



ACTIVITIES REPORT

2023

64TH FINANCIAL YEAR



www.bancobu.com

ACTIVITY REPORT AND FINANCIAL STATEMENTS

December 31, 2023

Presented to the Shareholders
Ordinary General
Assembly
of March 15, 2024



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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) worldwide- 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



CORPORATE

Fixed Deposit Account

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

Flexi-savings Account

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

Business Credit

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



RETAIL

Current Account

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

Foreign Currency account

- Minimum opening balance of USD 0 or EUR 0
- No account maintenance fees
- Manage your account remotely via free internet banking
- Access to Savings and Credit facilities
- Access our vast network of branches open 7 days a week
- International transfer
- Foreign Exchange

Future Savings Account

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

Group Credit

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

Joint Account

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

Terimbere Credit

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

Express Credit

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

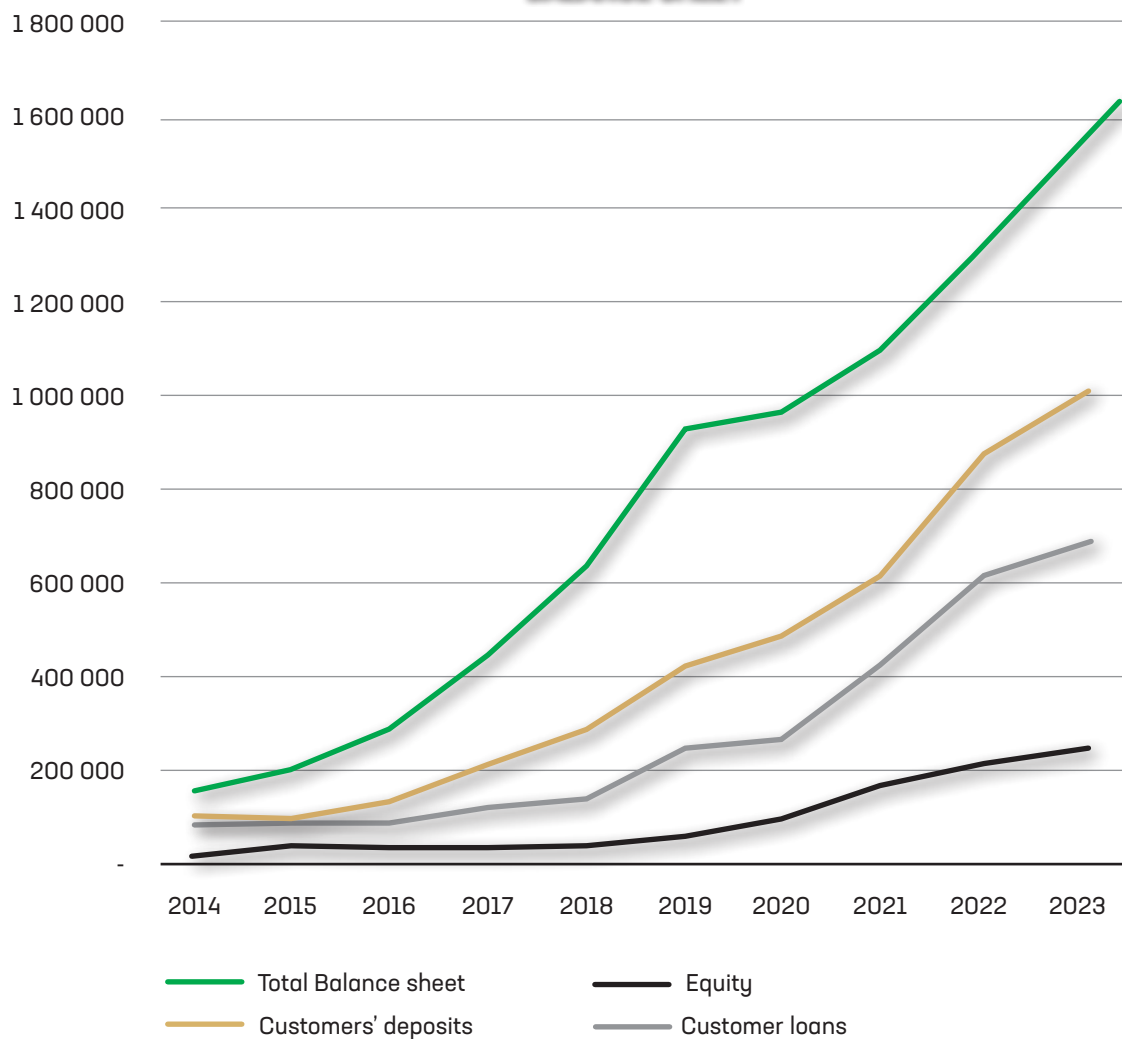
KEY INDICATORS 2014-2023

(In BIF million)

BALANCE SHEET

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Balance sheet	186 944	223 205	308 524	459 562	657 075	897 603	934 154	1 115 856	1 362 326	1 654 844
Equity	33 812	28 936	32 962	47 641	65 542	113 578	153 905	190 999	223 398	240 302
Customers' deposits	131 330	165 641	201 219	235 637	339 778	448 367	556 742	641 559	953 277	1 036 200
Customer loans	134 297	138 544	158 323	171 179	171 878	261 801	276 316	442 421	675 461	758 300

BALANCE SHEET

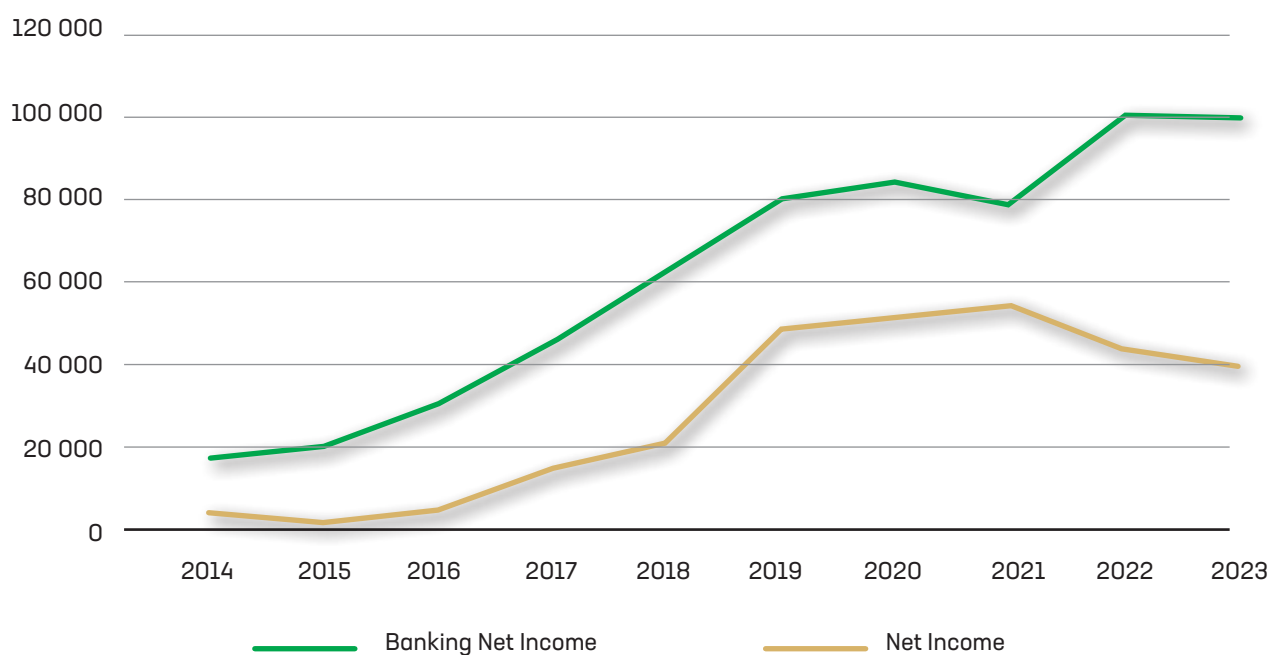


KEY INDICATORS 2014-2023

(In BIF million)

	INCOME STATEMENT									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Banking Net Income	17 510	20 661	30 605	45 302	62 244	79 720	84 182	78 932	100 558	99 416 087
Net Income	4 184	2 328	4 452	15 127	21 329	48 852	52 180	55 031	43 771	40 078

INCOME STATEMENT



SPEECH OF THE PRESIDENT OF THE BOARD OF DIRECTORS



“

We remain hopeful that these results will increase further under the BANCObU-GROUP 2024-2028 Strategic Plan, reaching the target of BIF 100 billion by 2028

”

Léa NGABIRE

President
of the Board of Directors

Ladies and Gentlemen Shareholders,

On behalf of the Board of Directors of Banque Commerciale du Burundi (Commercial Bank of Burundi “BANCObU in French acronym” and on my own behalf, we are pleased to address you on the occasion of the Ordinary General Assembly of Shareholders to present the balance sheet for the year ended on December 31, 2023, which coincides with the 64th financial year.

Before presenting in detail the achievements of the 2023 financial year, we would like to highlight the most significant events of the past year :

- i. The strengthening of the Bank’s governance
- ii. The approval of BANCObU-GROUP’s Strategic Plan covering 2024-2028 period
- iii. Renewal of triple ISO certification
- iv. Continued expansion of the network to support the national policy of financial inclusion through the eNoti mobile product.
- v. Continuing to build the skills and improve the socio-professional conditions of the Bank’s Human Resources.
- vi. The Bank’s corporate social responsibility

We are delighted with our bank’s good performance in what is admittedly a difficult macroeconomic environment.

The Net income fell by 9% from BIF 43.8 billion as of December 31, 2022 to BIF 40 billion to December 31, 2023. This decrease is consecutive to justified facts and Bancobu retains its leading position in the sector, with a market share of 24% of the net income of all commercial banks.

We remain hopeful that these results will increase further under the BANCOBU-GROUP 2024-2028 Strategic Plan, reaching the target of BIF 100 billion by 2028.

In order to strengthen the Bank's governance system, the regulatory reference texts are reviewed whenever necessary in order to comply with local and international industry standards. During the 2023 financial year, the Board of Directors reviewed and/or approved the following regulatory texts: Corporate communication policy and charter, financial charter, governance charter and information system policy.

To support 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 since December 2020.



At the same time, its physical network has been extended with the addition of two new branches (MWARO and RUSHUBI), while ensuring the efficiency of other distribution channels and digital means of payment: web banking, SMS banking, proprietary cards and Visa.

The Bank has understood that to consolidate its performance, good management of its staff's skills is a prerequisite. To this end, it has pursued a training program for managers, 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.

In terms of corporate social responsibility, Bancobu has remained attentive to the concerns of the surrounding communities. Indeed, it has contributed BIF 13.1 billion to the public treasury, taken from the results of the 2023 financial year. It has also contributed BIF 100 million to other national projects, such as the construction of the INTWARI Stadium.

Ladies and Gentlemen Shareholders,

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

We are thinking in particular of the implementation of the BANCOBU-GROUP 2024-2028 Strategic Plan. In concrete terms, this will involve :

- Deployment of the Bancobu Group vision, in particular through the establishment of an appropriate institutional framework
- Collective efficiency and organizational excellence, by ensuring compliance with ISO standards and international best practices
- Internationalization and partnerships, in particular setting up the Bank in EAC and seeking out financial partners
- Digitalization, in particular through the development of eNoti and the Bank's digital transformation
- Continuing to collect deposits and grant loans, especially by creating a package of products and services aimed at women, diaspora and expatriate customers
- Developing market activities, in particular by acquiring a stake in the Burundi Stock Exchange.

We take this opportunity to congratulate the Bank's Management and Staff on the efforts made in 2023 and the results achieved, and to encourage them to maintain the same momentum in order to achieve the objectives of the **2024-2028 Strategic Plan**, with the target set at **BIF 100 billion in 2028**.

We thank you for your attention and invite you to follow the presentation of the Board of Directors' Annual Activity Report for the year ended on December 31, 2023 by the General Directorate, Secretary of our Board of Directors.

Thank you for your kind attention!

Bujumbura, March 2024

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 2023

This report covers the main activities carried out during 2023 financial year, the related financial statements and an outlook for 2024 financial year.

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

I. MACROECONOMIC ENVIRONMENT

I.1. MACROECONOMIC INDICATORS

In its report on economic indicators (November 2023), the Bank of the Republic of Burundi (BRB) reports that overall inflation fell to 20.4% in November 2023, compared with 26.8% for the same period of the previous year. Over the same period, the BIF depreciated by 38.5% against the US Dollar, with the exchange rate rising from BIF 2,058.18 at the end of November 2022 to BIF 2,851.66 at the end of November 2023.

The trade balance deficit for November 2023 stood at BIF 2,146.5 bn, compared with BIF 1,959.7 bn for the same period in 2022. In terms of months of imports, reserves covered 1.1 months versus 2.0 months of imports of goods and services in November 2022.

The budget deficit (excluding grants) stood at BIF 416,529.0 versus BIF 210,168.5 at the end of November 2023, and public debt increased by 18.6% to BIF 6,188.9 versus BIF 5,216.9 bn at the end of November 2023, as a result of the increase in domestic debt (+11.7%) and external debt (+39.2%).

I.2. OVERVIEW OF BANKING ACTIVITY AND MARKET SHARE

Banking sector assets grew by 20.0% to BIF 7,559.2 bn at the end of November 2023, compared with BIF 6,297.1 bn at the end of November 2022.

The share of credit to the economy rose by 5.1 percentage points to 48.9% of banking sector assets in November 2023, compared with 43.7% in November 2022. The rate of non-performing loans in the credit portfolio rose by 0.3 percentage points to 3.0%, compared with 2.7% at the end of November 2022.

Customer deposits rose by 19.0% to BIF 4,387.5 bn in November 2023, compared with BIF 3,688.4 bn in the same month of 2022.

Shareholders' equity fell by 2.6% to BIF 896.9 bn at the end of November 2023, compared with BIF 921.3 bn at the end of November 2022.

The basic solvency ratio stood at 18.3% and the overall solvency ratio at 20.0%, against the minimum regulatory limit of 12.5% for the basic solvency ratio and 14.5% for the overall solvency ratio.

Net banking income (NBI) rose by 16.9% to BIF 425,960.3 at the end of November 2023, compared with BIF 364,481.5 at the end of November 2022. Net income for the year fell by 6.3% to MBIF 141,844.6 at the end of November 2023, compared with MBIF 151,448.2 at the end of November 2022. Similarly, Return on Assets (ROA) and Return on Equity (ROE) fell to 1.9% and 15.8% respectively at the end of November 2023, compared with 2.4% and 16.4% at the end of November 2022.

The Bank's market shares on December 31, 2023 are as follows :

WRITTEN	31/12/2023	31/12/2022
Deposits	23%	25%
Safe loans	21%	25%
NBI	21%	27%
Earnings	24%	28%
Total assets	22%	23%

Despite a downward trend compared with 2022, the Bank remains the market leader.

II. MAIN ACHIEVEMENTS IN 2023 FINANCIAL YEAR

II. 1. CORPORATE GOVERNANCE

The Board of Directors met in accordance with the Bank's statutes and internal regulations to review the management reports submitted by General Directorate and those drawn up by the specialized committees of the Board of Directors, namely the Audit Committee, the Risk Management Committee, the Committee of loans and the Appointments and Remuneration Committee.

The Board has particularly strengthened the Bank's governance system by approving a number of reference documents. These include the communication policy and charter, the financial charter, the governance charter and the information system policy.

II. 2. BANCObU GROUP STRATEGIC PLAN 2024-2028

On December 27, 2023, the Board of Directors approved a new Bancobu Group Strategic Plan covering 2024-2028 period. The name Bancobu Group implies the restructuring of the Bank into subsidiaries including Bancobulmmo, Bancobu International, Bancobu Digitale and Bancobu Marché Financier. Feasibility studies are underway.

This new Strategic Plan represents an important lever for reversing the downward trend resulting from changes in the country's monetary and exchange rate policies. It aims to achieve net income of BIF 100 billion by the end of 2028, while maintaining a good level of profitability, i.e. ROA of 3.1% and ROE of 20.8%.

The key success factors for this plan are the commitment of all stakeholders, managerial courage and collective efficiency. Indeed, the deployment of the Bancobu Group vision will require courageous choices based on great anticipation and measured risk-taking.

II. 3. ISO CERTIFICATION AND MANAGEMENT PROCESS

Our triple ISO certification (9001, 14001 and 45001) has been renewed for a further year, following an audit by the certifier SQS-Switzerland. The next audit is scheduled for April 2024.



With this triple certification, the Bank's organization is based on an integrated management system (IMS), in order to continue to meet ISO requirements. In order to operationalize the new organization, the necessary processes were updated during the year by the General Directorate and are managed by a synergy of Departments to which it has delegated powers.

These are the Operations, Support, Finance and Human Resource Sectors, under the respective control of the Risk and Compliance, Audit and Bancobu Consulting Departments.

To strengthen the steering of processes, tools and frameworks for consultation have been implemented such as: strategic and operational dashboards, the Integrated Action Plan (IAP) and the Strategic Committee, which monitors them on a weekly basis; these frameworks contribute to the implementation of Bancobu Group's 2024-2028 SP.

II. 4. EXPANSION OF THE DISTRIBUTION NETWORK AND FINANCIAL INCLUSION

As part of its proximity policy, Bancobu has continued to expand its operating network. During the year ended on December 31, 2023, it opened two new branches (RUSHUBI and MWARO), thus achieving its objective of having at least one branch in every province of the country.



By the end of December 2023, the number of Bancobu operating branches had risen to 60, in addition to the 23,747 eNoti agents operating in the country's administrative zones. This operating network serves 180,123 classic customers and 1,896,220 eNoti customers, who also have the option of linking classic accounts to eNoti accounts to optimize the multi-channel experience. In terms of service quality, surveys are organized and the handling of complaints is given particular attention by the following departments



II. 5. SOCIAL BALANCE SHEET AND DEVELOPMENT OF HUMAN RESOURCES

The total number of permanent and temporary staff stood at 692 on December 31, 2023, of whom 330 were women (48%) and 382 men (52%).

The use of temporary staff is part of the Bank's strategy of managing its human resources in line with the growth of its activities and to meet the specific needs of its departments.

The Bank is pursuing its program to build skills and improve the social and professional conditions of its human resources, in line with the requirements of ISO 45001 (OHS).

This involves training leading to qualifications and certification. In addition to existing programs (ITB), a partnership with the BRED banking group and Higher Banking College (Ecole Supérieure de Banque ESB in French acronym) is under negotiation. In addition, training courses have been organized for management staff, either by in-house experts or by external firms of experts, to bring them up to date with the innovations implemented by the bank and the corporate culture.

To improve the quality of working life, the Bank contributes to the supplementary pension fund, covers life insurance and healthcare, and grants staff loans at the social rate. Consultation frameworks between the General Directorate and employees are being set up.

In addition to the Corporate Council, there is a Top Management seminar (up to the Directors' level), a Middle Management seminar (up to Head of Departments' level) and a seminar for Branch Managers (Operational Management). In addition, employees' satisfaction surveys are organized. Human Resources development tools are also being introduced. These include job descriptions with a skills matrix, as well as the setting of objectives and the formalization of performance contracts, which are now at the heart of personalized appraisal interviews with each employee.



II. 6. THE BANK'S CORPORATE SOCIAL RESPONSIBILITY : A CITIZEN BANK

Being a citizen bank means that the Bank remains attentive and responsive to the concerns of the surrounding communities and other interested parties.



With its triple ISO certification, the Bank has adopted a Quality, Health, Safety and Environment policy. Within the framework of this policy, a number of health-related initiatives have been taken, as described above. It should be added that the Bank supports sporting initiatives, the most important of which was its contribution to the FFB for the construction of the Intwari stadium, to the tune of BIF 100 million. As part of its presence in RUSHUBI, the Bank contributed BIF 92.5 million towards the purchase of desks for local school children.

Internally, the Bank supports staff initiatives through BOS Club (Bancobu Omnisport) and those taken by female staff, especially on the International Women's Rights Day.

In terms of tax compliance, Bancobu contributed BIF 13.1 billion to the Treasury for the year ended December 31, 2023, including BIF 9.4 billion in corporate income tax and BIF 3.7 billion in tax, mainly the Tax on Financial Activities.

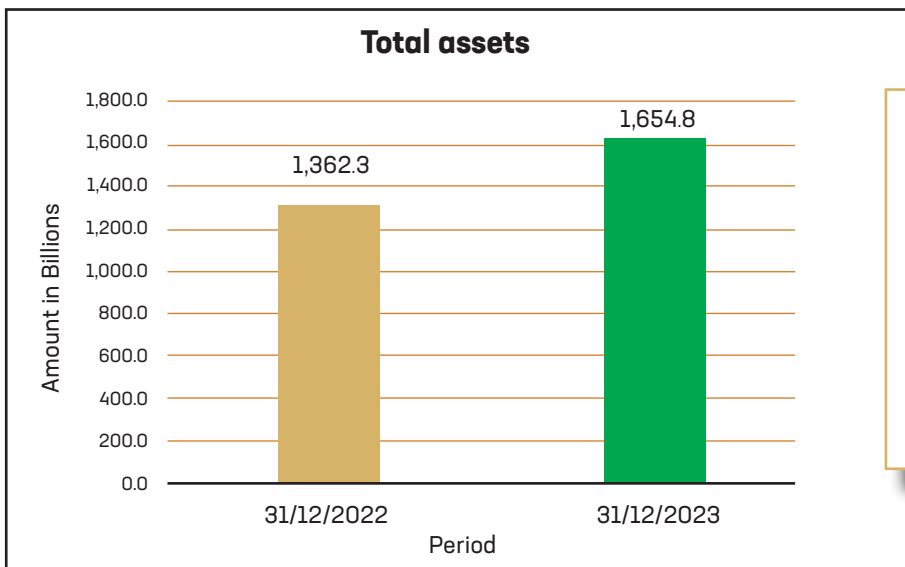
The Bank is also committed to deploying actions to reduce the impact of its activities on the environment in compliance with the ISO 14001 standard. These include taking into account Environment, Company and Governance (ECG) criteria when analyzing loans' applications, saving energy by installing energy-saving 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.

III. PRESENTATION OF THE FINANCIAL STATEMENTS ON DECEMBER 31, 2023.

The presentation of the financial statements for the 2023 financial year is made in comparison with those of the previous year in order to highlight annual trends in the Bank's key financial indicators.

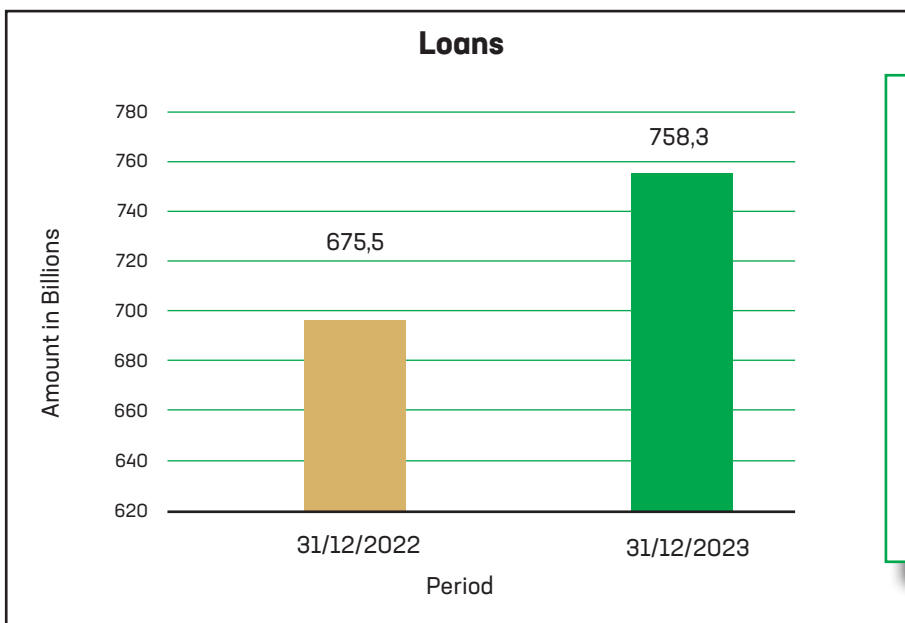
III.1. MAJOR BALANCE SHEET ITEMS 2022-2023

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



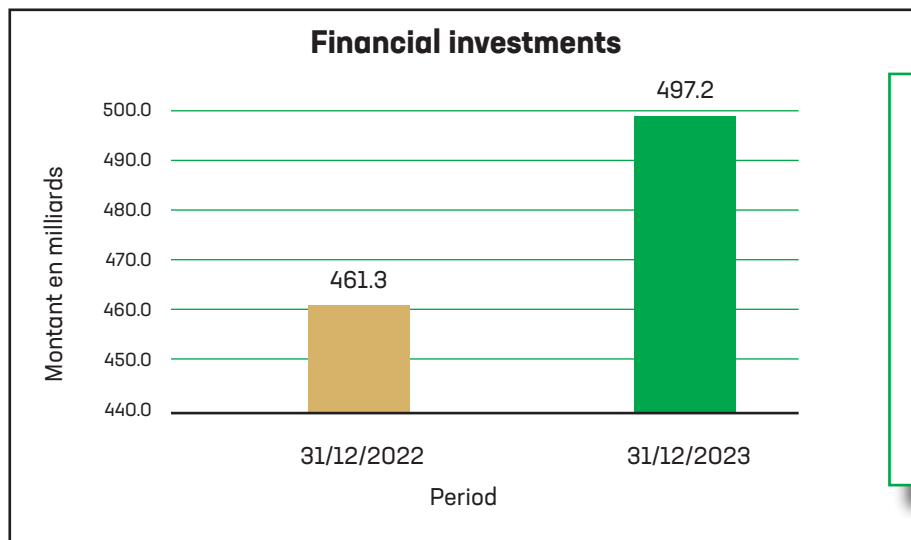
Total assets increased by BIF 292.5 billion to BIF 1,654.8 billion on December 31, 2023, compared with BIF 1,362.3 billion on December 31, 2022, representing an increase of 21%.

Chart 2 : Change in outstanding customer loans (BIF billion)



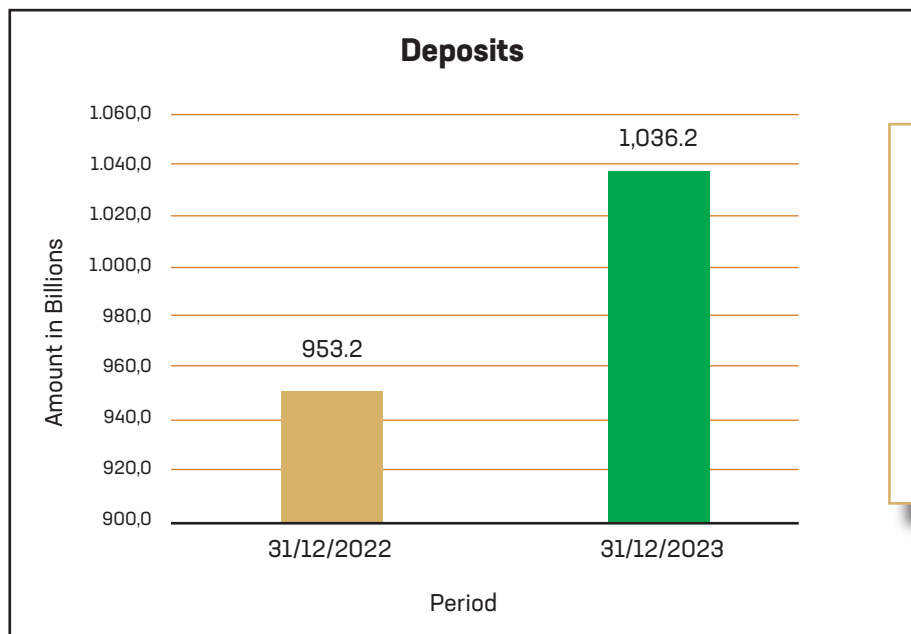
Loans and advances to customers net of provisions rose by BIF 82.8 billion, or 12%, to BIF 758.3 billion on December 31, 2023, compared with BIF 675.5 billion on December 31, 2022. The rate of non-performing loans rose from 1.83% to 2.57%.

Chart 3 : Financial investments (BIF billion)



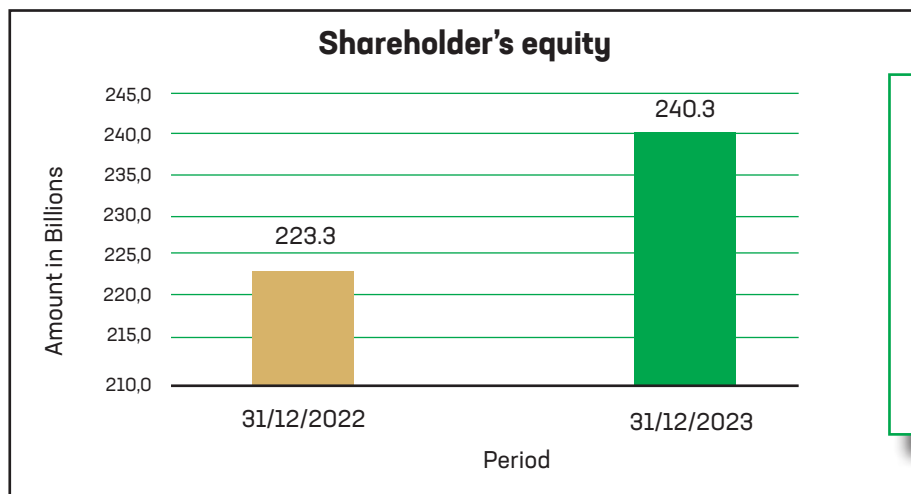
Financial investments (financial assets held to maturity and those available for sale) increased by BIF 35.9 billion, from BIF 461.3 billion on December 31, 2022 to BIF 497.2 billion on December 31, 2023, an increase of 7.8%.

Chart 4 : Customer deposits outstanding (BIF billions)



Deposits (liabilities to customers) increased by BIF 82.8 billion to BIF 1,036.2 billion on December 31, 2023, compared with BIF 953.2 billion on December 31, 2022, an increase of 49%.

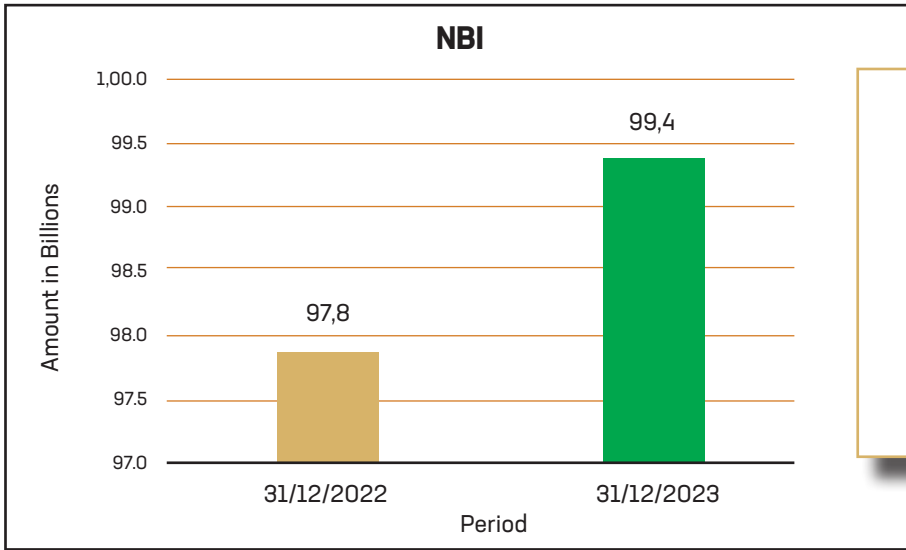
Graphique 5 : Changes in shareholders' equity



Shareholders' equity rose by BIF 16.9 billion to BIF 240.3 on December 31, 2023, compared with BIF 223.3 on December 31, 2022, an increase of 8%.

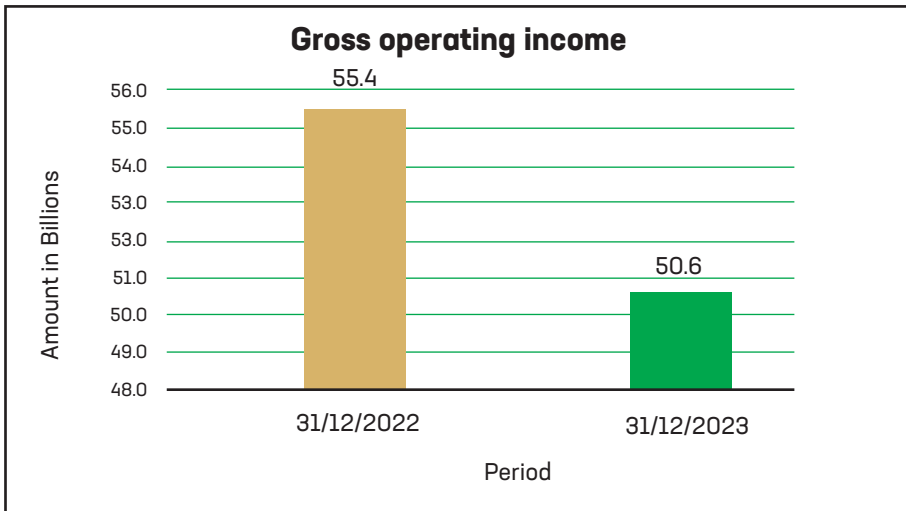
III. 2. INCOME STATEMENT TRENDS 2022-2023

Chart 6 : Net banking income (BIF billion)



Net banking income (NBI) rose by BIF 1.6 billion to BIF 99.4 billion on December 31, 2023, compared with BIF 97.8 billion on December 31, 2022, an increase of 2%.

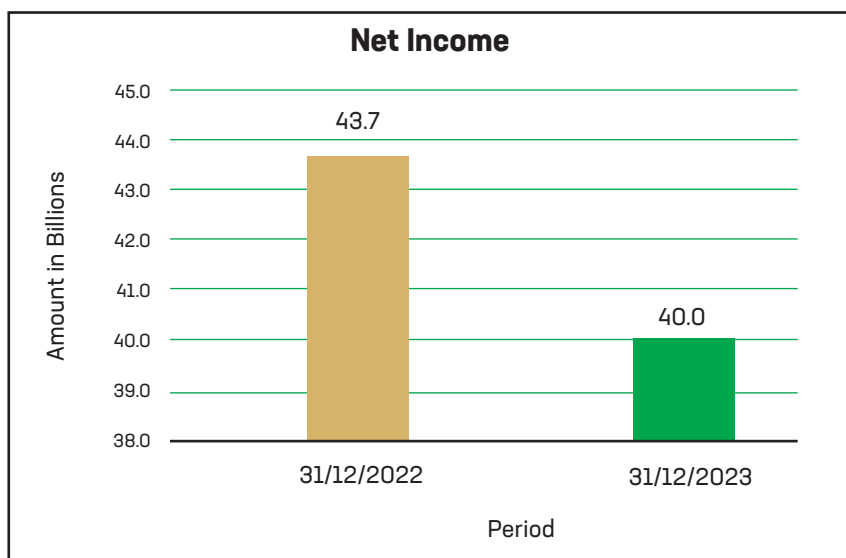
Graphique 7 : Gross operating income (BIF billion)



Gross operating income (GOI) fell by BIF 4.7 billion to BIF 50.6 billion on December 31, 2023, compared with BIF 55.4 billion on December 31, 2022, a decrease of 4.7%. This decrease is essentially due to the effort required to finance innovation and staff motivation programs, as well as the unfavorable trend in the country's monetary and exchange rate policies.

As a result, the cost/income ratio has resumed an upward trend, rising from 46.2% on December 31, 2022 to 56.5% on December 31, 2023, but remains within the limit, given that it is generally accepted that it should be less than or equal to 60%.

Graphique 8 : Change in Net Income



Net income fell by 14% to BIF 40.0 billion on December 31, 2023, compared with BIF 43.7 billion on December 31, 2022, as a result of macro-economic conditions, in particular the introduction of the TAF from July 2023.

As a result, return on assets (ROA) has fallen from 3.21% to 2.42%, and return on equity (ROE) from 19.6% to 16.7%, although these returns remain higher than the average for the sector.

The detailed financial statements for the year ended on December 31, 2023 are presented in the appendix. They include the following charts :

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

IV. OUTLOOK FOR 2024

The implementation of the Bank's new Strategic Development Plan 2024-2028 constitutes the core of the Bank's outlook for the year 2024.

This will be achieved mainly through :

- Continuing to extend the e-Noti distribution network to the census hillsides
- Completing construction work on the BANCOBU BUSINESS CENTER
- Continued search for correspondents and strategic partners
- Continuing to adapt the organization to Bancobu Group's ambitions.

This is the report of the Board of Directors for the year ended on December 31, 2023.

We thank you for your attention.

Bujumbura, March 2024

President of the Board of Directors.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Shareholders of the Commercial Bank of Burundi (BANCOBU in French acronym) S.M.

Opinion

We have audited the accompanying financial statements of the Commercial Bank of Burundi (BANCOBU) S.M., which comprise the statement of financial position as of December 31, 2023, and the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and the notes thereto, including the summary of significant accounting policies.

In our opinion, the attached financial statements give, in all their significant aspects, a true and fair view of the financial position of the company as on December 31, 2023, and of its financial performance for the year then ended, in accordance with accounting standards applicable to commercial banks in the Republic of Burundi. Net income for the year ended on that date is Forty billion seventy eight million six hundred and fifteen thousand Burundian francs (MBIF 40 078615). The balance sheet total is one thousand six hundred and fifty-four billion eight hundred and forty-four million one hundred and sixty-six thousand Burundian francs (MBIF 1 654 844166).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are described in more detail in the section of this report entitled "Auditor's Responsibilities for the Audit of the Financial Statements". We are independent of the organization in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (the IESBA Code) and the ethical rules applicable to the audit of financial statements in Burundi, and we have fulfilled our other ethical responsibilities under those 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 matters

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

Responsibilities of management and those responsible for financial reporting

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

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

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

Statutory auditor's responsibilities

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, as fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control ;
- We obtain an understanding of the internal control relevant elements to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control ;

- We assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directorate, as well as the related disclosures made by the latter ;
- We conclude on the appropriateness of Directorate's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is any material uncertainty related to events or circumstances that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of the readers of our report to the information provided in the financial statements about that uncertainty or, if that information is not adequate, to express a modified opinion. Our conclusions are based on evidence obtained up to the date of our report. Future events or circumstances could cause the Company to cease operations ;
- We have assessed the overall presentation, form and content of the financial statements, including the information provided in the notes, and appreciate if the financial statements give a true and fair view of the underlying transactions and events.

We particularly communicate to the Board of Directors the planned scope and timing of the audit work and our significant findings, including any material weaknesses in internal control that we may have identified during our audit.

We also provide the Board of Directors with a statement to the effect that we have complied with the relevant rules of professional conduct relating to independence, and disclose to them all relationships and other factors that may reasonably be considered likely to affect our independence, together with related safeguards where applicable.

Of the matters communicated to the Board of Directors, we will determine that they 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, except where laws or regulations preclude publication or where, in extremely rare circumstances, we determine that we should not communicate a matter in our report because the adverse consequences of so doing could reasonably be expected to outweigh the benefits to the public interest.

Bujumbura, March 2024

The BANCOSU GN & ASSOCIATES SPRL
auditor

Represented by :

Eric NIZIGIYIMANA
Associate

RESOLUTIONS OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

RESOLUTIONS OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

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 2023, 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 2023, 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 2023 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 40,078,614,750.

Fourth resolution :

The result to be appropriated is set at BIF 42,373,137,951, 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 :

Réserves légales	BIF	2,118,656,898
Réserves pour investissement	BIF	12,700,000,000
Réserves facultatives	BIF	10,600,000,000
Dividendes	BIF	14,824,175,800
Report à nouveau	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 2023.

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 2023.

Seventh resolution :

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

- Renews the term of office of Mr. Stanislas BANKIMBAGA, Director representing himself on his behalf as one of the majority shareholders of the Private Sector, for a 4-year term which will expire at the Ordinary General Assembly of Shareholders of 2028 convened to approve the accounts for the 2027 financial year.
- Renews the term of office of Mr. Roger NDIKUMAGENGE, Director representing the Private Sector Minority Shareholders Group, for a 4-year term which will expire at the 2028 Ordinary General Assembly of Shareholders convened to approve the financial statements for the 2027 financial year.
- Renews the term of office of Mr. Sylvère BANKIMBAGA, Director representing Management, for a 4-year term which will expire at the Ordinary General Assembly of Shareholders in 2028 convened to approve the financial statements for the 2027 financial year.
- Appoints Mr. Privat KABEBA, Director representing the Group of Shareholders : Directorate of the state property in Coffee domain, COTEBU in liquidation, ONATEL, COGERCO, OTB, REGIDESO and BCC in liquidation, for a 4-year term which will expire at the Ordinary General Assembly of Shareholders of 2028 convened to approve the accounts for 2027 financial year.
- Appoints FIDASCO Cabinet as the Bank's Statutory Auditors for a two-year term expiring at the Ordinary General Assembly of Shareholders in 2026 convened to approve the financial statements for the year ended December 31, 2025.

Done at Bujumbura, on March 15, 2024.

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



- 1. Madame Léa NGABIRE**, President
- 2. Monsieur Gilbert NZEYIMANA**, Scrutineer
- 3. Monsieur Emmanuel MIBURO**, Scrutineer
- 4. Madame Trinitas KIRUKWISHAKA**, Secretary
- 5. GN & ASSOCIATES**, Auditor

FINANCIAL SITUATION STATEMENT (BALANCE SHEET)

ITEMS (in Thousands of BIF)	31/12/2023	31/12/2022	VARIATION	
			AMOUNT	%
ASSETS				
Coffers and the central bank (BRB)	123 494 787	26 808 223	96 686 564	361
Other financial assets	11 738 894	21 820 340	-10 081 446	-46
Available-for-sale financial assets	83 337 029	77 380 084	5 956 945	8
Loans and receiv to banks and similar institut	98 438 850	65 503 384	32 935 466	50
Customer loans and receivables	758 332 527	675 461 355	82 871 172	12
Held-to-maturity financial assets	413 953 436	383 949 813	30 003 622	8
Current and deferred tax assets	1 606 853	1 431 562	175 291	12
Other assets	39 308 338	23 849 696	15 458 642	65
Investments in affiliated companies	507 122	507 122	0	0
Investment properties	13 334 657	7 148 755	6 185 903	87
Tangible fixed assets	98 653 317	69 084 909	29 568 408	43
Intengible assets	12 138 355	9 380 043	2 758 312	29
TOTAL ASSETS	1 654 844 166	1 362 325 286	292 518 880	21
LIABILITIES				
DEBTS				
Central Bank (BRB)	165 127 525	50 068 493	115 059 032	230
Amounts owed to banks & similar institut	176 741 487	95 897 386	80 844 101	84
Amounts owed to customers	1 036 175 288	953 277 086	82 898 202	9
Current and deferred tax liabilities	10 993 952	18 973 595	-7 979 643	-42%
Other liabilities	9 303 379	6 750 500	2 552 879	38
Provisions for liabilities and charges	15 014 135	13 099 888	1 914 247	15
Investment grants	1 186 048	859 654	326 394	38
TOTAL LIABILITIES	1 414 541 814	1 138 926 602	275 615 212	24
EQUITY				
Capital and related reserves	152 127 524	102 904 392	49 223 132	48
Consolidated reserves	25 940 831	54 442 290	-28 501 460	-52
Unrealized or deferred gains or losses	22 155 382	22 281 311	-125 929	-1
Results for the year	40 078 615	43 770 690	-3 692 075	-8
TOTAL CAPITAL AND RESERVES	240 302 352	223 398 683	16 903 668	8
Intérêts minoritaires				
TOTAL LIABILITIES	1 654 844 166	1 362 325 286	292 518 880	21

OVERALL INCOME STATEMENT

ITEMS (in Thousands of BIF)	31/12/2023	31/12/2022
+ Interest and similar income	130 862 905	116 369 933
-Interest and similar expenses	-42 580 522	-33 088 917
Net interest income	88 282 382	83 281 016
+ Commissions (income)	10 060 744	10 788 166
- Commissions (expenses)	-3 531 627	-3 347 191
+/- Net foreign exchange gains or losses	4 197 434	6 781 971
+/- Net gains or losses on financial investments	407 154	306 045
Net banking income	99 416 087	97 810 007
+ Income from other activities	7 521 951	3 027 579
- Expenses from other activities	-182 909	-278 595
- Stuff expenses	-26 474 228	-21 562 376
- Net depreciation, amortization and impairment of fixed assets	-3 000 879	-2 445 874
- Other general operating expenses	-26 700 457	-21 182 303
Gross operating income	50 579 567	55 368 437
- Net cost of risk	-2 085 593	-1 547 252
Operating income	48 493 974	53 821 186
+/- Net gains or losses on other assets	1 073 688	55 059
Income before tax	49 567 663	53 876 245
- Income taxes	-9 489 048	-10 105 555
Net income	40 078 615	43 770 690
OTHER COMPREHENSIVE INCOME		
Unrealized gain or loss on available-for-sale assets	356 035	129 412
Fair value adjustments to fixed assets	-	14 052 602
Other comprehensive income	-	-4 022 061
COMPREHENSIVE INCOME	40 434 650	53 930 644
Comprehensive income per share	35	47

STATEMENT OF CHANGES IN EQUITY

ITEMS (in Thousands of BIF)	CAPITAL	CAPITAL RESERVES
Equity at end 2022	101 880 436 000	1 023 956 200
Equity at open 2021	101 880 436 000	1 023 956 200
Allocation of the Result 2020		
Balance sheet premium, Dividends, bonuses paid		
Increasing of the Capital	49 223 132 000	
Incorporation of the reserves		
Other (details in notes in appendices)		
Net Result of the year		
Sub-total : transactions between shareholders		
Other components of the overall Result :		
Unrealized gains or losses on available for-sale assets		
Revaluation differences on fixed assets		
Other		
Equity at end	151 103 568 000	1 023 956 200

CONSOLIDATED RESERVE	UNREALIZED GAINS	NET INCOME	TOTAL EQUITY
54 442 290 392	22 281 310 925	22 281 310 925	223 398 683 435
54 442 290 392	22 281 310 925	22 281 310 925	223 398 683 435
-49 223 132 000			
20 721 672 178			
	317 211 775	317 211 775	
	-443 140 687	-443 140 687	
25 940 830 570	22 155 382 013	22 155 382 013	240 302 351 533

CASH FLOW STATEMENT

ITEMS (in Thousands of BIF)	31/12/2023	31/12/2022
Pre-Tax Result	49 567 663	53 876 245
Net allocation to impairment and depreciation of tangible and intangible assets	3 000 879	2 429 741
Net allocation to depreciations and provisions	861 148	-263 242
Net loss/gain from investing activities	-173 688	-49 896
Other movements (exchange rate fluctuations, investment revaluation)	-6 185 903	-1 243 250
Non-monetary components included in the pre-tax net result and other adjustments	-2 497 564	873 353
Flows related to transactions with banks and similar institutions	47 908 635	-41 461 035
Flows related to transactions with customers	-834 119	78 941 129
Flows related to other transactions affecting financial assets or liabilities	-30 003 622	57 972 858
Flows related to other transactions affecting non-financial assets or liabilities	-28 585 192	-2 561 135
Net decrease / (increase) in assets and liabilities from operating activities	-11 514 297	92 891 817
Total net cash provided by operating activities (A)	35 555 801	147 641 414
Flows related to financial assets and to participations	-5 690 041	-4 921 464
Flow from investment properties	0	0
Flow related to tangible and intangible fixed assets	-35 597 051	-23 768 594
Total net cash flow related to investment operations (B)	-41 287 092	-28 690 059
Cash flow from or to shareholders	-23 049 018	-20 204 379
Other net cash flows from financing activities	115 385 426	-101 151 174
Total net cash flow related to funding transactions (C)	92 336 409	-121 355 553
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	86 605 118	-2 404 197
Cash and cash equivalents at beginning of period	48 628 564	51 032 761
Funds, Central Banks (assets and liabilities)	26 808 223	24 079 746
Demand deposits and loans with banks and similar institutions (assets and liabilities)	21 820 340	26 953 014
Cash and cash equivalents at the end of year	135 233 681	48 628 564
Funds, Central Banks, CCP (assets & liabilities)	123 494 787	26 808 223
Accounts and sight credits / loans with banks and similar institutions (assets and liabilities)	11 738 894	21 820 340
Net cash variation	86 605 118	-2 404 197



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PRODUCTIVITY