



**2020
ANNUAL
REPORT**

—
BGFIBank
Congo

AGILITY BREEDS SUCCESS



BGFIBank
Your partner for the future

2020 ANNUAL REPORT

BGFIBank
Congo

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COLOPHON

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BGFIBank

1.1. Report by Senior Management

CONSOLIDATING AND STRENGTHENING OUR LEADERSHIP

Africa was not spared the effects of the Covid-19 crisis, although the continent was not hit as hard as other parts of the world.

Although Congo was spared the worst of the pandemic, events nevertheless took their toll on an economy that remains heavily dependent on oil revenue. As global economic activity ground to a halt, demand for petroleum products collapsed, causing an 8% contraction in GDP in 2020.

Last year therefore saw a reversal in fortunes after two years of growth in 2018 and 2019. The government budget was slashed by 50% despite the introduction of stringent tax measures in an effort to increase revenue. The fallout from the crisis was felt right across the economy. Companies had to close their doors, leading to mass lay-offs. The crisis also hit the informal sector, which lacks diversification.

As internal debt ballooned to 101.7% of GDP and continued to stifle growth, the International Monetary Fund (IMF) suspended the \$448 million Extended Credit Facility, the first tranche of which was disbursed to the Congolese state in February 2019.

Despite these prevailing circumstances, we consolidated our leading position in a particularly tough market, where we compete against nine other banks. BGFIBank Congo employs 240 people and, last year, we continued trading without laying off staff or closing branches.



Narcisse Obiang Ondo,
Director and Chief Executive Officer

“Despite the Covid-19 crisis, BGFIBank Congo continued trading without laying off staff or closing branches.”

| A SOLID BUSINESS PARTNER

BGFIBank Congo's reputation as a solid business partner stems from the bank's robust financial health, its standing among clients, and its image as an innovative institution offering a diverse range of products and services. What's more, we remain the only bank in Congo to be certified to ISO 9001:2015.



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its standing among clients, and its image as an innovative institution offering a diverse range of products and services. What's more, we remain the only bank in Congo to be certified to ISO 9001:2015.

We lived up to our reputation once again last year:

- We opened our new Excellium branch, which is geared towards premium retail clients, at the site of our former head office.
- We arranged a loan of 100 million CFA francs as part of the "Club de Brazzaville" economic interest group (EIG), which was intended to partially clear Congo's internal debt. The operation enabled us to clean up our loan portfolio and improve our financial performance indicators.

Although we remain the leading bank in Congo, the Covid-19 crisis forced us to review our strategy and our business model. The development of new products – especially digital offerings and online banking – was the driving force behind this move.

EXCELLENCE 2020 HAS LEFT US READY TO FACE NEW CHALLENGES

Last year saw the conclusion of the BGFIBank Group's Excellence 2020 strategic plan, which underpinned the work of all group entities. The aims of the plan were to strengthen performance

and profitability while continuing to set high standards of service and client care. By focusing on these fundamentals and tracking our performance against the relevant indicators, we were able to:

- ✓ strengthen our governance
- ✓ improve our internal control system
- ✓ extract more value from our information system
- ✓ improve performance across our workforce
- ✓ unlock new business opportunities (digitisation, diversification, multi-channel distribution, etc.)

The Excellence 2020 strategic plan has left our bank stronger and better equipped to face new challenges as we look ahead to the next chapter in our history.

DYNAMIQUE 2025 SETS US ON THE PATH TO NEW OPPORTUNITIES

Like its predecessor, the BGFIBank Group's new strategic plan – Dynamique 2025 – covers all group entities. And once again, BGFIBank Congo will play a key role in delivering on the underlying growth strategy.

The plan comprises five key focus areas: strengthening governance, transforming human capital, guaranteeing resources, controlling risk and achieving growth.

We can therefore look to the future with confidence and peace of mind. With the worst of the Covid-19 crisis likely behind us, we will devote our energies to consolidating our leadership and to fulfilling our role as a bank that serves the Congolese economy and all our stakeholders, at home and around the world.

Narcisse Obiang Ondo

Director and Chief Executive Officer

1.2. KEY FIGURES for BGFIBank Congo

BALANCE SHEET

In millions of CFA francs	Actual 2018	Actual 2019	Actual 2020
Balance sheet total	498,039	436,192	442,218
Equity capital	57,111	60,254	58,327
<i>of which capital</i>	10,000	10,000	30,000
Permanent capital	87,243	85,664	90,750
Fixed assets	68,739	71,279	31,469
Client deposits	272,551	233,887	260,320
Cash – liabilities	120,089	104,277	81,241
Loans to clients	356,730	307,112	340,976
Cash – assets	57,537	44,204	57,830

PROFIT AND LOSS ACCOUNT

In millions of CFA francs	Actual 2018	Actual 2019	Actual 2020
Net banking income	38,499	23,193	22,915
Overheads	-18,907	-18,870	-19,140
<i>of which amortisation</i>	-2,002	-2,833	-2,736
Gross operating profit	19,594	4,341	4,353
Net allocations to amortisations	-1,991	-2,833	-2,734
Net allocations to provisions	-9,131	-250	-4,407
NET PROFIT	8,143	3,073	2,561
Net cost/income ratio → overheads excluding depreciation / net banking income	44%	69%	70%
Gross cost/income ratio → overheads / net banking income	49%	81%	84%
Return on equity → net profit / equity capital	14%	5%	4%
Rate of return → net profit / balance sheet total	2%	1%	1%

1.3. BUSINESS GROWTH

Supporting Congo's economic growth as a partner of choice

The ongoing economic crisis has weighed on BGFIBank Congo's performance over the past four years. In 2020, the effects of the Covid-19 crisis were felt right across the economy. Last year, we focused on rolling out new digital products and services – especially in online banking – as we sought to consolidate our position as market leaders.

BGFIBank Congo's operations are organised into two segments: Corporate and Institutional Banking, and Retail Banking. In each of these segments, we aim to achieve high levels of client satisfaction through impeccable service and tailored products and services.

| CORPORATE BANKING

Our Corporate Banking arm provides the financing that major companies need to meet their CapEx and OpEx requirements. Last year,

ILLUSTRATION

In 2020, BGFIBank Congo continued to support economic growth in Congo by financing two major construction projects: a flour mill (Somdiaa) and general hospitals in Brazzaville and Pointe-Noire (Brazilian company Asperbras).

the bank ramped up its Trade Finance operations in response to strong demand from clients in the import business.

As a key provider of financing for the Congolese economy, we were also behind the founding of the "Club de Brazzaville" EIG, which was set up as a way to kick-start economic recovery by having businesses buy a share of the government's debt.

| RETAIL BANKING (SMES AND THEIR EMPLOYEES)

BGFIBank Congo's activities extend beyond the corporate segment to include SMEs and their employees.

| PRIVATE BANKING

The bank has also branched out into a new line of business: Private Banking.

This arm of our business caters to premium retail clients through Excellium, our new, dedicated branch in Brazzaville (plus another in Pointe-Noire, which is currently in the pipeline). The aim is to provide clients in this segment with a high standard of service, in modern, comfortable and discreet facilities. At end-2020, the Excellium branch had deposits totalling 11 billion CFA francs.



- New Excellium branch in Brazzaville for premium retail clients

- Expanded cash machine network

HIGHLIGHTS 2020

- Broadened Cash Management offering

- Ramped-up Trade Finance operations

- New features for BGFIMobile

| DIGITAL BANKING

Last year, BGFIBank Congo continued rolling out new digital products and services.

We launched a prepaid card and expanded our cash machine network, in part through agreements with leading petrol station operators.

The **CASH MANAGEMENT** product, which lets businesses manage their everyday banking affairs from home, has proved extremely popular among clients.

We also introduced a wealth of new features for **BGFIMOBILE**, through partnerships with mobile operators and the roll-out of hosted payment solutions (allowing users to pay for purchases, Canal+ invoices and subscriptions, energy bills, tax bills, and more). We also developed custom offerings in response to requests from our business clients.

These attributes – including our 15 branches and 48 cash machines nationwide – are what enable our bank to look ahead to the future with optimism.

| DYNAMIQUE 2025: CONSOLIDATING OUR POSITION AS THE LEADING BANK IN CONGO

As Excellence 2020 drew to a close last year, the BGFIBank Group embarked on a new strategic plan: **DYNAMIQUE 2025**.

Over the coming years, BGFIBank Congo will focus on:

- continuing to strengthen its governance
- transforming its human capital
- optimising its resources
- controlling risks
- boosting its performance by promoting high-value-added products and services (such as digital banking and specialised financial services)

Our ambition is to be not only the biggest, but also the best bank in Congo.

1.4. HUMAN RESOURCES

Strengthening our corporate culture

In 2020, BGFIBank Congo stepped up the training provision for its employees.

Last year naturally saw the introduction of new systems and processes to protect employees amid the Covid-19 pandemic. However, we also deployed in-house trainers to deliver courses on banking roles and functions. Under the training plan, some 70% of our employees attended courses last year.

The bank's headcount fell slightly year on year, down from 247 in 2019 to 240 in 2020. This drop is attributable to employees who retired or resigned and were not replaced.

BGFIBank Congo continues to employ more women than men. While women make up 56% of our total workforce, they remain significantly under-represented in management and executive

roles. We are pressing ahead with initiatives to increase women's representation on the Board of Directors.

At end-2020, there were 150 employees in the Operations Division, including 92 in operations-focused roles. Headcounts in the Corporate Functions Division and the Control Division stood at 69 and 21 respectively, with 12 people in risk management and permanent control roles.

The average age across our workforce was 40 years. Some 45% of employees were aged 41-55 years, while the 21-35 age group accounted for 31%.

We welcomed five new hires last year: three additions to the cash operations team, one in sales and one in a quality role.

The bank is constantly on the lookout for talented people to join its team, in line with the priorities of the BGFIBank Group's strategic plan. We are particularly interested in individuals with skills and experience in sales management, client care, client portfolio development, financial analysis, digital banking and digital marketing. We also expect candidates to have a solid understanding of our products and services.

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LABOUR RELATIONS

The bank took various initiatives on the labour relations front last year, including:

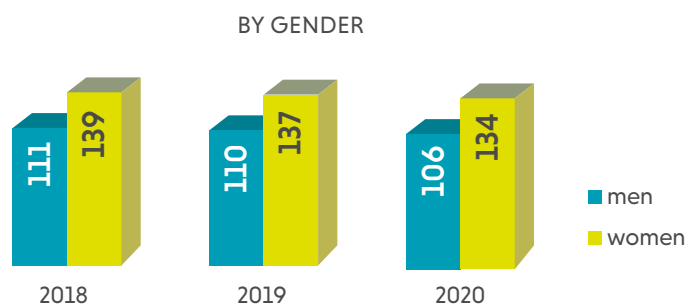
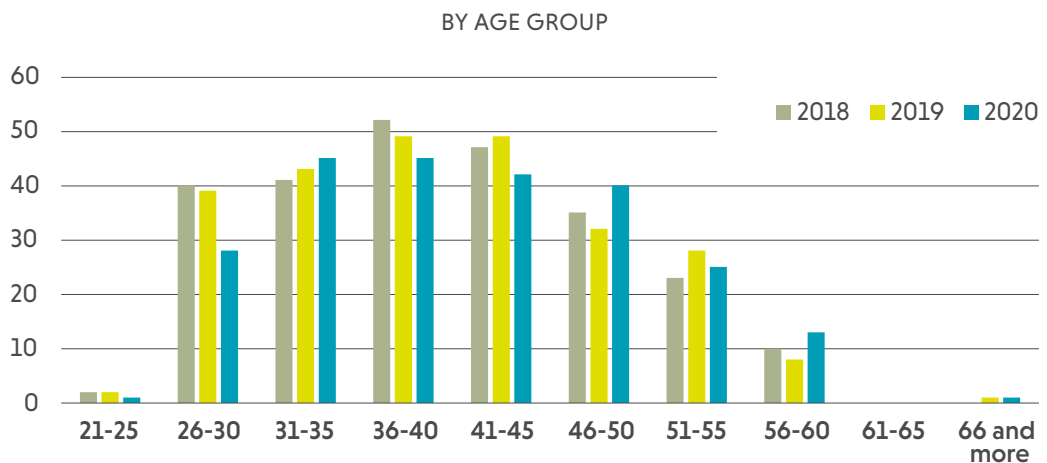
- regular meetings with labour-relations partners to strengthen dialogue and maintain a calm workplace environment
- a therapeutic nutrition programme to enhance employee well-being
- ongoing deployment of the Car Plan scheme, which allows employees to obtain credit to buy a vehicle
- expansion of the employee support programme

Although the Human Resources Department was occupied with managing the Covid-19 crisis throughout last year, the bank launched a series of major initiatives to:

- counter the risk of skill loss
- restructure its commercial operations into four business lines (Corporate and Institutional Banking, Retail Banking, Private Banking and Digital Banking)
- process transfers within the Operations Division centrally
- train employees in key banking roles and functions (sales, operations, control)
- strengthen systems and processes to contain operational losses and poor quality costs

These efforts are vital to BGFIBank Congo's business performance, and supplement our efforts to strengthen our corporate culture.

WORKFORCE DISTRIBUTION



1.5. Corporate **SOCIAL RESPONSIBILITY**



BGFIBank Congo distributed essential items to residents at a Catholic nursing home run by the Little Sisters of the Poor in Brazzaville.

BGFIBank Congo supports the work of the BGFIBank Foundation.

At BGFIBank Congo, we champion the Foundation's vision and strategy among our stakeholders and oversee its work on the ground. These include BGFIDay and the *Grand Challenge de la Filiale Citoyenne* – two initiatives that encourage employees to do their bit for good causes.

Below are some examples of the initiatives we supported in 2019 and 2020:

- supplying educational materials to pupils at Kintélé pre-school in Brazzaville (fifth BGFIDay event, 2019)
- donating computers with high-speed broadband to Lycée d'Excellence de Mbounda, a secondary school in Dolisie, as part of an upgrade of the school's computing suite and facilities (2020)
- distributing non-perishable food, cleaning products and essential items to residents at a Catholic nursing home run by the Little Sisters of the Poor in Brazzaville (sixth BGFIDay event, 2020)

1.6. RISK MANAGEMENT and compliance

Effective risk management and compliance are essential to the long-term future of a bank. At BGFIBank Congo, we ensure that we adhere to relevant rules and standards at all times.

The bank employs a two-tier risk management system, comprising:

- the Executive Committee, via its specialist committees (Loans Committee, Internal Control Committee, Information System Security Committee, Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) Committee, etc.)
- the Board of Directors, via the Risk Management Committee

| RISK MANAGEMENT

The two main duties of the Risk Management Department are as follows:

- ✓ to ensure that the bank has risk management systems and procedures in place, and that these systems and procedures are effective
- ✓ to minimise the financial, legal and reputational impacts of a major incident in order to guarantee business continuity

While the bank's operational units enjoy a certain degree of independence, they work closely with the Risk Management Department. They nevertheless have primary responsibility for the operations they undertake.

The Risk Management Department is equally responsible for developing and embedding a culture of risk awareness across the bank, including through training.

Having a robust risk management process in place also enables the bank to identify events that could prevent it from achieving its targets, and to ensure that these risks are managed in accordance with the bank's risk appetite policy as set by the Board of Directors.

Individual departments have primary responsibility for managing the risks inherent in their activities. These risks are classified into 20 categories. The main risks inherent in BGFIBank Congo's activities are credit risk, liquidity risk, compliance risk, governance risk, IT risk, legal risk, accounting risk and financial risk. The Risk Management Department has a range of tools at its disposal to manage these risks (risk mapping, risk performance indicators, etc.).

The bank's permanent control system ensures, through routine checks and verifications, that risk-taking actions are compliant and that risk management systems are effective.

The main duties of the permanent control function are as follows:

- ✓ to check that the bank's operations, organisational arrangements and procedures comply with legal and regulatory requirements
- ✓ to check that the bank's operations comply with internal procedures

- ✓ to guarantee the regularity, security and approval of the bank's operations, and to ensure that risk monitoring and other verifications are carried out for specific operations
- ✓ to maintain an audit trail by reviewing how information is assessed, recorded and retained, and by ensuring that such information is readily available
- ✓ to ensure that information and reporting systems meet the requisite quality standards
- ✓ to ensure that first-level control systems are effective, including by conducting regular checks and reviews into the existence, ongoing effectiveness and implementation of self-assessments, management controls and risk management systems

Last year, the BGFIBank Group launched **ATHENA**, an integrated risk management module that forms part of the IRIS group-wide risk management system. The module ensures that incidents, risk mapping, permanent control plans and risk performance indicators are managed effectively.

COMPLIANCE AND FINANCIAL SECURITY

The Compliance and AML/CTF Department reports hierarchically to Senior Management and functionally to the Risk Management Department.

The department is responsible for ensuring compliance with all laws and regulations that apply to the banking and financial services industry, with professional and ethical standards, and with instructions issued by the Board of Directors and implemented by the Executive Committee.

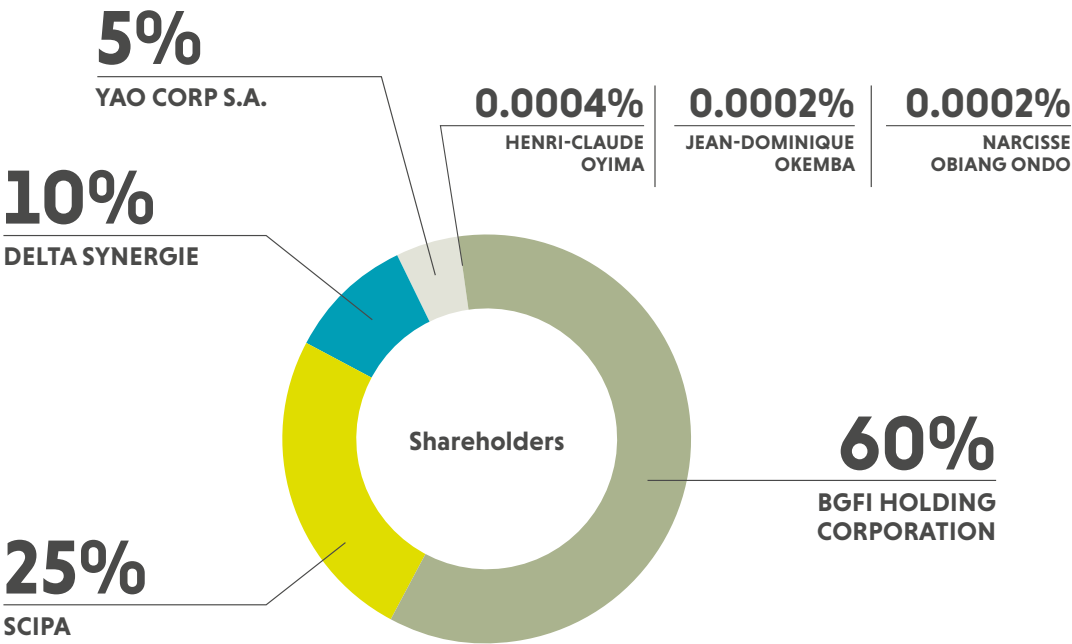
It also deploys the bank's AML/CTF and fraud-prevention system.

In its role as a control body, the department is also responsible for managing compliance risk through dedicated risk control plans.

The role of the compliance function is to provide the Board of Directors and the Executive Committee with reasonable assurance that operational, compliance, regulatory and reputational risks are under control. To this end, the department ensures that the bank complies with laws, regulations, and internal and/or professional standards at all times.

In carrying out these duties, the department protects the bank's image and maintains the trust of its clients.

1.7. CORPORATE GOVERNANCE of BGFIBank Congo



There were no major governance-related changes last year, within either the Executive Committee or the Board of Directors.

Delta Synergie resigned as a director and Yao Corp appointed a new permanent representative.

The specialist committees of the Board of Directors were reshuffled and a new Loans Committee was formed.

BOARD OF DIRECTORS

- CHAIR:** Jean-Dominique Okemba
- MEMBERS:** BGF Holding Corporation S.A., represented by Henri-Claude Oyima
Yao Corp S.A., represented by Claude Christian Bongo Ondimba
Henri-Claude Oyima
Francis Gérard Cazé
Hervé Nze Nong, Independent director
Narcisse Obiang Ondo

SPECIALIST COMMITTEES OF THE BOARD OF DIRECTORS AND COMPOSITION

AT 31/12/2020

CORPORATE GOVERNANCE, HUMAN CAPITAL, APPOINTMENTS AND REMUNERATION COMMITTEE

CHAIR: Henri-Claude Oyima
MEMBERS: Francis Gérard Caze
Hervé Nze Nong
Claude Christian Bongo Ondimba

The Corporate Governance, Human Capital, Appointments and Remuneration Committee meets twice a year.

AUDIT COMMITTEE

CHAIR: Hervé Nze Nong
MEMBERS: Henri-Claude Oyima
Francis Gérard Caze
Claude Christian Bongo Ondimba

The Audit Committee meets three times a year.

RISK MANAGEMENT COMMITTEE

CHAIR: Francis Gérard Caze
MEMBERS: Henri-Claude Oyima
Hervé Nze Nong
Claude Christian Bongo Ondimba

The Audit Committee meets three times a year.

LOANS COMMITTEE

CHAIR: Claude Christian Bongo Ondimba
MEMBERS: Henri-Claude Oyima
Francis Gérard Caze
Hervé Nze Nong

The Loans Committee meets as and when matters require its attention.

BOARD OF DIRECTORS

AT 31/12/2020



NARCISSE OBIANG ONDO
Director & Chief Executive Officer



YVON SERGE FOUNGUI
Deputy Chief Executive Officer



THIERRY SANSONNAT
Head of Sales and Business Development



RAYMOND IRCHE OCKO
Head of Corporate and Institutional Banking



ULRICH BIKOUMOU
Head of Retail Banking



SOULEYMANOU KOULAGNA
Head of Commitments and Legal Affairs



TALIAN GOMA
Head of Operations, Means of Payment and Cash



PATRICK RAPONTCHOMBO
Chief Financial Officer



RODRIGUE KOUEMITOUKA
Head of Internal Audit



VIVIEN TSOUÉ KOKO
Head of Human Resources



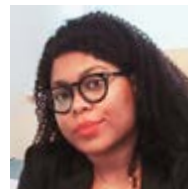
GNESSE NGASSACK-OBONGA
Head of Risk



FABRICE IBARA
Chief Information Officer

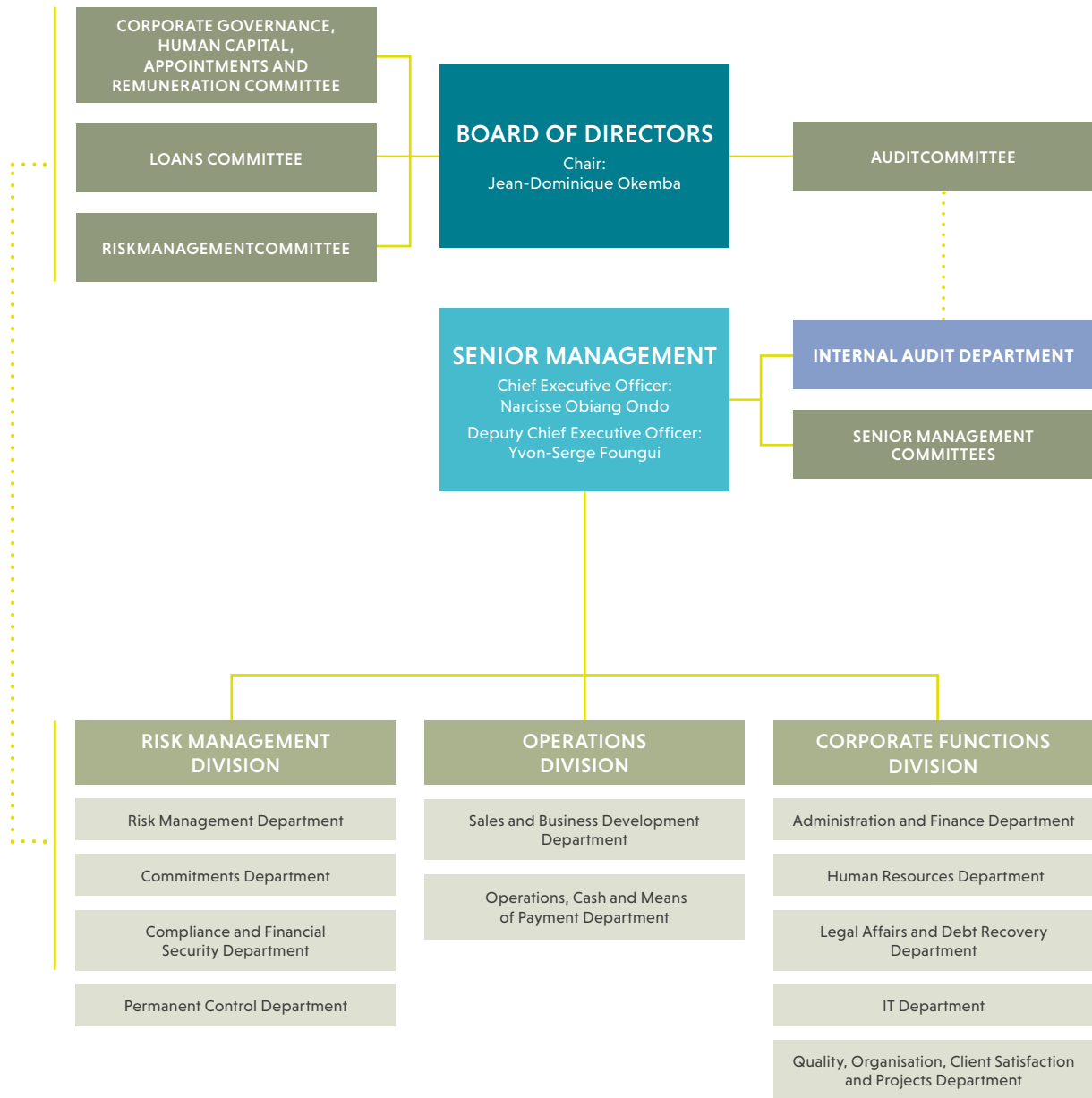


ALIDAT KALLA
Deputy Director of Quality, Customer Service and Projects



HODE ONANGA
Executive Secretary

BGFIBank CONGO'S ORGANISATION CHART



FINANCIAL STATEMENTS



1.1. BALANCE SHEET and PROFIT AND LOSS ACCOUNT

ASSETS

In thousands of CFA francs	Gross 2020	Amort. / prov. 2020	Net 2020	2019	Variation
Capitalised assets					
Intangible assets	4,809,336	2,740,343	2,068,993	1,596,966	472,027
Intangible assets in progress					
Tangible assets	37,370,632	11,882,950	25,487,682	25,194,567	293,115
Rented tangible assets	265,412	218,004	47,408	102,886	-55,478
Leased tangible assets	4,770,329	3,558,253	1,212,076	2,029,824	-817,748
Tangible assets in progress	543,559		543,559	688,863	-145,304
Advance payments on assets	120,168		120,168	42,186	77,982
Financial assets	2,088,669	100,000	1,988,669	41,623,923	-39,635,254
Deposits and guarantees	219,841		219,841	159,309	60,532
Equity interests	305,000	100,000	205,000	205,000	-
Investment securities	1,563,828		1,563,828	6,876,272	-5,312,444
Securitised assets				34,383,342	-34,383,342
	49,968,105	18,499,550	31,468,555	71,279,215	-39,810,660
Loans to clients					
Long-term loans	708,516		708,516	647,854	60,663
Medium-term loans	221,709,661		221,709,661	163,296,084	58,413,577
Short-term loans	29,595,075		29,595,075	4,565,853	25,029,221
Outstanding claims	111,268,603	47,204,917	64,063,686	109,344,368	-45,280,682
Client accounts receivables – overdrafts, lease rentals	19,788,871		19,788,371	28,849,262	-9,060,291
Other monies payable by clients	5,111,153		5,111,153	408,285	4,702,867
Receivables					
	388,181,379	47,204,917	340,976,462	307,111,706	33,865,756
Short-term current assets					
Suppliers, advances and prepayments	45,797		45,797	0	45,797
Cheques and bills for collection			0	141,416	-141,416
Wages and salaries	11,271		11,271	19,128	-7,857
State and social organisations	6,568,487		6,568,487	9,719,557	-3,151,070
Other receivable accounts	329,343		329,343	575,889	-246,546
Sundry outstanding claims	673,523	673,523			
Adjustment accounts	4,989,236		4,989,236	3,140,989	1,848,248
	12,617,657	673,523	11,944,134	13,596,978	-1,652,843
Cash – assets					
Treasury bonds	31,145,220		31,145,220	1,000,000	30,145,220
Bank: Deposit accounts	3,232,561		3,232,561	11,562,017	-8,329,456
Bank: Current accounts	13,696,145		13,696,145	22,997,889	-9,301,744
Cash in hand	9,755,633		9,755,633	8,644,145	1,111,488
	57,829,559		57,829,559	44,204,051	13,625,508
TOTAL ASSETS	508,597,300	66,377,990	442,218,710	436,191,950	6,026,760

LIABILITIES

In thousands of CFA francs	2020	2019	Variation
Equity capital	65,501,807	66,375,752	-873,946
Capital	30,000,000	10,000,000	20,000,000
Share premiums			
Merger premiums			
Legal reserve	2,000,000	2,000,000	
Ordinary reserve			
Other reserves			
Carried forward + or -	26,327,265	48,254,046	-21,926,781
Previous year's profit awaiting assignment			
	58,327,265	60,254,046	-1,926,781
Receivable revaluation differences	7,985,072		7,985,072
Debenture loans	15,003,000	15,178,000	-175,000
Provisions for liabilities and losses			
Provisions of a general nature	7,174,542	6,121,707	1,052,835
Provisions for general banking risks			
Provisions for liabilities and charges	1,883,811	2,339,270	-455,459
Provisions for retirement benefits	376,762	1,770,672	-1,393,909
	9,435,116	10,231,649	-796,533
Client deposits			
Special deposit accounts	465,811	375,311	90,500
Deposit accounts	68,225,873	55,684,515	12,541,358
Current accounts payable	166,714,516	157,536,319	9,178,198
Savings accounts	9,174,477	7,314,062	1,860,415
Other monies payable to clients	15,739,044	12,977,224	2,761,820
	260,320,322	233,887,431	26,432,891
Short-term debts			
Suppliers	506,820	302,311	204,509
Accounts payable	148,674	0	148,674
Fiscal and social debts	4,397,696	6,297,579	-1,899,883
Miscellaneous debtors	52,421	595,463	-543,042
Adjustment accounts	2,240,933	2,095,698	145,235
	7,346,544	9,291,051	-1,944,507
Cash – liabilities			
Deposit accounts	72,317,760	99,138,518	-26,820,758
Current accounts	8,923,138	5,138,036	3,785,102
	81,240,898	104,276,554	-23,035,656
Net result of the financial year	2,561,093	3,073,219	-512,126
TOTAL LIABILITIES	442,218,710	436,191,950	6,026,760

OFF-BALANCE SHEET

In thousands of CFA francs	Net 2020	Net 2019	Variation
Off balance sheet assets			
Commitments given upon order from correspondents	31,110,000	20,075,000	11,035,000
Commitments given upon order from clients	58,675,761	48,171,866	10,503,895
Financial leasing commitments and related transactions	0	8,154	-8,153
Off balance sheet liabilities			
Commitments received from correspondents	126,295	126,295	0
Commitments received from clients	159,157,677	69,487,151	89,670,526
Financial leasing commitments and related transactions	1,505,675	2,429,348	-923,673

PROFIT AND LOSS ACCOUNT

In thousands of CFA francs	Net 2020	Net 2019	Variation	Var. in %
Operating income and expenses:				
On cash and interbank transactions	2,011,905	1,287,948	723,956	56.2%
Total transactions with clients	22,968,963	23,580,048	-611,085	-2.6%
On miscellaneous banking transactions	3,314,096	2,521,334	792,762	31.4%
On foreign exchange transactions	1,255,473	1,826,149	-570,676	-31.3%
Profit on re-evaluation	3,129,670	2,552,005	577,665	22.6%
On securities portfolio and mandatory subscr. loans	1,741,366	2,752,236	-1,010,870	-36.7%
<i>Sub-total: income</i>	34,421,473	34,519,720	-98,247	-0.3%
On cash and interbank transactions	-3,671,392	-5,529,212	1,857,820	-33.6%
Total transactions with clients	-2,526,418	-2,111,129	-415,289	19.7%
On miscellaneous banking transactions	-1,154,597	-211,259	-943,338	446.5%
On foreign exchange transactions	-33	0	-33	55,606.7%
Losses on re-evaluation	-3,098,440	-2,604,468	-493,972	19.0%
On permanent resources	-1,055,386	-870,462	-184,924	21.2%
<i>Sub-total: expenses</i>	-11,506,267	-11,326,530	-179,737	1.6%
Net banking income	22,915,206	23,193,190	-277,984	-1.2%



PROFIT AND LOSS ACCOUNT (CONTINUED)

In thousands of CFA francs	Net 2020	Net 2019	Variation	Var. in %
General operating costs and other income:				
Miscellaneous income	578,229	18,883	559,346	2,962.2%
Supplies consumed	-484,871	-481,770	-3,100	0.6%
Transport and travel	-237,385	-344,573	107,188	-31.1%
Other services consumed	-4,172,345	-5,093,542	921,196	-18.1%
Technical assistance and inspection fees	-967,358	-1,091,144	123,786	-11.3%
Miscellaneous operating costs	-4,167,386	-2,726,941	-1,440,446	52.8%
	-10,029,345	-9,737,969	-291,376	3.0%
Overall operating income	13,464,090	13,474,103	-10,014	-0.1%
Write-backs of amortisations	1,802		1,802	
Wages and salaries	-5,397,069	-5,747,851	350,781	-6.1%
Tax and related expenses	-979,218	-551,831	-427,387	77.4%
Allocations to depreciations	-2,736,199	-2,832,730	96,531	-3.4%
Gross operating profit	4,353,406	4,341,692	11,714	0.3%
Write-backs of provisions	3,407,439	3,023,070	384,369	12.7%
Write-back of provisions for retirement benefits	1,278,355	180,097	1,098,258	609.8%
Write-backs of a general nature		4,422,675	-4,422,675	-100.0%
Write-backs of provisions for general banking risks				
Write-backs of provisions for risks and charges	1,002,528	789,474	213,054	27.0%
Income from written-off receivables	27,542	35	27,507	78,591.9%
Allocations to provisions	-8,230,328	-7,985,555	-244,773	3.1%
Allocations to provisions for retirement benefits	-52,757	-268,397	215,639	-80.3%
Allocations to provisions of a general nature	-1,052,835	-95,775	-957,060	999.3%
Allocations to provisions for general banking risks			0	
Allocations to provisions for risks and charges	-752,457	-128,051	-624,407	487.6%
Losses on irrecoverable debts	-34,335	-187,833	153,498	-81.7%
Operating result	-53,444	4,091,433	-4,144,876	-101.3%
Extraordinary income and losses and from prev. financial years:				
Income from previous financial years	4,600,629	829,385	3,771,245	454.7%
Extraordinary income	562,494	211,840	350,655	165.5%
Capital gains on disposals of asset elements	15,032	29,234	-14,202	-48.6%
Extraordinary expenses	-714,618	-920,515	205,897	-22.4%
Expenditure on previous financial years	-1,063,386	-351,726	-711,660	202.3%
Capital losses on disposals of asset elements	-31,930	-12,307	-19,623	159.4%
Extraordinary profit or loss	3,368,221	-214,089	3,582,310	-1,673.3%
Pre-tax profit	3,314,777	3,877,343	-562,566	-14.5%
Taxes on the profit or loss	-753,684	-804,124	50,440	-6.3%
NET PROFIT FOR THE YEAR profit (+) ; loss (-)	2,561,093	3,073,219	-512,126	-16.7%

1.2. AUDITORS' REPORT

on the annual financial statements

for the financial year ending 31 December 2020

Dear Shareholders,

In execution of the mission assigned to us by your ordinary general meeting, we hereby present our report covering the financial year ending on 31 December 2020 on:

- The audit of the annual financial statements of BGFIBank Congo in CFA francs, sent to the Central African Banking Commission (COBAC), as attached to this report and showing equity capital of 58,327 million CFA francs, not including a profit for the financial year of 2,561 million.
- The specific checks and information required by law.

Opinion on the annual financial statements

We have performed the audit of the annual financial statements of BGFIBank Congo, comprising the balance sheet as of 31 December 2020, the income statement, the off-balance-sheet commitments, the notes to the financial statements, the summary of the main accounting methods and other supplementary information relative to the financial statements.

In our opinion, the annual financial statements are regular and sincere and give a true image of the results of the transactions of the financial year ending 31 December 2020 and the financial situation and assets of the bank at the end of this financial year, in accordance with the relevant COBAC directives and the provisions and general principles of the Chart of Accounts applicable in the Republic of the Congo.

Basis of the opinion

We performed our audit in accordance with the International Standards on Auditing (ISA). The responsibilities incumbent upon us pursuant to these standards are more fully described in the section "Responsibilities of the auditor relative to the audit of the annual financial statements" in this report. We are independent of BGFIBank Congo in accordance with the code of ethics of accounting professionals from Regulation No.01/2017/CM/OHADA to harmonise the practices of accounting and auditing professionals in OHADA member states, and the independence rules that govern external auditors, and we have satisfied other ethical responsibilities to which we are subject according to these rules.

We consider that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audit.

Note

Without qualifying the opinion express above, we draw your attention to the note to the financial statements entitled "2.7 Outstanding claims", which explains the situation relating to commitments for the bank's client SNPC.

Specific verifications and information

Responsibility for other information rests with the Board of Directors. Other information comprises information contained in the management report.

The opinion we have expressed on the annual financial statements does not extend to the other information. We give no form of assurance whatsoever about such information.

As external auditor, it is our responsibility to carry out the specific verifications required by law and, having done so, to check that the information provided in the Annual Report of the Board of Directors, and in the documents provided to shareholders concerning the company's financial situation and annual financial statements, is truthful and consistent with the annual financial statements, and to check that such information, in all material aspects, complies with certain legal and regulatory obligations.

It is also our responsibility to read the other information and to determine whether there are any material inconsistencies between such information and the financial statements or the evidence we obtained during our audit, and whether the other information contains any significant anomalies.

We are required to report on any significant anomalies that we may find when carrying out these specific verifications or examining the other information.

We have nothing to report in this respect.

Brazzaville, 14 May 2021

The Auditors:

PricewaterhouseCoopers
Analet Ngoua,
Certified public accountant approved by CEMAC

Ernst & Young Congo
Arsène Didace Ossibi,
Certified public accountant approved by CEMAC

BGFIBank Congo's **BRANCH NETWORK**

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