



**Bancobu**  
Bank

Une tradition de bien faire

*Depuis 1960*

# ACTIVITIES REPORT 2020

61st Financial Year

INNOVATION

PRODUCTIVITY

PROFITABILITY



*With my Bank,*  
**I move forward**



**BANCOBU for you**

# ACTIVITY REPORT AND FINANCIAL STATEMENTS

## December 31, 2020

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Presented to the Shareholders  
Ordinary General  
Assembly  
of March 12, 2021

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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](mailto:info@bancobu.com)  
Swift Code : BC BU BI BI  
[www.bancobu.com](http://www.bancobu.com)



## Mission

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

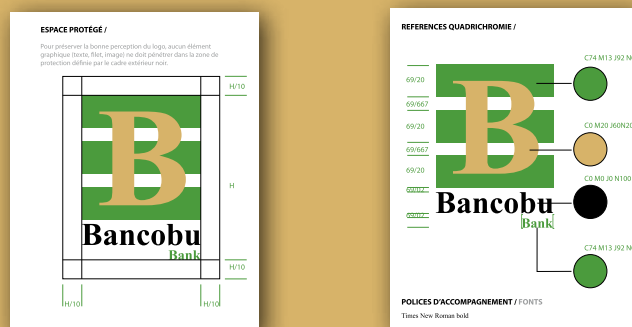
## Vision

« To be an innovative, performing and citizenoriented Bank »

## Values

« LISTENING - INTEGRITY - EXCELLENCE »

## Logo



## Devise

« A tradition of doing well »

# SUMMARY

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5	BANCOBU PRODUCTS AND SERVICES
7	KEY INDICATORS 2011 - 2020
9	SPEECH OF THE PRESIDENT OF THE BOARD OF DIRECTORS
13	ACTIVITY REPORT OF THE BOARD OF DIRECTORS
22	REPORT OF THE AUDITOR
25	RESOLUTIONS OF THE ORDINARY GENERAL ASSEMBLY OF SHAREHOLDERS
28	RESOLUTIONS OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS
29	FINANCIAL STATEMENT (BALANCE SHEET)
30	OVERALL INCOME STATEMENT
31	STATEMENT OF CHANGES IN EQUITY
32	CASH FLOW STATEMENT

# OUR PRODUCTS



## e-BANKING

### Retail & Corporate

#### Visa Cards / ATM / POS

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

#### Visa prepaid

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

#### Visa Cash Advance

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

#### eNoti

All your banking transactions at your ease through BANCOBU eNoti, your mobile banking account On the \* 161 # OK BANCOBU Bank application or via the short code, access your bank account and perform operations such as :

- Balance / Transaction History / Exchange Rate ;
- Transfers to Bancobu / Transfers to other local banks ;
- Money transfer to eNoti mobile accounts ;
- Purchase of Econet, Lumitel, Smart, Onamob airtime credits from one place, your eNoti account ;
- Withdrawal of money from the agent closest to you ;
- Payment of invoices / StarTimes and Canal + subscriptions, goods and much more.

#### Web

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

#### Western Union

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

## 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
- Intérêts disponibles à tout moment

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

## Future Savings Account

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

## Group Credit

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

## Joint Account

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

## 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

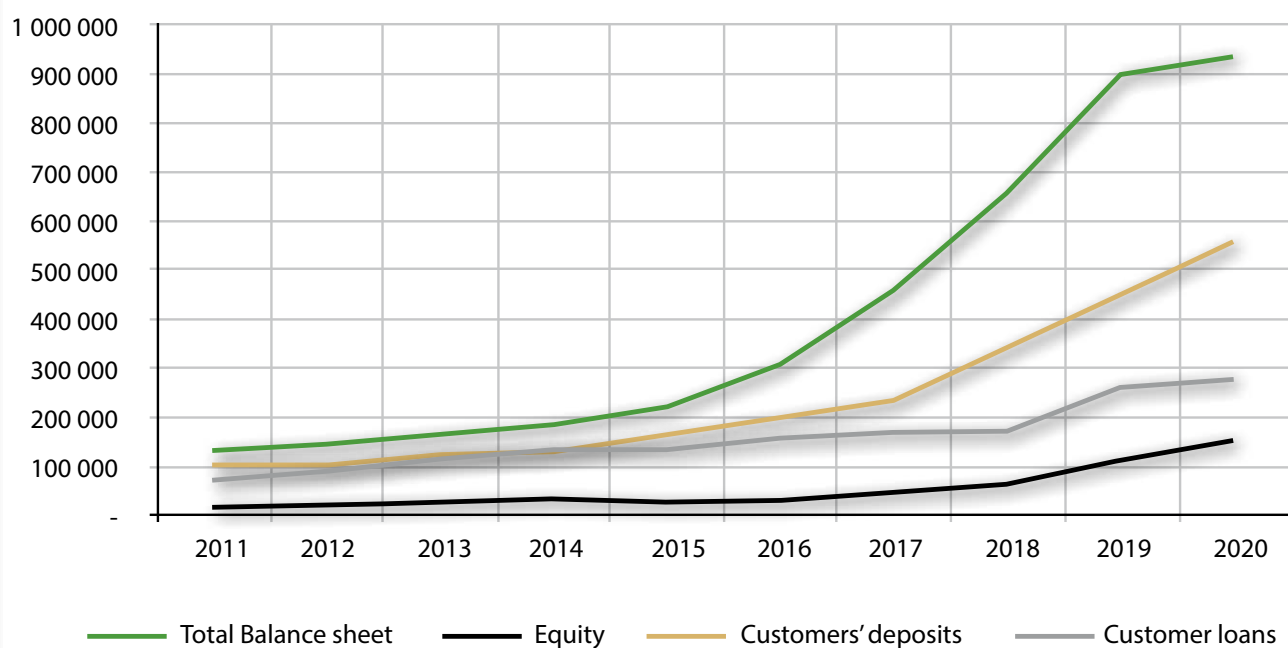


# KEY INDICATORS 2011-2020

(In BIF million)

## BALANCE SHEET

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Balance sheet	135 228	146 184	164 629	186 944	223 205	308 524	459 562	657 075	897 603	934 154
Equity	19 009	21 543	28 484	33 812	28 936	32 962	47 641	65 542	113 578	153 905
Customers' deposits	104 220	105 607	124 260	131 330	165 641	201 219	235 637	339 778	448 367	556 742
Customer loans	74 593	91 031	116 455	134 297	138 544	158 323	171 179	171 878	261 801	279 316



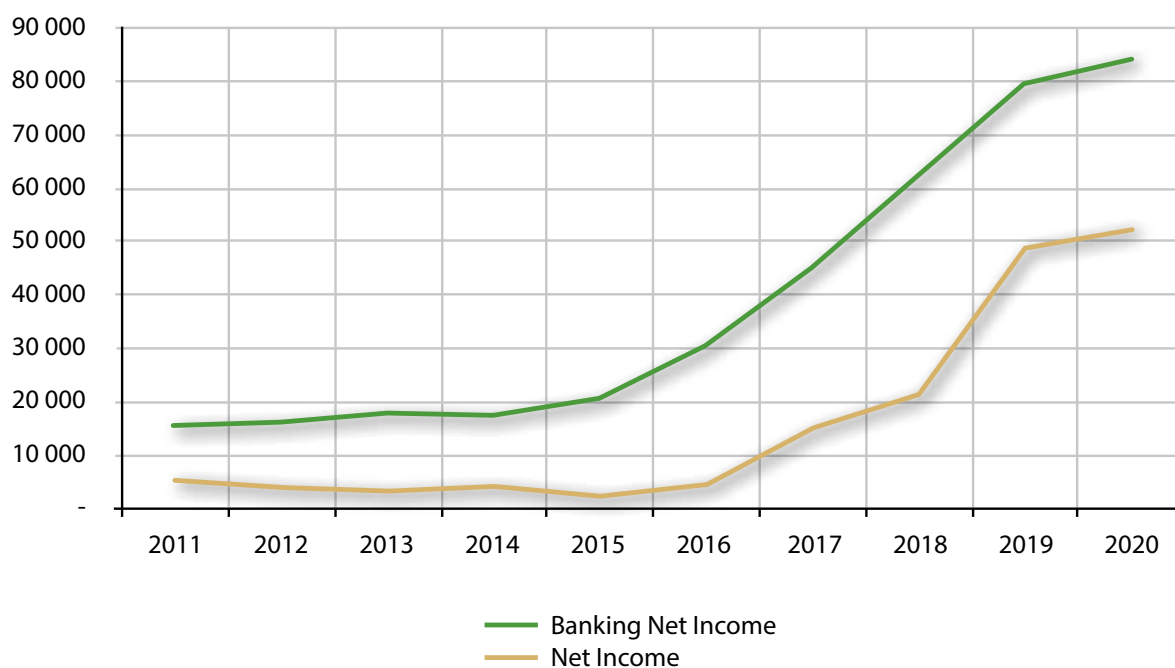


# KEY INDICATORS 2011-2020

(In BIF million)

## INCOME STATEMENT

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Banking Net Income	15 399	16 062	17 780	17 510	20 661	30 605	45 302	62 244	79 720	84 182
Net Income	5 302	3 946	3 270	4 184	2 328	4 452	15 127	21 329	48 852	52 180



# SPEECH OF THE PRESIDENT OF THE BOARD OF DIRECTORS



“

Strategies are being developed to allow the establishment of BANCOBU in certain countries of the East African Community «EAC».

”

**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 on my behalf, we are pleased to address you on the occasion of the holding of the Ordinary General Meeting of Shareholders for the financial year closed on December 31, 2020 and which coincides with the 61st financial year.

The 2020 financial year constitutes the third year of the implementation of the 2018-2022 Transformation Plan which is based on the 3 strategic focuses: Innovation-Productivity-Profitability.

We can already congratulate ourselves on the good performance achieved during the first three years of this Transformation Plan, even exceeding the forecasts of the 2018-2022 Business Plan. Indeed, after a largely positive net income of 48.9 billion BIF at the end of the 2019 financial year, BANCOBU has just achieved a net income of 52.2 billion BIF December on 31, 2020, i.e. a market share of 40% of the result of all commercial banks.

Our Bank consolidates its leading position in the banking sector.

Before presenting in detail the achievements of the year 2020, we would just like to give you a few highlights of the past year :

- i. BANCOBU has remained attentive to the concerns of surrounding communities and this gives it the character of a citizen bank. The flagship action of 2020 was the delivery of the donation of 100 million BIF for the construction of shelters for disaster victims following the GATUMBA floods.
- ii. The launch of BANCOBU eNoti : a mobile money and mobile banking product with the objective of having a service site at each census hill in the country.
- iii. The launch of construction works for the real estate complex called "BANCOBU BUSINESS CENTER", the cost of which is estimated at 55 billion BIF.

The year 2020 also saw the arrival at the head of the Bank of Mrs. Trinitas GIRUKWISHAKA, ADG BANCOBU with solid experience in banking and insurance, replacing Mr. Gaspard SINDAYIGAYA.

The banking sector as a whole has benefited from the positive impact of the appointment of Mr. Sylvère BANKIMBAGA, Deputy ADG of BANCOBU to lead the Club of Bank and Credit Establishment Managers in Africa. This generated visibility in the country and in the Burundian banking sector in general, as well as actions to strengthen the skills of Bank Managers and Executives through training sessions on various themes led by international experts and high-level academics.

In terms of social responsibility, BANCOBU has remained attentive to the concerns of surrounding communities and this gives it the character of a citizen bank.

The Bank has just made a special contribution of up to 5% of its accounting income, i.e. an amount of BIF 2.8 billion intended to finance social works determined by the State with reference to ordinance n° 540/1809 of December 31, 2020 on the modalities of application of the provisions of the budget law relating to the special tax contribution payable by financial institutions.

The other flagship action of 2020 will have been the delivery of the donation of BIF 100 million for the construction of shelters for disaster victims following GATUMBA floods.

Through its Temporary Staff Program, the Bank offers employment and training opportunities to young people and has 142 units in place at the end of 2020.

The shareholders took advantage of the good performance of fiscal year 2020 to increase the share capital and bring it to BIF 101,880,436,000 (approximately USD 50 million), placing the Bank at the same level as the banks in the sub-region.

### **Ladies and Gentlemen, shareholders ;**

The Bank's dominant position in the market requires other more innovative measures as of this fiscal year 2021 to ensure the sustainability of the Bank's growth.

The major challenges are in particular :

- The pursuit of the search for international correspondents and financial partners with a view to supporting international import / export trade in order to limit the negative impact of the withdrawal of ING Bank, our historical correspondent.
- The continued extension of the eNoti distribution network to the level of the census hills
- The continuation of the construction works of BANCOBU BUSINESS CENTER

The year 2021 will also be marked by the adoption of a New Medium-Term Strategic Development Plan (2021-2025) which will constitute a basis for the pursuit of the search for strategic partners.

Strategies are being developed to allow the establishment of BANCOBU in certain countries of the East African Community «EAC».

Shareholders and the country in general should be proud of it!

At the same time as we congratulate the Management and Staff of the Bank for their efforts in 2020, we would like to encourage them to maintain the same momentum to face these challenges in order to create a real impact on the transformation and development of the Bank and the overall economy of the country.

Thank you for your kind attention.

March 12, 2021

**Léa NGABIRE**

**President of the Board of Directors.**

# THE MANAGEMENT OF THE BANK



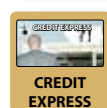
**Trinitas Girukwishaka**  
Managing Director

**Sylvère Bankimbaga**  
Deputy Managing Director

## THE BANCObU AT THE ERA OF DIGITIZATION AND MULTICHANNEL

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

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



# ACTIVITY REPORT AND FINANCIAL STATEMENTS, FISCAL YEAR 2020

The fiscal year 2020 is the third year of the Bank's Transformation Plan which spans over the period of 2018-2022. This report covers the main activities carried out in the implementation of this transformation plan of the Bank, the financial statements for the year closed on December 31, 2020 and finally provides an overview of the perspectives for the year 2021. As a preamble, we present to you the macroeconomic framework in which the Bank has carried out its activities.

## I. MACRO-ECONOMIC ENVIRONMENT

In its report on economic indicators, the Bank of the Republic of Burundi informs that, from one year to the next, the real sector was characterized by an increase in industrial production and contributions of parchment coffee, while the production of green leaf tea has declined. The industrial production index rose from 253% to 199.6 from 159.4 a year earlier.

Year over year, headline inflation stood at 7.0% compared to 4.0% in the same period a year earlier.

In terms of the balance of payments, the trade balance deficit worsened compared to 2019, following the increase in imports (BIF 1.467.9 billion against 1.344.6 billion) and the decrease in exports (BIF 253. 0 billion against 288.1 billion).

In the area of exchange rates, the BIF depreciated year over year by 3.62% against the US dollar. In the banking sector itself, and year over year, the quality of the banking sector's credit portfolio improved as the overall rate of deterioration fell from 7.7% to 6.2%.

The sector's net income increased by 20.6%, reaching 125.9 billion BIF against 103.7 billion BIF.

According to BRB, the banking sector has remained sufficiently capitalized, solvent and profitable.



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

### II.1. REMINDER OF STRATEGIC AXES

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



The implementation of this transformation plan involves an in-depth review of the commercial, back-office and risk sectors, as well as an overhaul of the cross-functional sectors, supporting the three operational sectors.

The success of this transformation therefore requires new working methods and new behaviors at all levels of the Bank's governance.

### II. 2. MAIN ACHIEVEMENTS DURING THE 2020 FINANCIAL YEAR

#### II. 2. 1. Search for Organizational Excellence

The Bank's governance system has been strengthened by the application of the following reference regulatory texts:

- The risk management policy;
- The business continuity policy;
- The policy and procedures for combating money laundering and the financing of terrorism;
- The compliance charter;
- The Audit charter.

#### II. 2. 2. Search for correspondents

Bancobu was notified of the end of the relationship with its historical correspondent and its former shareholder (ING-EX BBL).



To limit the effect of this withdrawal from ING, the Bank is making all-out efforts to find other alternatives to avoid its isolation in terms of financing import-export operations. Fortunately, new correspondents are registered after a long successful KYC process at our Bank. These are **BIAT TUNIS, BOA France, FIRSTRAND BANK LTD SOUTH AFRICA, BMCE MADRID and AFREXIMBANK EGYPT**.

By the way, the Club of Managers for African Banks and Credit Institutions has just conducted an awareness session for bank managers on strategies to limit the effect of derisking. The Management Committee and the members of the Board of Directors of the Bank participated in this session under the coordination of the President of the Club.

### **II. 2. 3. Search for strategic partners**

Pursuant to the resolution of the Extraordinary General Meeting of Shareholders held on March 21, 2014, the Bank is continuing to search for strategic partners who would provide funds and expertise in order to support the sustainability of the current growth of the bank. The Bank relies on the opinions of experts such as the African Credit Bureau firm in evaluating the Bank and in identifying these strategic partners.

The Bank's recent valuation sets the market value at around BIF 300 billion and a new medium-term strategic development plan (2021-2025) is being finalized. The search for partners continues. It is a long-term process that depends heavily on the perception of country risk in general.

### **II. 2. 4. Launch of the Bancobu eNoti platform and the multichannel distribution**

With the aim of supporting the national financial inclusion policy, the Bank has just launched its new eNoti mobile product, which has two components: mobile money and mobile banking. This is the first package of services. The second batch will be put on the market during this year 2021.

The eNoti product strengthens the multichannel distribution of the Bank's services by providing new distribution networks whose main actors are the sales agents (main agent/ super-agent and secondary agent) with the objective of having at least one Bancobu eNoti agent on each census hill in the country (around 2,500).

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

From 394 units as of January 01, 2020, the total number of permanent staff experienced a net increase of 9 units to stand at 403 units as of December 31, 2020, of which 178 units were female and 225 were male.

To meet ad hoc needs, the Bank has set up a system of temporary staff which is deployed according to the needs of the various departments. It is also another approach for the Bank to help reduce the level of unemployment among young graduates and give them the opportunity to gain banking experience.

## II.2.6. Social responsibility of the Bank: a citizen bank

Being a Citizen Bank means that the Bank remains attentive and responds to the concerns of surrounding communities. In this context, the Bank supports the initiatives of surrounding communities as part of its social responsibility policy. It operates along the following major axes: social, humanitarian, charitable actions and sponsorship of cultural and sport events.

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

For the 2020 financial year, the Bank contributed in terms of donations and sponsor of 327 million BIF including 100 million BIF for the construction of shelters for disaster victims following the GATUMBA floods.

The Bank has also just made a compulsory contribution of up to 5% of its income, i.e. an amount of 2.8 billion BIF intended to finance social works determined by the State with reference to ordinance n° 540/1809 of 12/31/2020 on the modalities of application of the provisions of the budget law relating to the special contribution payable by financial institutions.

## II. 2. 7. Bancobu Business Center

After the feasibility studies, the Bank begins construction works on its real estate complex called «Bancobu Business Center», the work of which will last 30 months at a cost of the equivalent of BIF 55 billion, 65% of which will be payable in foreign currency.



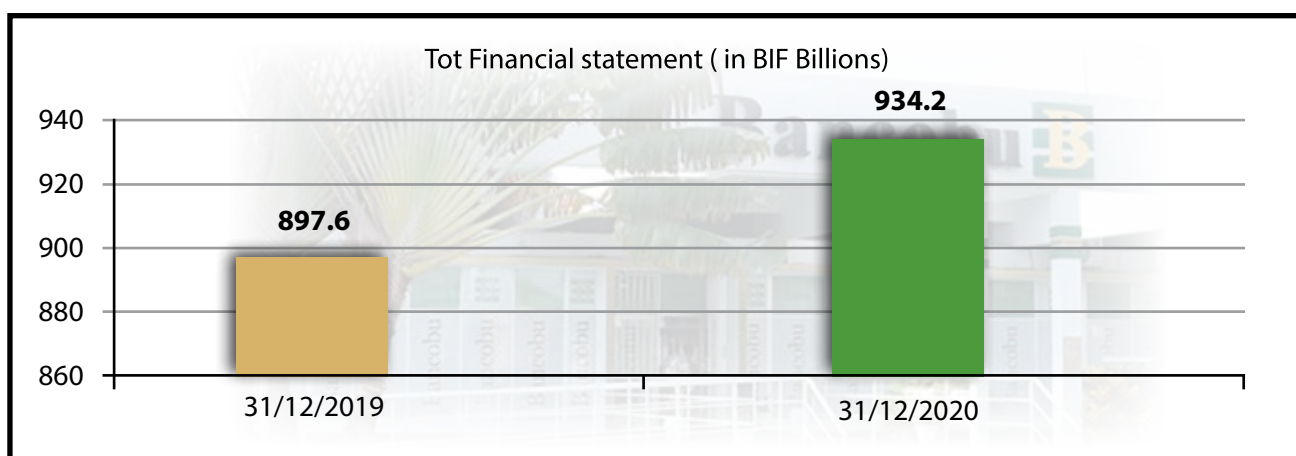
This project has been selected as a Priority Project and as such benefits from the advantages of the investment code, i.e exemptions from customs duties and VAT of around BIF 10 billion which will much reduce the investment costs.

### III. PRESENTATION OF THE FINANCIAL STATEMENTS AT DECEMBER 31, 2020

- The presentation of the financial statements for the financial year 2020 is made in comparison with those of the previous year in order to highlight the annual trends of the key financial indicators of the Bank.
- The detailed financial statements for the year ended on December 31, 2020 adopted by the Board of Directors at its last meeting are presented in the appendix. They include the following tables :
  - Financial situation (Financial statement)
  - Balance sheet
  - Cash Flow
  - Statement of changes in equity

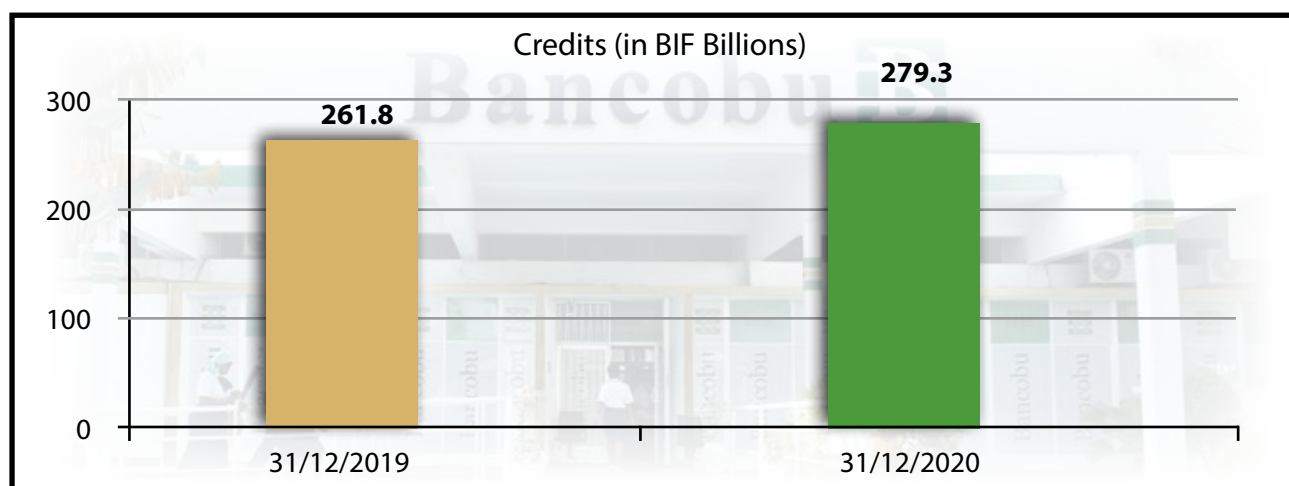
#### III.1. EVOLUTION OF THE MAJOR MASSES IN THE 2019-2020 FINANCIAL STATEMENT

**GRAPHIQUE 1 :** Evolution of the total financial Statement



The total financial statement increased by 4% to stand at 934.2 billions BIF at December 31, 2020 against 897.6 billions BIF at December 31, 2019, with a market share of 27% .

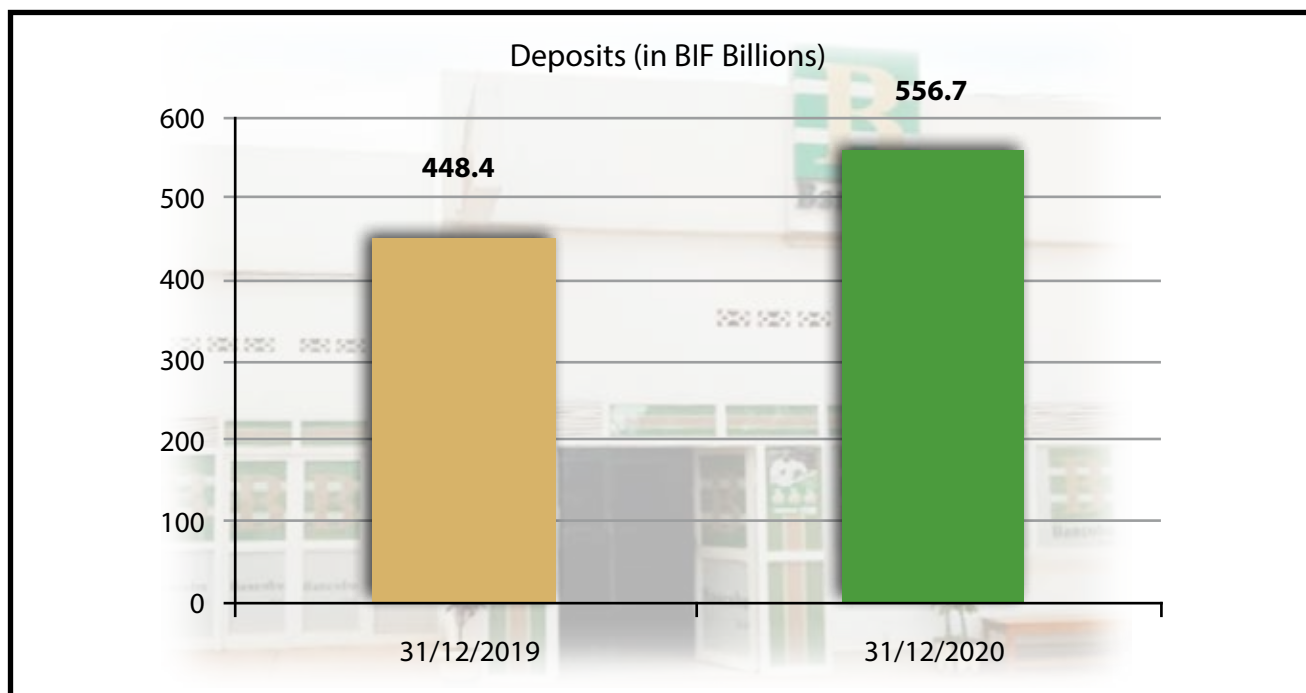
**GRAPHIQUE 2 :** Evolution of outstanding customer loans



Loans and receivables from customers net of provisions increased by 7% to stand at BIF 279.3 billions at December 31, 2020 against 261.8 billions BIF at December 31, 2019, which allows a share of 29% market.

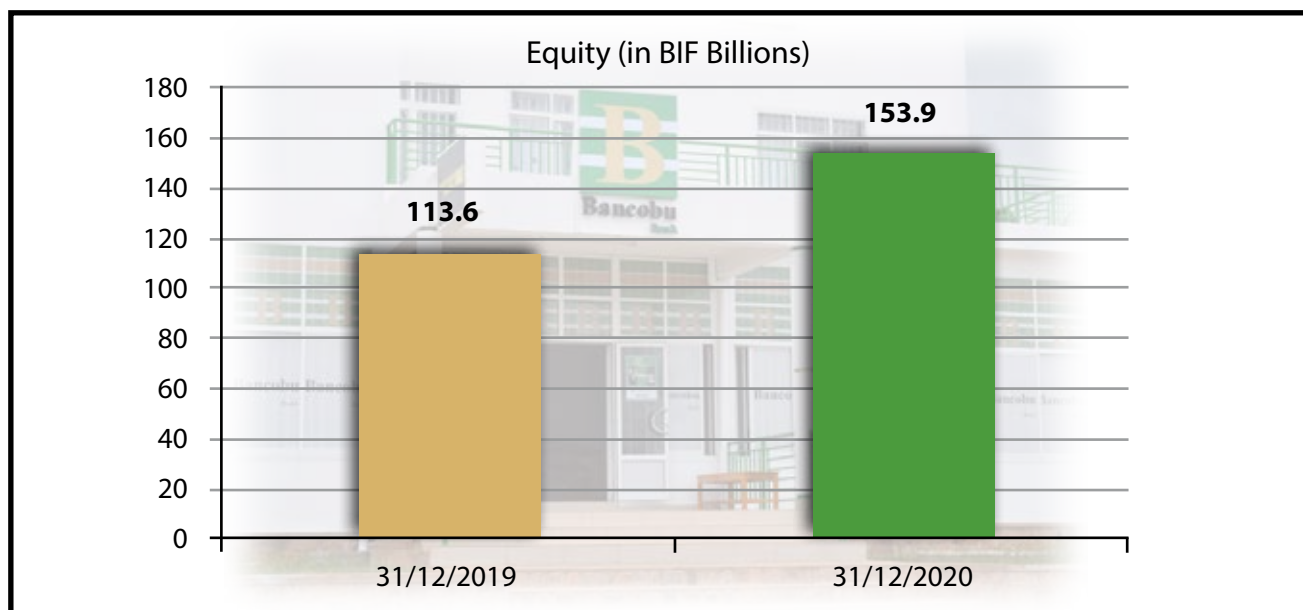
Financial investments (financial assets held to maturity) stabilized instead at 476.6 billions BIF at December 31, 2020. At the same time, the Bank holds a stock of financial assets available for sale, which brings the volume of financial assets to 509.5 billions BIF with a market share of 32%.

**GRAPHIQUE 3 : Evolution of customer deposits**



Deposits (debts to customers) increased by 24% to stand at BIF 556.7 billions at December 31, 2020 against 448.4 billions BIF at December 31, 2019, with a market share of 25%.

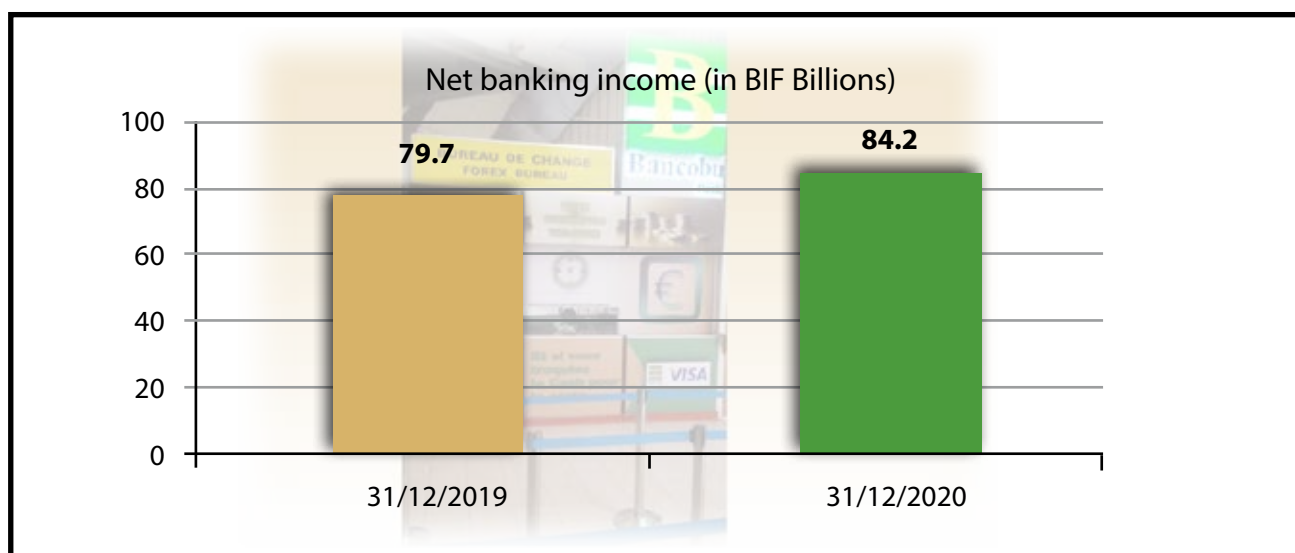
#### GRAPHIQUE 4 : Evolution of shareholders' equity



Equity increased by 36% to stand at 153.9 billions BIF at December 31, 2020 against 113.6 billions BIF December at 31, 2019, with a market share of 29%.

### III. 2. EVOLUTION IN THE 2019-2020 BALANCE SHEET

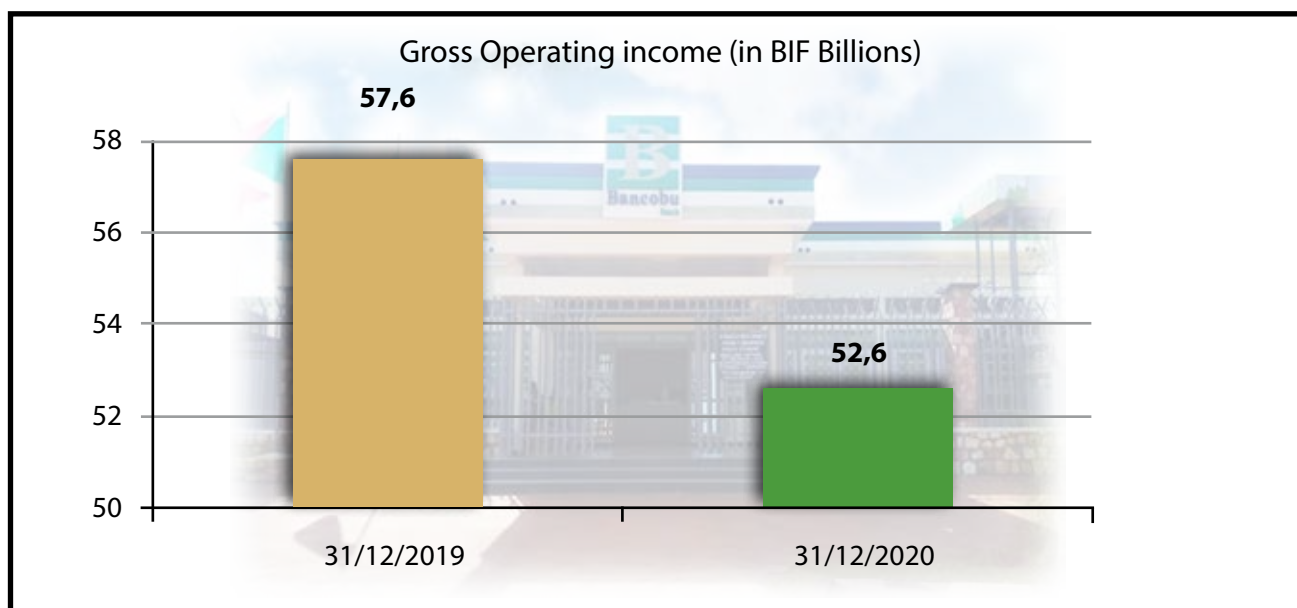
#### GRAPHIQUE 5 : Evolution of net banking income



Net banking income (NBI) increased by 6% to stand at BIF 84.2 billions at December 31, 2020 against BIF 79.7 billions at December 31, 2019.

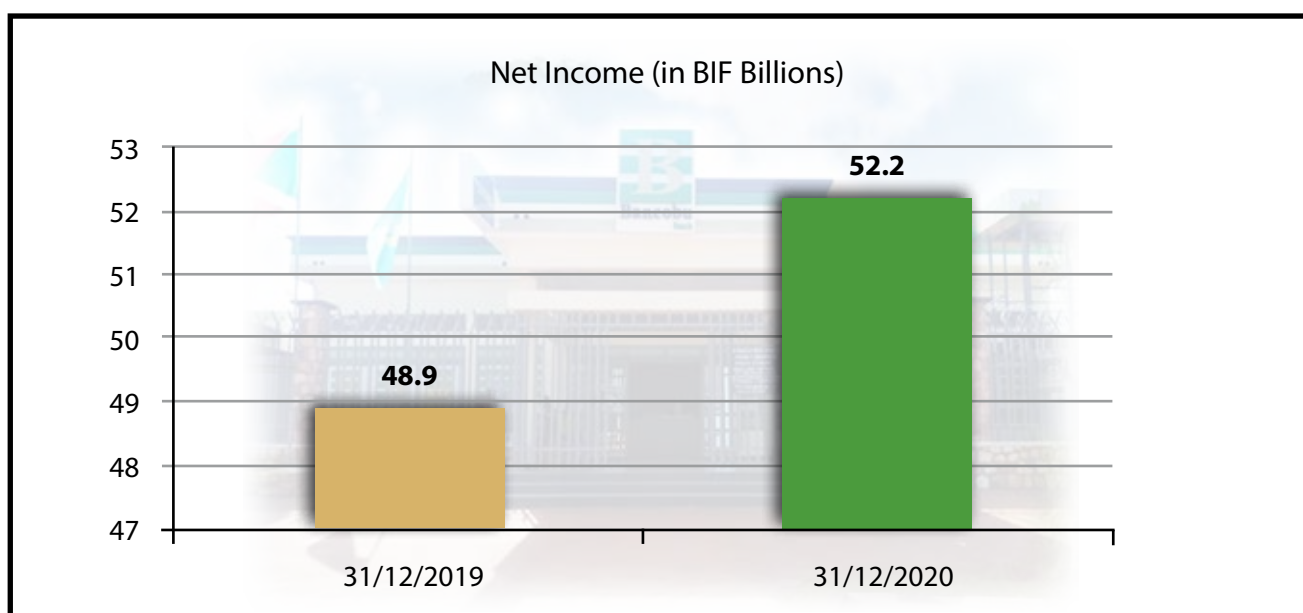


### GRAPHIQUE 6 : Evolution of gross operating income



Gross operating income (GOI) recorded a drop of 9% to stand at BIF 52.6 billions on December 31, 2020 against BIF 57.6 billions on December 31, 2019 following an increase in expenses operations linked to the Innovation Master Program.

### GRAPHIQUE 7 : Evolution of net income



Net income increased by 7% to stand at BIF 52.2 billions at December 31, 2020 against BIF 48.9 billions at December 31, 2019.

Bancobu has a market share of 40% of the result of all commercial banks.

## IV. 2021 PERSPECTIVES

The continued implementation of the Bank's Transformation Plan remains the core of the Bank's perspectives for 2021.

This implementation will be carried out mainly through :

- The continued extension of the eNoti distribution network to the level of the census hills
- The continuation of the construction works of BANCOBU BUSINESS CENTER
- The pursuit of the search for correspondents and financial partners

The year 2021 will also be marked by the adoption of a New Medium-Term Strategic Development Plan (2021-2025) which will constitute a basis for the pursuit of the search for strategic partners.

Bujumbura, March 2021

**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 financial statements of the Commercial Bank of Burundi (BANCOBU) SM, which include the statement of financial position as at December 31, 2020, and the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year ended on that date, as well as the accompanying notes, including the summary of the critical accounting rules.

In our opinion, the accompanying financial statements give, in all material respects, a true and fair view of the financial position of BANCOBU as at December 31, 2020, as well as of the financial performance for the year ended on that date, in accordance with the accounting standards applicable to commercial banks in the Republic of Burundi. The net result for the fiscal year ended on that date is fifty-two billion one hundred and eighty million three thousand Burundian francs

**(BILLION BIF 52,180,003)** while the comprehensive income for the fiscal year ended on this date is fifty-two billion seven hundred and twenty-four million six hundred and sixty-four thousand Burundian francs **(BILLION BIF 52,724,664)**. The balance sheet total is set at Nine hundred and thirty four billion one hundred and fifty three million seven hundred and forty two thousand Burundian francs **(BILLION BIF 934,153,742)**.

## Basis of opinion

We conducted our audit based on International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the «Auditor's Responsibilities for the Audit of the Financial Statements» section of this report. We are independent from the organization in accordance with the Code of Ethics for Professional Accountants of the Board of International Standards of Professional Accountancy (the IESBA Code) as well as the rules of ethics that apply to the audit of financial statements in the Burundi and we have fulfilled the other ethical responsibilities incumbent on us according to these rules 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 questions

Key audit matters are those matters which, in our professional judgment, have been the most significant in the audit of the considered period financial statements. These matters have been addressed 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 responsible of governance for the financial statements**

The management is responsible for the preparation and the fair presentation of the financial statements in accordance with the accounting practices in force in Burundi and the financing agreements, as well as the internal control that it considers necessary to allow the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is management's responsibility to assess the organization's ability to continue as a going concern, to communicate, where appropriate, going concern issues and apply the going concern accounting principle unless management intends to liquidate the company or cease its activity or if no other realistic solution is available to it.

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

## **Responsibilities of the auditor**

Our objectives are to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether these result from fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance corresponding to a high level of assurance, which does not, however, guarantee that an audit carried out in accordance with ISA standards will always detect any material anomalies that may exist. Anomalies may result from fraud or error and are considered material when it is reasonable to expect that, individually or collectively, they could influence the economic decisions that users of financial statements make on the basis of these.

As part of an audit conducted in accordance with the International Standards on Auditing (ISAs), we exercise professional judgment and exercise critical thinking throughout this audit.

In addition :

- We identify and assess the risks that the financial statements contain material misstatements, that these result from fraud or error, design and implement audit procedures in response to these risks, and gather sufficient audit evidence and appropriate to base our opinion. The risk of non-detection of a material anomaly resulting from fraud is higher than that of a material anomaly resulting from an error, because fraud can involve collusion, falsification, willful omissions, false declarations. or circumventing internal auditing ;
- We gain an understanding of the elements of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the company's internal auditing ;
- We assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related information provided by the latter ;

- We draw a conclusion as to the appropriateness of management's use of the going concern accounting principle and, according to the audit evidence obtained, as to the existence or not of a material uncertainty related to events or situations likely to cast significant doubt on the ability of the company to continue operating. If we conclude that there is a material uncertainty, we are required to draw the attention of readers of our report to the information provided in the financial statements about that uncertainty or, if such information is not adequate, express a modified opinion. Our conclusions are based on the evidence obtained up to the date of our report. Future events or situations could also cause the company to cease operations ;
- We assess the overall presentation, form and content of the financial statements, including the information provided in the notes, and assess whether the financial statements represent the underlying transactions and events in a way that gives a fair view.

We communicate to the Board of Directors, in particular, the expected scope and schedule of the audit work and our significant findings, including any material deficiencies in internal auditing that we may have identified during our audit.

We also provide the Board of Directors with a statement that we have complied with the relevant ethical rules regarding independence, and communicate to them all relationships and other factors that can reasonably be considered to have an impact on our independence as well as the related safeguards where applicable.

Of the matters communicated to the Board of Directors, we will determine which were the most important 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, unless a law or regulation prevents publication, or if, in extremely rare circumstances, we determine that we should not disclose an issue in our report because it can reasonably be expected that the harmful consequences of communicating this issue surpass the benefits to the public interest.

Bujumbura, March 2021

**GN & ASSOCIATES S.P.R.L**

**Eric NIZIGIYIMANA**

**Associate**

# RESOLUTIONS OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF MARCH 12, 2021

## **First resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37, 41 and 49 of the Bank's statutes, after examining the report of the Board of Directors for the financial year 2020, 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 Statutes of the Bank, after examining the Statutory Auditor's report on the accounts for the financial year 2020, 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 Statutes of the Bank, after having heard the report of the Board of Directors and the Auditor, unanimously approves the financial statements for the 2020 financial year including the statement, the balance sheet, the statement of changes in equity and the cash flow statement as well as the net result at 52,180,002,642 BIF.

## **Fourth resolution:**

The result to be allocated is set at 54,630,165,516 BIF taking into account the retained earnings from the 2019 financial year of 2,450,162,874 BIF. The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37, 41 and 50 of the Bank's statutes, on a proposal from the Board of Directors, unanimously approves the allocation of this result as follows :

Reserves for investment	BIF 16,400,000,000
Optional reservations	BIF 16,350,000,000
Dividends	BIF 15,682,718,800
Bonuses	BIF 707,827,786
Balance sheet premium	BIF 2,749,681,076
Retained earnings	BIF 2,739,937,854

## **Fifth resolution:**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37, 41 and 49 of the Statutes of the Bank, after having approved the accounts of the Bank, unanimously grants discharge to the Directors for their management of the financial social year 2020.

**Sixth resolution :**

The Ordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with Articles 37, 41 and 49 of the Statutes of the Bank, after having approved the accounts of the Bank, unanimously grants discharge to the External Auditor for the verification of the financial year 2020.

**Seventh resolution :**

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

- Appointed Mr. Gilbert NZEYIMANA, Director representing INTERPETROL TRADING LTD for a four-year mandate which will end at the Ordinary General Meeting of Shareholders in 2025 approving the accounts for the 2024 financial year. He will take office as soon as approved by the BRB.
- Appoints Mr. Charles NDAGIJIMANA, Director representing SOCABU for a four-year term that will end at the Ordinary General Meeting of Shareholders in 2025 ruling on the accounts for the 2024 financial year. He will take office as soon as approved by the BRB.
- Renews the mandate of Mr. Frédéric NTIMARUBUSA, Independent Director for a 2-year mandate which will end at the Ordinary General Meeting of Shareholders in 2023 ruling on the accounts for the 2022 fiscal year.
- Renews the mandate of Mr. Léonidas NDAYIZEYE, Independent Director for a 2-year mandate which will end at the Ordinary General Meeting of Shareholders in 2023 approving the accounts for the 2022 financial year.
- Endorses the appointment of Mrs. Trinitas GIRUKWISHAKA, Director representing the Management of the Bank, for a term of 4 years which will end at the Ordinary General Meeting of Shareholders in 2025 ruling on the accounts for the 2024 financial year.

**Done in Bujumbura, on March 12, 2021.**

**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, Statutory Auditor.



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# RESOLUTIONS OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS HELD ON MARCH 12, 2021

## **First resolution:**

The Extraordinary General Meeting of Shareholders of BANCOBU, deliberating in accordance with articles 428, 430 and 437 of Law 1/09 of 30 May 2011 on the code of private companies and with public participation and articles 7 and 8 of the bylaws, decides to the increase in the share capital by incorporating the reserves of 68,683,440,000 BIF to bring it to BIF 101,880,436,000 and the nominal value of the share goes from 29,000 BIF to 89,000 BIF per share.

The details of the reserves incorporated in the capital are as follows :

Reserves for investment	BIF 44,081,000,000
Optional reservations	BIF 24,602,440,000

The Extraordinary General Meeting of Shareholders of BANCOBU delegates to the Board of Directors the powers necessary to effect the corresponding amendment to the articles of association in article 6.

## **Second resolution :**

In order to harmonize the statutes with the provisions of Law n ° 1/17 of August 22, 2017 governing banking activities, in particular the creation of specialized committees, the Extraordinary General Meeting of Shareholders of BANCOBU decides to modify the statutes by amendment of article 25. It confers on the Board of Directors the mandate to proceed with the signature of the amended statutes, their authentication and publication in the Official Bulletin of Burundi in accordance with the Law.

**Done in Bujumbura, on March 12, 2021.**

## **Members of the Bureau of the Extraordinary 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**, Statutory Auditor.



# FINANCIAL SITUATION STATEMENT

## (BALANCE SHEET)

SUBJECTS (in Thousands of BIF)	31/12/2020	31/12/2019	ANNUAL VARIATION	
ASSETS			AMOUNT	%
Funds and the Central Bank (BRB)	36 542 086	59 252 649	-22 710 563	-38
Other financial assets	10 541 327	4 878 377	5 662 950	116
Derivative hedging instruments				
Available-for-sale financial assets	33 175 114	32 116 206	1 058 908	3
Loans and receivables to banks and similar institutions	48 132 586	17 848 001	30 284 585	170
Loans and receivables to customers	279 315 827	261 800 864	17 514 963	7
Financial assets held up to the deadline	476 067 018	477 604 368	-1 537 350	0
Current and deferred tax assets	2 065 396	2 005 353	60 044	3
Other assets	6 816 469	5 609 849	1 206 620	22
Non-current assets held for sale	-	-	0	0
Participations in affiliated companies	507 122	507 122	0	0
Investment properties	5 045 129	4 886 301	158 828	3
Tangible fixed assets	28 707 178	27 715 551	991 627	4
Intangible fixed assets	7 238 491	3 378 143	3 860 347	114
Goodwill	-	-	0	0
<b>TOTAL ASSETS</b>	<b>934 153 742</b>	<b>897 602 785</b>	<b>36 550 957</b>	<b>4</b>
<b>LIABILITIES</b>				
<b>DEBTS</b>				
Central Bank (BRB)	128 026 667	255 056 667	-127 030 000	-50
Financial liabilities at fair value per result	-	-	0	0
Derivative hedging instruments	-	-	0	0
Debts toward banks and similar institutions	75 802 164	65 014 538	10 787 626	17
Debts toward customers	556 742 355	448 367 141	108 375 214	24
Debts evidenced by securities	-	-	0	0
Current and deferred tax liabilities	4 701 976	4 779 218	-77 243	-2
Other liabilities	5 324 708	2 411 941	2 912 768	121
Provisions for risks and costs	8 592 552	7 197 047	1 395 504	19
Investment subsidies	1 058 034	1 198 170	-140 136	-12
<b>TOTAL DEBTS</b>	<b>780 248 456</b>	<b>784 024 722</b>	<b>-3 776 267</b>	<b>0</b>
<b>SHAREHOLDERS' EQUITY</b>				
Capital and related reserves	34 220 952	34 220 952	0	0
Consolidated reserves	55 322 635	18 687 640	36 634 995	196
Unrealised or deferred gains or losses	12 181 697	11 817 268	364 428	3
<b>Result of the period</b>	<b>52 180 003</b>	<b>48 852 202</b>	<b>3 327 801</b>	<b>7</b>
Profit or loss awaiting approval	-	-	0	0
<b>TOTAL CAPITAL AND RESERVES</b>	<b>153 905 287</b>	<b>113 578 063</b>	<b>40 327 224</b>	<b>36</b>
Minority interests		-		
<b>TOTAL LIABILITIES</b>	<b>934 153 742</b>	<b>897 602 785</b>	<b>36 550 957</b>	<b>4</b>

# OVERALL INCOME STATEMENT

ITEMS (in Thousands of BIF)	31/12/2020	31/12/2019	ANNUAL VARIATION	
			AMOUNT	%
Interests and related income	94 873 396	85 580 783	9 292 613	11
Interests and related costs	-27 093 074	-22 404 228	-4 688 846	21
<b>Net interests</b>	<b>67 780 322</b>	<b>63 176 555</b>	<b>4 603 767</b>	<b>7</b>
Commissions (incomes)	8 440 908	8 781 113	-340 205	-4
Commissions (costs)	-775 962	-776 214	252	0
Exchange net Gains or losses	4 933 795	4 462 826	470 969	11
Net gains or losses on financial investments	2 680 581	2 551 914	128 667	5
Incomes from other activities	1 122 747	1 566 708	-443 961	-28
Costs related to other activities	0	-42 901	42 901	-100
<b>Net banking income</b>	<b>84 182 391</b>	<b>79 720 002</b>	<b>4 462 389</b>	<b>6</b>
Staff costs	-14 522 236	-11 194 634	-3 327 602	30
Net depreciation and impairment of tangible and intangible assets	-2 090 339	-1 913 566	-176 773	9
Other general operating costs	-14 985 514	-9 003 225	-5 982 290	66
<b>Gross operating result</b>	<b>52 584 302</b>	<b>57 608 577</b>	<b>-5 024 275</b>	<b>-9</b>
Net cost of risk	-283 606	-8 250 727	7 967 121	-97
Operating Result	52 300 695	49 357 850	2 942 845	6
Net gains or losses on other assets	119 244	-79 864	199 108	100
<b>Pre-tax Result</b>	<b>52 419 939</b>	<b>49 277 986</b>	<b>3 141 953</b>	<b>6</b>
Tax on profits	-239 937	-425 785	185 848	-44
<b>Net Result</b>	<b>52 180 003</b>	<b>48 852 202</b>	<b>3 327 801</b>	<b>7</b>
<b>OTHER COMPONENTS OF THE OVERALL INCOME</b>				
Unrealised gains or losses on available-for-sale assets	544 661	665 760	0	0
Revaluation differences on fixed assets		6 149 771	-6 149 771	-100
Other		73 263	-73 263	-100
<b>TOTAL OVERALL INCOME</b>	<b>52 724 664</b>	<b>55 740 994</b>	<b>-3 016 331</b>	<b>-5</b>

# STATEMENT OF CHANGES IN EQUITY

SUBJECTS IN THOUSANDS OF BIF	CAPITAL	RESERVED RELATED TO THE CAPITAL	CONSOLIDATED RESERVES	UNREALISED GAINS	RESULT	TOTAL EQUITY
<b>Equity at the end</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>4 889 380</b>	<b>5 103 501</b>	<b>21 329 067</b>	<b>65 542 900</b>
Method change and error corrections						
<b>Equity at the opening 2018</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>4 889 380</b>	<b>5 103 501</b>	<b>21 329 067</b>	<b>65 542 900</b>
Allocation of the Result 2018						
Balance sheet premium, dividends, bonuses paid					-7 530 806	-7 530 806
Increasing of the Capital						
Incorporation of reserves			13 798 260		-13 798 260	
Other (details in the notes in appendices)						
<b>Net Result of the year</b>					<b>48 852 202</b>	<b>48 852 202</b>
<b>Sub-total : transactions between shareholders</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>18 687 640</b>	<b>5 103 501</b>	<b>48 852 202</b>	<b>106 864 295</b>
<b>Other components of the overall Result :</b>						
Unrealised gains or losses on available for-sale assets				665 760		665 760
Revaluation differences on fixed assets				5 974 745		5 974 745
Other				73 262		73 262
<b>Equity at the end 2018</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>18 687 640</b>	<b>11 817 268</b>	<b>48 852 202</b>	<b>113 578 063</b>
Method change and error corrections						
<b>Equity at the opening 2019</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>18 687 640</b>	<b>11 817 268</b>	<b>48 852 202</b>	<b>113 578 063</b>
<b>Allocation of the result 2018</b>						
Balance sheet premium, dividends, bonuses paid					-12 217 207	-12 217 207
Increasing of the Capital						
Incorporation of reserves			36 634 995		-36 634 995	
Other (details in notes in appendices)						
<b>Net result of the year</b>					<b>52 180 003</b>	<b>52 180 003</b>
<b>Sub-total : transactions between shareholders</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>55 322 635</b>	<b>11 817 268</b>	<b>52 180 003</b>	<b>153 540 859</b>
<b>Other components of the overall result :</b>						
Unrealised gains or losses on available-for-sale assets				544 661		544 661
Revaluation differences on fixed assets				-180 233		-180 233
Other components of the overall result :						
<b>Equity at the end</b>	<b>33 196 996</b>	<b>1 023 956</b>	<b>55 322 635</b>	<b>12 181 697</b>	<b>52 180 003</b>	<b>153 905 287</b>

# CASH FLOW STATEMENT

SUBJECTS IN THOUSANDS OF BIF	31/12/2020	31/12/2019
<b>Pre-Tax Result</b>	<b>52 419 939</b>	<b>49 277 986</b>
Net allocations to impairment and depreciation of tangible and intangible assets	2 090 339	1 913 566
Net allocations to depreciations and provisions	-227 585	-5 518 427
Share of result related to companies accounted for using the equity method		
Net loss/gain from investment activities	-119 244	79 864
(Income)/charges from funding activities	0	0
Other movements (Exchange courses fluctuations, fixed asset Investment revaluation)	-158 828	-475 959
<b>Non-monetary components included in the pre-tax net result and other adjustments</b>	<b>1 584 683</b>	<b>-4 000 957</b>
Flows related to transactions with banks and similar institutions	-19 496 959	41 053 234
Flows related to transactions with customers	91 087 836	24 257 563
Flows related to other transactions affecting financial assets and liabilities	1 537 350	-73 013 910
Flows related to other transactions affecting non-financial assets and liabilities	2 315 971	953 387
Taxes paid	408 459	136 488
Net decreasing/(Increasing) of assets and liabilities from operational activities	75 852 656	-6 613 238
<b>Total net cash flow from operational activity (A)</b>	<b>129 857 278</b>	<b>38 663 791</b>
Flows related to financial assets and to participations	-514 247	-31 282 532
Flows related to investment properties	0	0
Flows related to tangible and intangible fixed assets	-7 003 302	-5 821 681
<b>Total net cash flow related to investment operations (B)</b>	<b>-7 517 549</b>	<b>-37 104 212</b>
Cash flow from or to shareholders	-12 217 207	-7 530 806
Other net cash flows from funding activities	-127 170 136	35 796 689
<b>Total net cash flow related to funding transactions (C)</b>	<b>-139 387 343</b>	<b>28 265 883</b>
<b>Effect of exchange rate changes on cash and cash equivalents (D)</b>	<b>0</b>	<b>0</b>
<b>Net increasing/(decreasing) of cash and cash equivalents (A + B + C + D)</b>	<b>-17 047 613</b>	<b>29 825 462</b>
<b>Cash and cash equivalents at the opening</b>	<b>64 131 026</b>	<b>34 305 564</b>
Funds, central banks (Assets and liabilities)	59 252 649	23 395 121
Accounts and sight credits/loans with banks and similar institutions (assets and liabilities)	4 878 377	10 910 444
<b>Cash and cash equivalents at the end</b>	<b>47 083 413</b>	<b>64 131 026</b>
Funds, central banks, CCP (Assets and liabilities)	36 542 086	59 252 649
Accounts and sight credits/loans with banks and similar institutions (assets and liabilities)	10 541 327	4 878 377
<b>Net cash variation</b>	<b>-17 047 613</b>	<b>29 825 462</b>



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