BANK OF AFRICA - BURKINA FASO

Annual Report - Financial Year 2005

The 2005 Annual Reports of the Banks in the BANK OF AFRICA Group are illustrated with satellite images of the different countries where they are present.

OUAHIGOUYA: ± 65,000 inhabitants.
Renowned throughout the country for its potato-growing, the city is in the centre, bordered to the west by a dam lake in blue-green in the image. Slightly to the north is another lake whose milky colour is caused by suspended clay. Surrounding them is the Sahel, with its red lateritic terrain streaked with temporary water courses, and the green are the fringing forests.

Message from the Managing Director

For BANK OF AFRICA - BURKINA FASO (BOA-BURKINA FASO), the year 2005 ended with a marked growth in customer loans, and the consolidation of its position in terms of deposit collection.

This increase in investments over the second half of 2005 was achieved through the redeployment of loans for financial and interbank investments to a first-rate clientele. The decline in the quality of the portfolio, identified in the final months of 2004, was stabilised by the end of 2005.

The slowdown observed in the level of deposits collected was due to the Bank's high level of liquidity and its wish to maintain market conditions for the remuneration of deposits. The cost of BANK OF AFRICA - BURKINA FASO resources was reduced over the year.

The activity of BANK OF AFRICA - BURKINA FASO grew substantially in the year under review: at the end of 2005, its net banking income had risen by 16% to F CFA 5,483 million, while the gross operating profit was up 6% to F CFA 2,894 million, at year-end.

The Bank's profitability remained stable compared to 2004, with pre-tax income almost unchanged at F CFA 996 million. The allocation of provisions for identified doubtful loans, preferably to the Fund for General Banking Risks, accounted for the increase in net income after tax to F CFA 607 million for 2005, despite provisions staying at the same level year-on-year.

At 31 December 2005, BOA-BURKINA FASO ranked fourth among the country's eight banks and held a market share of 12.4% in terms of customer deposits.

Customer loans grew by 28% in 2005, giving BOA-BURKINA FASO a 10.2% market share in this field.

The introduction of new systems to process interbank transactions and the success of staff training demonstrated employees' ability to adapt to new technologies and professional demands in the banking sector.

Continued improvement in the quality of the portfolio, increased marketing activity, expansion of the product offering and identification of highly profitable operations will be priorities for the Bank's executives over the forthcoming year. To achieve these objectives, a capital increase is planned for the second half of 2006.

None of these achievements would have been possible without the efforts and commitment of the Bank's employees, the confidence of its customers, and the support of its Board of Directors and shareholders.
Sincere thanks to you all for your hard work, advice and support.

Michel F. KAHN
Managing Director

Highlights

During year 2005

February

- The central information system, IGOR, was updated.

March

- Customer deposits passed the F CFA 70 billion mark.

April

- BANK OF AFRICA 2005 Meeting held in Niamey for senior officers of the branch network.

July

- A new Managing Director was appointed.

December

- BANK OF AFRICA 2005 Meeting organised and held in Ouagadougou for directors of the branch network.
- An ATM was installed in Koupela.
- Refurbishment work started at the Gounghin branch.
- The number of Sésame cards in use by customers passed the 9,000 mark.

Key Figures 2005

On 31/12/2005

Activity	
Deposits *	66 015
Loans *	49 580

Income	
Operating income *	5 483
Operating expenses *	2 590
Profit before income tax *	2 894
Net income *	608
Operating ratio (%)	53,3

Structure	
Total Assets *	76 351
Shareholders' equity after distribution *	3 664
Shareholders' equity/Total assets (%)	5,3
Average number of employees	97

(*) In F CFA millions

Board of Directors

The Board of Directors is at present made up of the following 9 members:

- Lassiné DIAWARA, Chairman
- Paul DERREUMAUX, Chief executive
- SOCIÉTE FINANCIÈRE NÉERLANDAISE POUR LE DÉVELOPPEMENT (FMO),
- NETHERLANDS DEVELOPMENT FINANCE COMPANY (FMO), represented by Brahim ANANE
- Amadou Mamadou AW, (AFRICAN FINANCIAL HOLDING-AFH)
- Delchan OUEDRAOGO
- CAURIS INVESTISSEMENT, represented by Yawo Noël EKLO
- UNION DES ASSURANCES DU BURKINA (UAB), represented by Soumaïla SORGHO
- René FORMEY de SAINT LOUVENT
- BANK OF AFRICA - NIGER, represented by Boureima WANKOYE

Capital

At 31 December 2005, the bank's capital was held as follows:

AFRICAN FINANCIAL HOLDING	38.8 %
Others BANK OF AFRICA	8.0 %
ATTICA	5.0 %
Burkinabé shareholders	28.2 %
CAURIS INVESTISSEMENT S.A.	10.0 %
Netherlands Development Finance Company (FMO)	9.6 %
Other shareholders	0.4 %

Report by the Board of Directors

To the Annual General Meeting held on 31 May, 2006 for fiscal year 2005.

Economic & financial trends during fiscal year 2005

Developments in the international economic environment in 2005 reveal a positive trend in economic activity, despite the acceleration in inflation which was mainly due to the rise in prices of oil products. The economic environment was also marked by a tightening of monetary policy in the United States and the depreciation of the euro against the major currencies. The world economic growth rate stood at 4.3% in 2005, compared to 5.1% in 2004. Growth was principally driven by the United States and China as well as, to a lesser extent, Japan.

In the United States, growth reached 3.6% in 2005, compared to 4.2% in 2004, thanks to good productivity as well as budgetary and monetary stimulation measures. It was largely led by consumption, spurred on by the sustained rise in salaries and the property boom.

In the euro zone, growth remained moderate, contrasting with vigorous activity worldwide. Domestic demand continued to be dampened by rising oil prices, which limited performances in the region. Growth stood at 1.4% for 2005, compared to 1.8% in 2004.

In Asia, growth continued to be buoyed by China, particularly through investments and foreign trade. The region's growth rate stood at 6.9%, compared to 6.8% in 2004. China's growth rate was 9% in 2005.

In Sub-Saharan Africa, economic activity increased slightly, with growth at 4.1% in 2005, compared to 3.8% in 2004, despite worsening trade terms for countries importing oil as well as the sharp rise in oil prices.

In terms of raw materials prices, the average cotton price according to the Cotlook index was 1.20 dollars per kilo in 2005, compared to 1.37 dollars in 2004, due to the decline in world cotton production, which fell from 26.2 million tonnes in 2004 to 24.4 million tonnes in 2005. In 2006, prices will be influenced by two key factors: fiercer competition from natural fibres compared to synthetic fibres, because of high oil prices, and the anticipated drop in production in many countries. Prices will increase to 1.29 dollars per kilo.

The oil price rose to 70 dollars in 2005. The rise in demand, lack of production capacity, geopolitical tensions and natural disasters lie behind this particularly steep climb.

In Burkina Faso, economic activity was very dynamic in 2005, with a real growth rate of 7.5%. This performance was largely generated by the primary sector, which registered growth of 15.4% following a 2.9% fall in 2004.

The dynamism of the primary sector was related to the increased production of cereals and cotton, thanks to favourable weather conditions, with rainfall spread evenly in terms of time and place. Cereal production rose by 38.9%, largely because of the increase in production of millet, sorghum and maize, at 40.1%, 31.3% and 57.5%, respectively. In terms of seed cotton, production was estimated at 750,795 tonnes in 2005, a rise of 16.9%. This performance can be explained by the increase in land given over to crops and the creation of two new cotton-growing areas.

For the secondary sector, activity was up 2.2%, compared to 9.8% in 2004. This slowdown was due to the sluggish level of activity in manufacturing industries, linked to the fall in purchasing power and the rise in intermediate consumption of various branches of activity following the rise in the prices of oil products. Manufacturing industries registered growth of just 0.9%, compared to 9.9% in 2004. The slowdown was less marked in the construction and civil engineering sector, which benefited from the ongoing construction of infrastructure.

For the tertiary sector, growth amounted to 3.4%, compared to 9.1% in 2004. This decline was due to the sub-sector of retail services, particularly transport and commerce, which suffered from rising oil product prices and dwindling purchasing power.

In total, the contribution to growth by the primary, secondary and tertiary sectors was 5.5 points, 0.4 point and 1.6 point, respectively.

In terms of prices, the average rate of inflation in 2005 was 6.4%. This sharp rise can be explained by higher prices of food, housing services and transport. The rise in the prices of products was linked to an insufficient supply of cereal products to the markets following the drop in production of subsistence crops during the 2004/2005 agricultural year. The rise in transport prices was due to higher oil product prices.

In terms of foreign trade, exports and imports grew by 11.4% and 2.0%, respectively, in terms of volume. Foreign accounts excluding donations were in deficit, representing 9.1% of GDP, compared to 8.6% in 2004. As for the global deficit, it fell to 4.0% of GDP, compared to 4.3% in 2004. Budgetary revenues, boosted by fiscal revenues, grew by 9.6% and represented 12.6% of GDP. Fiscal revenues rose by 11%, as did the nominal GDP. The result was a stable rate of fiscal pressure at around 11.8%. Improved collection explains this trend.

For the year 2006, the objective for growth is 6.2%. Over this period, the average rate of growth in the primary, secondary and tertiary sectors is expected to be 3.7%, 6.5% and 8.7% respectively.

Financial statements and balance sheet analysis for fiscal year 2005

The balance sheet total for the eighth year of operation for BANK OF AFRICA - BURKINA FASO (BOA-BURKINA FASO) was F CFA 76,351 million, a rise of F CFA 1,163 million, up 1.5% compared to 2004. This modest increase should not detract, however, from the major growth in direct investments benefiting customers, while interbank and financial transactions fell.

From F CFA 37,326 million in total customer investments at the end of the previous year, 2005 saw a growth of 32.8% to F CFA 49,580 million, generated by all categories of credit excluding overdrafts. This growth is a result of marketing efforts, mainly during the second half of 2005, in accordance with the 2004-2006 Three-Year Development Plan.

The Bank's market share stood at 10.3%, compared to 9.6% at the end of 2004.

Loans for the cotton marketing campaign amounted to F CFA 9,332 million at the end of December 2005, compared to F CFA 1,860 million a year earlier. A tail end of the 2004-2005 campaign amounting to F CFA 4,216 million for the industry's traditional operator partly explains this high figure. The remainder of this growth is due to the greater volumes of cotton produced and the partnership agreed with a new ginner.

Overdrafts were down from F CFA 9,896 million at the end of 2004 to F CFA 7,247 million at the end of 2005, because of the Bank's systematic demand for reliable customers.

Discounts totalled F CFA 2,279 million, remaining almost unchanged thanks to the strict selection of commercial papers accepted.

Short-term loans grew from F CFA 6,829 million at the end of 2004 to F CFA 11,185 million at the end of 2005, a rise of 63% in a year. Medium-term loans were up 9.6%. Total medium-term loans at the end of December 2005 amounted to F CFA 16,367 million, compared to F CFA 14,927 million at the end of 2004.

Total commitments by signature grew by 16% compared to the end of 2004, as a result of two contradictory trends. On the one hand, total documentary credits fell by 41% from F CFA 2,095 million to F CFA 1,241 million. On the other hand, guarantees granted to customers increased by 33.8% to F CFA 3,735 million, compared to F CFA 2,791 million for the previous year. Guarantees granted to customers for their foreign suppliers drove this growth, while customs credits remained stable. Other guarantees totalled F CFA 12,507 million, compared to F CFA 10,191 million the previous year, a rise of 22%.

Overall customers deposits declined by 1.5% in terms of volume, going from F CFA 66,993 million at the end of 2004 to F CFA 66,015 million at 31 December 2005. Our market share stood at 12.4% at the end of 2005, compared to 12.8% a year earlier. BANK OF AFRICA - BURKINA FASO ranked fourth out of eight banks listed.

The number of accounts grew by 13% in 2005 after the regular closure of inactive accounts.

The number of individual current accounts rose by 14.5%, while total investments in this category grew by F CFA 846 million, a rise of 20%.

In terms of savings accounts, total funds grew by 13%, or F CFA 776 million, in 2005. They totalled F CFA 6,531 million and 10% of customer investments. The level of loyalty among these customers, expressed by the ratio of total savings accounts to total current accounts, was up by over 1%.

Accounts held by non-commercial organisations are always prized by the Bank. At the end of 2005, it had 996 accounts of this type, compared to 909 at the end of 2004, a rise of 9%. These accounts represented F CFA 7,580 million, down 36% from the end of 2004. This change is not particularly significant, however, as some major budgets, released in the second half of 2004, cover several years.

Business current accounts, including time-deposit accounts, represented F CFA 33,663 million, at 51% of deposits, up by more than 7% compared to the end of 2004.

Other deposits increased from F CFA 1,479 million to F CFA 1,808 million, a rise of 22% over the period.

Operating income amounted to F CFA 7,592 million at the end of 2005, up more than 5.7% compared to 2004 excluding exceptional income, which totalled nearly F CFA 495 million.

Cash income at the end of 2005 amounted to F CFA 522 million, an increase of 37% compared to the previous year. The more systematic employment of surpluses following exchange rate hedging intervals ensures the regular growth of this item.

Customer income was up 4% compared to December 2004. It totalled F CFA 7,070 million in 2005, as opposed to F CFA 6,799 a year earlier.

A portion of this income came from the total commission collected by the Bank, which reached F CFA 649 million at the end of 2005, compared to F CFA 578 million in 2004, a growth of 12% due to our updated terms.

Ancillary revenue fell by 10%, from F CFA 1,628 million at the end of 2004 to F CFA 1,464 million at the end of 2005. This decline was due to the granting of special competitive conditions to customers.

Exceptional income amounted to F CFA 494.9 million in 2005. This included reversals of provisions for unpaid loans, amounting to F CFA 478.7 million, compared to F CFA 454 million at the end of 2004.

Operating expenses totalled F CFA 4,699 million at 31 December 2005, compared to F CFA 4,457 million in 2004, a rise of 5.4%, or F CFA 241.5 million.

Bank expenses totalled F CFA 2,109 million, a fall of 13% from the previous year. This change was mainly due to miscellaneous expenses, which dropped from F CFA 523 million in 2004 to 119.8 million in 2005. This item includes F CFA 29.6 million in foreign exchange losses, compared to F CFA 439 million in 2004. Salaries rose by 26.3% to F CFA 841.5 million, but remained within the 2005 target of F CFA 848.8 million.

Taxes increased from F CFA 31.5 million at the end of 2004 to F CFA 76 million, exceeding the projected amount of F CFA 55.9 million.

Construction, supplies and outside services were up by 37% compared to the end of 2004, representing a total expense of F CFA 1,058 million at the end of December 2005, compared to F CFA 774 million a year earlier. Services related to maintenance and IT development, as well as the application of a fund selection and transfer contract that was broken in December 2005 and negotiated at a lower price with a competitor, explain this change.

General administration expenses rose by 15% compared to 2004, totalling F CFA 577 million. Advertising and various printing and telephone costs were up, largely due to the increase in activity.

With an operating income of F CFA 7,592 million, a rise of 6% year on year and after banking expenses of F CFA 2,109 million, the net banking income grew by 16% to the end of 2005, totalling F CFA 5,483 million.

After the deduction of F CFA 2,589 million in operating expenses, the gross operating profit amounted to F CFA 2,894 million, before amortizations. This represents a rise of 6% compared to 2004.

The net income for the year after tax totalled F CFA 607.6 million, following: - amortizations of F CFA 334 million; - further provisions for unpaid loans of F CFA 1,844 million; - exceptional expenses from previous years of F CFA 215 million; - various exceptional incomes and recapture of amortizations and provisions, totalling F CFA 495 million; - F CFA 388.2 million in corporate income tax.

The Bank's income will, for the fifth year running, provide a dividend for shareholders of 17.5% of the share capital, pending approval from the regulatory authorities.

The results achieved in a still-favourable context have enabled the Bank to boost its shareholders' equity. However, this must be further increased in order to sustain and drive our development.

These results have been achieved through the hard work of all employees. On your behalf, the Board of Directors wish to thank employees sincerely and encourage them in their future efforts.

Once again, our shareholders deserve our particular thanks for the support shown to BANK OF AFRICA-BURKINA FASO throughout the year.

For 2006, the strategies defined in the 2004-2006 Three-Year Development Plan will be pursued. The network, boosted by three new branches, will make sustained efforts in the collection of investments. We will seek to improve the quality of our credit portfolio at every opportunity, through vigorous recovery actions and the restriction of loans to reliable borrowers only. Finally, a cost-cutting policy will be put in place in order to improve the Bank's productivity.

Auditor's Report

This report is only available in french.

Balance Sheet

Compared financial statement for the last two financial years (in F CFA)

Assets

Assets	Fiscal Year 2004	Fiscal Year 2005
Cash	2 208 482 930	2 571 940 711
Interbank placements	30 519 645 456	15 980 403 690
• Demand deposits	22 892 640 313	12 063 033 950
· Central banks	18 456 432 348	7 260 036 967
· Treasury, post office bank	269 761 084	133 569 238
· Other credit institutions	4 166 446 881	4 669 427 745
• Term deposits	7 627 005 143	3 917 369 740
Customer loans	37 326 564 871	49 580 346 674
• Portfolio of discounted bills	2 248 897 932	2 278 986 635
· Seasonal credit		
· Ordinary credit	2 248 897 932	2 278 986 635
• Other customer credit facilities	25 162 590 239	36 904 369 746
· Seasonal credit	1 860 000 000	9 351 500 000
· Ordinary credit	23 302 590 239	27 552 869 746
• Ordinary debtor accounts	9 915 076 700	10 396 990 293
• Factoring		
Current securities	1 595 980 000	3 402 800 000
Investment in associates	474 332 402	632 290 500
Leasing and related operations		
Intangible assets	70 518 353	92 061 887

Fixed assets	1 666 124 824	1 874 718 967
Shareholders associates		
Other assets	88 794 939	321 841 838
Sundry accounts	1 237 950 707	1 894 730 669
Total assets	75 188 394 482	76 351 134 936

Off-Balance-Sheet	Fiscal Year 2004	Fiscal Year 2005
Commitments given	15 077 102 194	17 481 463 134
• Financing commitments	871 369 230	1 228 523 122
· In favour of credit institutions		
· In favour of customers	871 369 230	1 228 523 122
• Guarantees given	14 205 732 964	16 252 940 012
· On behalf of credit institutions	1 223 886 510	10 000 000
· On behalf of customers	12 981 846 454	16 242 940 012

Liabilities

Liabilities	Fiscal Year 2004	Fiscal Year 2005
Interbank liabilities	2 001 815 589	3 309 984 758
• At sight	2 000 885 591	797 168 004
· Treasury, post office bank	22 793 514	68 717 906
· Other credit institutions	1 978 092 077	728 450 098
• Long-term	929 998	2 512 816 754
Customers’ deposits	66 993 259 085	66 014 708 834
• Savings deposit accounts	5 754 730 597	6 531 373 126

• Time deposit accounts		
• Other demand deposits	28 682 340 424	29 035 414 309
• Other time deposit accounts	32 556 188 064	30 447 921 399
Debts evidenced by securities		
Other liabilities	1 737 869 267	2 134 332 230
Sundry accounts	142 774 510	271 785 464
Reserves for contingencies & loss		
Statuory provisions		
Investment subsidies		
Earmarked funds	278 000 000	278 000 000
Reserves for general banking risks	1 124 784 349	1 124 784 349
Capital or allowances	2 000 000 000	2 000 000 000
Share premiums		
Reserves	147 106 920	222 746 987
Revaluation differences		
Retained earnings (+/-)	258 517 647	387 144 695
Net income	504 267 115	607 647 619
Total liabilities	75 188 394 482	76 351 134 936

Off-Balance-Sheet	Fiscal Year 2004	Fiscal Year 2005
Commitments received	32 261 049 075	44 890 111 224
• Financial commitments		
· Received from credit institutions		
· Received from customers		

BANK OF AFRICA BURKINA FASO
GROUPE BANK OF AFRICA

• Guarantees received	32 261 049 075	44 890 111 224
· Received from credit institutions		
· Received from customers	32 261 049 075	44 890 111 224

Income Statement

Compared financial statement for the last two financial years (in F CFA)

Expenses

Expenses	Fiscal Year 2004	Fiscal Year 2005
Interest and related expenses	1 989 171 964	2 063 895 040
• On interbank debts	106 059 072	97 809 709
• On customers' debts	1 883 112 892	1 966 085 331
• On securities		
• Other interest and related expenses		
Expenses on leasing and related operations		
Commission	14 927 251	15 130 269
Expenses on financial operations	443 045 437	30 268 799
• Investment expenses	3 993 196	650 000
• Foreign exchange expenses	439 052 241	29 618 799
• Off-balance-sheet transaction expenses		
Other bank operating expenses		
General operating expenses	2 010 068 599	2 589 454 072
• Personnel costs	666 067 808	841 482 138
• Other general expenses	1 344 000 791	1 747 971 934
Depreciation and provisions charged against assets	325 699 812	333 558 154
Deficit on corrections to securities, loans and off-balance-sheet	955 778 120	1 380 534 752
Excess of provisions over funds recovered for general banking risks	412 240 911	
Exceptional expenses	28 104 140	16 505 888
Losses from previous years	21 053 040	182 869 401

Corporate income tax	506 134 517	388 216 711
Result	504 267 115	607 647 619
Total expenses	7 210 490 906	7 608 080 705

Income

Income	Fiscal Year 2004	Fiscal Year 2005
Interest and related income	4 853 929 464	5 357 805 353
• On interbank loans	261 665 607	400 958 060
• On customers' loans	4 592 263 857	4 956 847 293
• On securities		
• Other interest and related income		
Income from leasing and related operations		
Commission	198 689 556	265 200 528
Income from financial transactions	1 158 862 818	835 749 930
• Income from current securities	105 374 159	104 090 822
• Dividends and related income	14 400 000	17 217 000
• Income from foreign exchange transactions	711 741 294	391 394 947
• Income from of-balance-sheet transactions	327 347 365	323 047 161
Other income from banking operations	11 114 609	9 803 482
General operating income	950 458 401	1 123 867 532
Recovery of depreciation and provisions on fixed assets	7 000 000	
Surplus on corrections to value of loans and off-balance sheet items		
Surplus recovered on provision of funds for general banking risks		

Exceptional income	27 306 103	15 653 877
Results from previous financial periods	3 129 955	
Loss		
Total income	7 210 490 906	7 608 080 705

Income & Expenses	Exercice 2004	Exercice 2005
Interest and related income	4 853 929 464	5 357 805 353
• On interbank loans	261 665 607	400 958 060
• On customers' loans	4 592 263 857	4 956 847 293
• Other interest and related income		
Income from leasing and related operations		
Interest and related expenses	-1 989 171 964	-2 063 895 040
• On interbank debts	-106 059 072	-97 809 709
• On customers' debts	-1 883 112 892	-1 966 085 331
• Other interest and related expenses		
Expenses on leasing and related operations		
Interest margin	2 864 757 500	3 293 910 313
Commission income	198 689 556	265 200 528
Commission expenses	-14 927 251	-15 130 269
Net result from commission	183 762 305	250 070 259
Net result from :		
• Current securities transactions	101 380 963	103 440 822
• Dividends and related transaction	14 400 000	17 217 000
• Foreign exchange transactions	272 689 053	361 776 148

• Off-balance-sheet transactions	327 347 365	323 047 161
Net income from financial operations	715 817 381	805 481 131
Other income from banking operations	961 573 010	1 133 671 014
Other bank operating expenses		
Other income from non-banking operations		
Other non-banking operating expenses		
General operating expenses	-2 010 068 599	-2 589 454 072
• Personnel costs	-666 067 808	-841 482 138
• Other general expenses	-1 344 000 791	-1 747 971 934
Depreciation & amortization and provisions on fixed assets	-325 699 812	-333 558 154
Recaptures on depreciation		
Amortization and provisions on fixed assets	7 000 000	
Gross operating profit	2 397 141 785	2 560 120 491
Net result from value adjustments	-955 778 120	-1 380 534 752
Net surplus from allocations and reversals on reserves for gbr	-412 240 911	
Pre-tax operating income	1 029 122 754	1 179 585 739
Extraordinary items	-798 037	-852 011
Result from previous financial periods	-17 923 085	-182 869 398
Corporate income tax	-506 134 517	-388 216 711
Net income from this financial period	504 267 115	607 647 619

Resolutions

Annual General Meeting held on May 31, 2006

First resolution

Having heard the Board of Directors' report and the external auditors' report on fiscal year 2005, the Annual General Meeting approved all parts of the reports as well as the results and financial statements as presented. The Meeting also approved the transactions reflected in these statements and summarised in these reports.

Fiscal year 2005 closed with a profit of F CFA 607,647,619 after amortizations of F CFA 333,558,154 and corporate income tax of F CFA 388,216,711.

In addition, after hearing the external auditors' special report on agreements covered by law 023/96/ADP of 11 July 1996 and by the banking law of 2 May 1996, the Meeting unreservedly approved this report.

Consequently, the Annual General Meeting ratified the management and the actions of all members of the Board of Directors during the year ended 31 December 2005. The Meeting also ratified the execution of the external auditors' mission in the same period.

Second resolution

Following deliberation, the Annual General Meeting approved the Board of Directors' proposal to allocate all net profits for the year and the previous balance brought forward as follows:

	In F CFA
Previous balance brought forward	387,144,695
Income for the period	607,647,619
Total for distribution	994,792,314
Legal reserve (15% of income)	91,147,143
Dividend (17.5 % of capital)	350,000,000
New balance brought forward	553,645,171
Total distribution	994,792,314

Third resolution

In application of the previous resolution, the Annual General Meeting decided that, after payment to the State of tax on income from investments, at 15% of the gross dividend, shareholders will be effectively paid a net dividend corresponding to a remuneration of F CFA 1,487.50 per share of F CFA 10,000.

The dividend will be paid at the Bank's headquarters as of 1 July 2006, on stamping of coupon 5 of the share certificate held by each shareholder.

Forth resolution

Following deliberation, the Annual General Meeting gave its approval for the Bank to launch a bond issue of two billion F CFA through a public offering on the regional financial market.

The main characteristics of the bond issue are as follows:

Issuer: BANK OF AFRICA - BURKINA FASO
Type of security: Bonds
Lead arranger: SGI ACTIBOURSE
Placement method: Public offering
Dealers: BANK OF AFRICA Group and management and intermediation companies approved by the Regional Council
Amount of the issue: F CFA 2,000,000,000
Nominal value: F CFA 10,000
Term of the issue: 5 years
Amortization: Constant amortization over five (5) years
Rate of remuneration: 6.25% gross, payable in arrears
Taxation: The current rate of tax in Burkina Faso is 15%
Payment of interest: Yearly
Form of bond: Dematerialised
Issue price: Nominal value

Fith resolution

Following deliberation, the Annual General Meeting delegated all powers to the Board of Directors to carry out all procedures, actions and work required for the preparation, launch and completion of the bond issue.

Sixth resolution

The Annual General Meeting conferred on all holders of an extract or a copy of the minutes of the present Meeting, all powers to execute the formalities of legal publication.

Notes

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