital and related reserves	102 904 392	102 904 392	0	0
Consolidated reserves	54 442 290	19 678 970	34 763 320	177
Unrealized or deferred gains or losses	22 281 311	13 384 406	8 896 905	66
Results for the year	43 770 690	55 030 749	-11 260 060	-20
TOTAL CAPITAL AND RESERVES	223 398 683	190 998 518	32 400 166	17
TOTAL LIABILITIES	1 362 325 286	1 115 855 761	246 469 525	22

OVERALL INCOME STATEMENT

ITEMS (in Thousands of BIF)	31/12/2022	31/12/2021
+ Interest and similar income	116 369 933 304	95 983 716 253
-Interest and similar expenses	-33 088 916 950	-29 594 312 619
Net interest income	83 281 016 354	66 389 403 634
+ Commissions (income)	10 788 165 767	8 292 280 805
- Commissions (expenses)	-3 347 191 225	-2 346 682 579
+/- Net foreign exchange gains or losses	6 781 970 577	4 562 508 739
+/- Net gains or losses on financial investments	306 045 154	352 010 136
+ Income from other activities	3 027 579 133	1 683 232 114
- Expenses from other activities	-278 595 098	-568 000
Net banking income	100 558 990 662	78 932 184 849
- Stuff expenses	-21 562 375 741	-16 609 818 827
- Net depreciation, amortization and impairment of fixed assets	-2 445 874 133	-2 251 133 202
- Other general operating expenses	-21 182 303 406	-18 062 054 002
Gross operating income	55 368 437 382	42 009 178 818
- Net cost of risk	-1 547 251 526	13 492 445 141
Operating income	53 821 185 856	55 501 623 959
+/- Net gains or losses on other assets	55 058 961	199 006 059
Income before tax	53 876 244 817	55 700 630 018
- Income taxes	-10 105 554 899	-669 880 584
Net income	43 770 689 918	55 030 749 434
OTHER COMPREHENSIVE INCOME		
Unrealized gain or loss on available-for-sale assets	129 412 156	1 936 408 561
Fair value adjustments to fixed assets	14 052 602 417	0
Other comprehensive income	-4 022 060 831	0
Profit/loss pending approval	0	
COMPREHENSIVE INCOME	53 930 643 660	56 967 157 995
Comprehensive income per share	47 112	49 765

STATEMENT OF CHANGES IN EQUITY

ITEMS (in Thousands of BIF)	CAPITAL	CAPITAL RESERVES
Equity at open 2021	33 196 996	1 023 956
Allocation of the Result 2020		
Balance sheet premium, Dividends, bonuses paid		
Increasing of the Capital	68 683 440	
Incorporation of the reserves		
Net Result of the year		
Sub-total : transactions between shareholders	101 880 436	1 023 956
Other components of the overall Result :		
Unrealized gains or losses on available for-sale assets		
Revaluation differences on fixed assets		
Other		
Equity at end 2021	101 880 436	1 023 956
Equity at open 2022	101 880 436	1 023 956
Method change and error corrections		
Equity at open 2022	101 880 436	1 023 956
Allocation of the Result 2021		
Balance sheet premium, Dividends, bonuses paid		
Increasing of the Capital		
Incorporation of the reserves		
Other (details in notes in appendices)		
Net Result of the year		
Sub-total : transactions between shareholders	101 880 436	1 023 956
Other components of the overall Result :		
Unrealized gains or losses on available for-sale assets		
Revaluation differences on fixed assets		
Other		
Equity at end 2022	101 880 436	1 023 956
Equity at end	101 880 436	1 023 956

CONSOLIDATED RESERVE	UNREALIZED GAINS	NET INCOME	TOTAL EQUITY
			153 905 287
55 322 635	12 181 697	52 180 003	
			-19 140 228
		-19 140 228	
-68 683 440			
33 039 775		-33 039 775	55 030 749
		55 030 749	189 795 808
19 678 970	12 181 697	55 030 749	
			1 936 409
	1 936 409		-733 699
	-733 699		
			190 998 518
19 678 970	13 384 406	55 030 749	190 998 518
19 678 970	13 384 406	55 030 749	
-63 051			190 935 467
19 615 920	13 384 406	55 030 749	
			-20 204 379
		-20 204 379	
34 826 371		-34 826 371	
			43 770 690
		43 770 690	214 501 779
54 442 290	13 384 406	43 770 690	
			-814 637
	-814 637		9 711 541
0	9 711 541		0
			223 398 684
54 442 290	22 281 311	43 770 690	223 398 684
54 442 290	22 281 311	43 770 690	

CASH FLOW STATEMENT

ITEMS (in Thousands of BIF)	31/12/2022	31/12/2021
Pre-Tax Result	53 876 245	55 700 630
Net allocation to impairment and depreciation of tangible and intangible assets	2 429 741	2 251 133
Net allocation to depreciations and provisions	-263 242	-15 107 686
Net loss/gain from investing activities	-49 896	35 166
Other movements (exchange rate fluctuations, investment revaluation)	-1 243 250	-860 376
Non-monetary components included in the pre-tax net result and other adjustments	873 353	-13 681 762
Flows related to transactions with banks and similar institutions	-42 441 463	44 185 459
Flows related to transactions with customers	78 941 129	-63 180 998
Flows related to other transactions affecting financial assets or liabilities	57 972 858	34 144 347
Flows related to other transactions affecting non-financial assets or liabilities	-2 561 135	-5 362 996
Taxes paid	0	-29 923
Net decrease / (increase) in assets and liabilities from operating activities	91 911 389	9 755 889
Total net cash provided by operating activities (A)	146 660 987	51 774 757
Flows related to financial assets and to participations	-4 921 464	-37 178 861
Flow related to tangible and intangible fixed assets	-23 768 594	-14 455 124
Total net cash flow related to investment operations (B)	-28 690 059	-51 633 985
Cash flow from or to shareholders	-20 204 379	-19 140 228
Other net cash flows from financing activities	-101 151 174	22 948 804
Total net cash flow related to funding transactions (C)	-121 355 553	3 808 576
Net increase / (decrease) in cash and cash equivalents (A + B + C + D)	-3 384 625	3 949 348
Cash and cash equivalents at beginning of period	51 032 761	47 083 413
Funds, Central Banks (assets and liabilities)	24 079 746	36 542 086
Demand deposits and loans with banks and similar institutions (assets and liabilities)	26 953 014	10 541 327
Cash and cash equivalents at the end of year	47 648 136	51 032 761
Funds, Central Banks, CCP (assets & liabilities)	26 808 223	24 079 746
Accounts and sight credits / loans with banks and similar institutions (assets and liabilities)	20 839 913	26 953 014
Net cash variation	-3 384 625	3 949 348



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INNOVATION

PROFITABILITY

PRODUCTIVITY