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.

AÏR

The Aïr Mountains, made of crystalline and volcanic rock, stretch for over 80,000 sq. km., to the Ténéré desert to the east and the north. The circular structures seen on the image are granite plutons, which constitute the main peaks, or adrars of the Aïr, which often reach over 1,000 m. The Bagzane Mountains peak at 2,022 m.

# Message from the Managing Director

In 2005, Niger's economic and political environment was marked by a severe food crisis, followed, happily, by a good agricultural year.

Against this economic background, the 2005 accounts of BANK OF AFRICA - NIGER (BOA-NIGER) confirmed the positive trend observed in the previous two years: the Bank's main indicators have registered a sharp improvement compared to those of the previous year.

Customer deposits reached the record volume of F CFA 32.8 billion, a year-on-year rise of 21.3%.

The number of the Bank's active accounts continued to grow significantly: in 2005 they were up 45%, following a 63.5% growth in 2004. This remarkable progress applies to all types of account and customer.

Direct client commitments and commitments by signature increased by 16% to F CFA 26.1 billion. This significant rise was managed in line with the strict lending policy that has always been applied by BOA-NIGER.

Despite a considerable rise in expenses, due largely to the new head office, the significant increase in operating income of 23.2% enabled the Bank to achieve much better results than in previous years.

2005 net banking income reached the previously unattained level of F CFA 3.1 billion, a rise of nearly 21% year on year.

The operating profit amounted to F CFA 929.3 million, compared to F CFA 479.5 million in 2004.

At 31 December 2005, pre-tax income totalled F CFA 815 million, a rise of 12.2%, while net income was slightly down by 4%, due notably to efforts to set aside provisions.

All these results brought the Bank's operating ratio to 61%, the best the Bank has ever achieved.

This performance in 2005 meant that BOA-NIGER achieved the growth and profitability objectives of its 2004-2006 Three-Year Development Plan one year early.

Pursuing its efforts to continuously improve customer satisfaction, in 2005 BOA-NIGER was, at the 5th Francophone Games, the only bank to have installed Electronic Payment Terminals accepting VISA cards at stores in Niamey.

This reflects how BOA-NIGER, which has been present in Niger for over ten years, has established itself over the years in the national banking environment as a bank for all sections of the population, a bank that is innovative and modern, working closely and responsibly with its customers

**Mamadou Sène**
Managing Director

# Highlights

During year 2005

## April

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

## July

- "School loans" promoted for the fourth year running.

## August

- The number of active customer accounts rose above the 15,000 mark.
- Customer deposits rose above F CFA 30 billion.
- The Bank's balance sheet total exceeded F CFA 35 billion.

## November

- An electronic payment terminal connected to the VISA network was installed for the first time in Niger.

## December

- BANK OF AFRICA 2005 Meeting held in Ouagadougou for directors of the branch network.

# Key Figures 2005

On 31/12/2005

| **Activity** | |
|---|---|
| Deposits * | 32 738 |
| Loans * | 15 041 |

| **Income** | |
|---|---|
| Operating income * | 3 110 |
| Operating expenses * | 1 752 |
| Profit before income tax * | 1 213 |
| Net income * | 434 |
| Operating ratio (%) | 61 % |

| **Structure** | |
|---|---|
| Total Assets * | 39 756 |
| Shareholders' equity after distribution * | 3 487 |
| Shareholders' equity/Total assets (%) | 8,8 |
| Average number of employees | 73 |

(*) In F CFA millions

## Board of Directors

The Board of Directors is at present made up of the following 7 members:

- Paul DERREUMAUX, Chairman
- ATTICA S.A., represented by Benoit MAFFON
- WEST AFRICAN DEVELOPMENT BANK (BOAD) represented by Kodjo TRONOU
- Ousmane DAOU, AFRICAN FINANCIAL HOLDING (AFH)
- Georges ABALLO
- Boureima WANKOYE
- René FORMEY de SAINT LOUVENT

## Capital

| | |
|---|---|
| AFRICAN FINANCIAL HOLDING (AFH) | 41.8 % |
| ATTICA S.A. | 8.1 % |
| WEST AFRICAN DEVELOPMENT BANK (BOAD) | 15.0 % |
| National shareholders | 20.1 % |
| Other shareholders | 15.0 % |

# Report by the Board of Directors

To the Annual General Meeting held on June 2nd, 2006 for fiscal year 2005.



## Economic & financial trends during fiscal year 2005

In 2005, the global economy grew by 4.3%, a slight slowdown on the 4.6% growth registered in the year 2004.

This slowdown was the result both of soaring oil prices, which topped USD 70 a barrel, and of gains by the euro against the US dollar

However, growth rates in 2005 varied slightly from region to region. The emerging Asian economies, led by China and India, as well as the US, increased their lead in terms of growth on other economies worldwide.

The European union made a relatively reduced contribution to the global economy; while economic growth was strong in the new Member States, it was weak in Germany, France and Italy, partly due to the appreciation of the euro.

The West African Economic and Monetary Union (UEMOA), which includes Niger, registered growth of 3.7% in 2005, compared with 3.0% in 2004. This slight improvement was achieved despite the increase in oil prices and the decline in the price of major raw materials.

In Niger, the economic, social and political situation was marked in 2005 by an acute food crisis, which was fortunately followed by a good agricultural harvest.

The rate of growth was 4.6% in 2005, compared with 0.9% in 2004, thanks to the return of more favourable weather conditions and a good performance by the primary sector. The primary, secondary and tertiary sectors registered growth of 5.7%, 6.2% and 3.1% respectively. In total, the respective contributions of these sectors to gross domestic product (GDP) were 1.8, 0.7 and 2.1 points.

Seen from the perspective of demand, growth in Niger in 2005 was mainly driven by the increase in investment, which grew by 22.7%, and by improved foreign exchange rates. The increase in investment is related to the rise in foreign investment and investment carried out as part of the Special Programme instigated by the President of the Republic, the fifth Francophone Games and the extension of road and electricity networks.

Consumption, investment, exports and imports made respective contributions to GDP growth of 4.1, 0.7, 0.9 and -1.1 points.

Inflation, well under control in 2004, spiralled in 2005 due to the cumulative effect of the strong upturn in food prices - itself resulting from the poor results of the agricultural harvest in 2004/2005 - the increase in oil prices and the rising prices of some basic products such as rice. Due to these unfavourable factors, the average yearly inflation rate reached 8% in 2005, compared with 0.2% in 2004.

Niger's public finances registered an increase in budgetary revenues (fiscal and non-fiscal revenues and contributions) of about 5%. However, state revenues went up by 8.1% to 11% of GDP in 2005, compared with 12.2% in 2004. This increase is due to fiscal and non-fiscal revenues and revenues from special accounts, all of which registered growth. Contributions showed flat growth at F CFA 88.4 billion, compared with F CFA 89.2 billion in the previous year. Budgetary expenditure, driven by capital expenditure (+3.8%) and by current expenditure (+21.7%) went up by 12% to reach F CFA 351.5 billion, representing 20.5% of GDP compared with 23% in 2004. Furthermore, the execution of financial operations by the government led to a decline in the budgetary balance.

Public debt reached F CFA 1,062 billion in 2005, or 62% of nominal GDP in 2005, compared with F CFA 1,093 billion in 2004, or 63.8% of GDP. External debt, at 78.4% of the total, still represented the most substantial portion of Niger's debt.

The balance of external payments showed a moderate surplus of F CFA 15 billion in 2005, compared with a slight deficit of F CFA 3.8 billion in the previous year. This surplus masks contrasting movements in the current balance, the capital account balance and the balance of financial operations. In fact, the current balance registered a deficit of F CFA 130 billion due to the decline in the trade balance and the balance of services transactions, in combination with spending relating to the food crisis, the organisation of the fifth Francophone Games and the increase in the oil bill. This deficit was offset by the surplus registered by the capital account and financial operations, reflecting the substantial external investments made.

The monetary situation in 2005 shows an improvement in net external assets compared with 2004, and an increase in domestic credit and the money supply

The exposed net liability position of the monetary institutions improved in 2005, with positive net external assets of F CFA 71.9 billion, compared with F CFA 60.4 billion in 2004.

Domestic credit grew by F CFA 5.4 billion to F CFA 191.8 billion. This increase was due to growth in loans to the economy, offset by an improvement in the government's Net Position.

The money supply reached F CFA 243 billion in 2005 compared with F CFA 233.3 billion in 2004, an increase of 6.5%.

In the period 2006-2008, the government's goals are tied to the implementation of the National Poverty Reduction Strategy, namely:

- consolidating progress already made;
- accelerating strong and lasting growth;
- stabilising prices;
- pursuing improvement in the management of public finances;
- increasing the mobilisation of domestic resources;

- pursuing the balancing of domestic debt;
- strengthening human resources;
- pursuing structural reforms, particularly those relating to the process of economic integration and which enhance the competitiveness of the economy.

The macro-economic picture in the medium-term 2006-2008 shows, on the one hand, an expected rate of real GDP growth of 4.1% on average, driven by the rural sector, light industry and the tourism sector, and on the other hand an average yearly inflation rate of 3%, thanks to the regular provisioning of the convenience goods markets, regular food stockpiling for emergencies, and compliance with community monetary policy.

The aims of budgetary policy are mainly to increase domestic resources by strengthening the capacity of control and collection structures, broadening the tax base and reducing the scope of exemptions.

## *Financial statements and balance sheet analysis for fiscal year 2005*

The annual accounts 2005 of BANK OF AFRICA - NIGER (BOA-NIGER) confirm the positive trend seen in 2002, 2003 and 2004. The main indicators show a marked improvement compared with 2004. Net banking income, which reached a record high, and pre-tax profit showed substantial increases, rising by 23% and 12.2% respectively.

Total assets at 31 December 2005 stood at F CFA 39,755,58,765, compared with F CFA 32,810,313,210 at 31 December 2004, a substantial increase of 21.2%.

Client deposits reached a new record of F CFA 32,738,088,933 at the end of fiscal 2005, compared with F CFA 27,688,482,830 at 31 December 2004, a substantial increase of 18.2%.

Demand deposits within this category rose 20.6%, from F CFA 19,860,255,750 at 31 December 2004 to F CFA 23,942,982,739 at 31 December 2005. This increase is due to a generalised rise in investments received from individuals and associations and related organisations, which went up by 58.8% and 42.5% respectively, due to the positive outcome of marketing actions

Term deposits saw a moderate increase of 4%, from F CFA 6,044,431,294 to F CFA 6,288,411,104 year-on-year

Savings accounts showed a substantial increase of 40.6% in 2005, from F CFA 1,780,295,786 at 31 December 2004 to F CFA 2,503,655,330 at 31 December 2005, due to the attraction of the BOA-NIGER for individual clients. The structure of deposits changed slightly during 2005, with demand deposits representing 73.1% of investments at end-2005 compared with 71.7% in 2004, term deposits 19.2% compared with 21.8% and savings accounts 7.6% compared with 6.4%. Contributions by branch to deposit receipts changed only slightly during the year. However, the marked development of the Dosso branch, which opened as an occasional office in November 2003 and became a permanent branch in September 2004, is worth noting. The branch saw its investments, which were negligible at end-2003, reach more than F CFA 900 million at 31 December 2005.

The number of accounts opened and active showed an increase of 44.8% at 31 December 2005 compared with the same date a year previously. This significant increase was mainly due to individual demand deposit accounts and savings accounts, numbers of which rose by 48.3% and 38.8% respectively.

Interbank debts increased by 20.8% in 2005, from F CFA 423,095,685 at 31 December 2004 to F CFA 511,100,752 at 31 December 2005. It is worth noting that the figure reached at end-2005 included F CFA 398,085,304 drawn down from the medium-term refinancing provided by the European Investment Bank and F CFA 113,010,863 for the credit balances of the accounts of banks and other financial establishments open in the Bank's books.

Other liabilities went up by 76.5% in 2005, rising from F CFA 680,028,644 at 31 December 2004 to F CFA 1,200,068,016 at 31 December 2005.

Provisions for liabilities stood at F CFA 93,587,976 at 31 December 2005 compared with F CFA 82,046,530 at 31 December 2004; 100% of these were provisions for retirement charges.

Funds for general banking risks reached F CFA 753,469,991 at 31 December 2005 compared with F CFA 603,993,901 at 31 December 2004. This increase of F CFA 149,476,090 corresponds to the allocation booked for the financial year 2005; it was drawn up with the method of calculation currently in use at BANK OF AFRICA - NIGER.

Reserves before distribution of income for fiscal 2004 increased by F CFA 191,145,253 at 31 December 2005. This change reflects the allocation of income from the financial year 2004 determined by the Annual General Meeting held on 21 March 2005.

Client commitments, including both direct commitments and commitments by signature, reached F CFA 26,116,037,958 at 31 December 2005 compared with F CFA 22,526,494,438 at 31 December 2004, an increase of 15.9%, mainly due to direct commitments.

Loans and advances registered an increase of 66.7%, from F CFA 5,582,369,820 at 31 December 2004 to F CFA 9,308,194,852 at 31 December 2005. This increase was mainly the result of the steady development of personal and business loans.

Ordinary accounts receivable showed an increase of 36%, from F CFA 3,114,581,265 at 31 December 2004 to F CFA 4,238,319,654 at 31 December 2005. This increase is due to a marked rise in overdrafts for businesses.

Discounted bills outstanding decreased by 16.7%, to F CFA 1,494,463,047 at 31 December 2005, compared with F CFA 1,798,368,759 at 31 December 2004. This decline concealed increased activity in 2005, shown in income from this business, which came in at F CFA 152.8 millions at 31 December 2005 compared with F CFA 129.8 million at 31 December 2004.

Commitments by signature declined by 7.9% to reach F CFA 11,075,060,405 at 31 December 2005, from F CFA 12,031,174,594 at 31 December 2004. Guarantees issued grew by 3.1% year-on-year, from F CFA 9,711,279,868 to F CFA 10,016,173,927. Letters of credit amounted to F CFA 1,058,886,478 at end-2005 compared with F CFA 2 319 894 726 at end-2004, a decline of 54.4%.

Securities came in at F CFA 3,281,950,000 at 31 December 2005, compared with F CFA 3,961,880,000 at the end of the previous year. This decline of 17.2% was chiefly due to the amortisation of the securities held.

Long-term investments decreased from F CFA 1,699,112,348 at 31 December 2004 to F CFA 1,698,705,839 at 31 December 2005.

Intangible assets saw a substantial increase, rising from F CFA 33,941,914 at 31 December 2004 to F CFA 134,169,851 at 31 December 2005. This increase was due to new investments in training, and IT licences and software related to projects under way, particularly the Télécompensation project

Tangible assets were worth F CFA 1,888,013,220 at 31 December 2005 compared with F CFA 1,567,958,822 at 31 December 2004, after F CFA 492,055,710 for new capital assets, F CFA 33,718,040 for capital asset outflows and amortisation on capital assets of F CFA 138,283,270 was registered during the year.

Operating income grew substantially, by 23.2% in 2005, from F CFA 3,010,480,491 at 31 December 2004 to F CFA 3,708,827,042 at 31 December 2005.

Interest and related income rose by 27.5%, reaching F CFA 2,157,585,805 at 31 December 2005 compared with F CFA 1,691,583,226 at 31 December 2004, due to the marked increase in interest received on client loans.

Commissions reached F CFA 585,333,265 at 31 December 2005 compared with F CFA 432,877,640 at 31 December 2004, a rise of 35.2%, chiefly the result of the increase in account administration expenses, itself generated by the increase in the number of accounts opened.

Income from financial operations, which mainly includes income from long-term investments, income from currency operations and income from off-balance-sheet operations, increased by 5.8%, from F CFA 801,636,192 to F CFA 847,878,815; however, the marked increase of 18.6% in income on currency operations is noteworthy.

General operating income stood at F CFA 117,917,157 F at 31 December 2005, compared with F CFA 83,813,196 at 31 December 2004, an increase of 40.7%.

Extraordinary income reached F CFA 38,496,529 at 31 December 2005 compared with F CFA 263,861,251 in the previous year.

Profits from previous years came in at F CFA 43,461,394 at end-2005 compared with F CFA 6,015,626 a year previously.

Operating expenses (excluding amortisation) increased by 20.1%, from F CFA 1,957,503,969 at 31 December 2004 to F CFA 2,350,578,473 at 31 December 2005.

Bank expenses, which include interests and related charges, commissions and charges on financial operations, came to F CFA 599,019,317 at 31 December 2005 compared with F CFA 483,450,507 at 31 December 2004, a rise of 23.9%, chiefly due to the increase in interest paid to clients on remunerated deposits.

General operating expenses showed an 18.8% increase in the financial year 2005, from F CFA 1,474,053,462 at 31 December 2004 to F CFA 1,751,559,156 at 31 December 2005.

Personnel costs went up by 9%, from F CFA 506,636,155 at 31 December 2004 to F CFA 552,125 354 at 31 December 2005

Other general costs increased from F CFA 967,417,307 at 31 December 2004 to F CFA 1,199,433,802 at 31 December 2005, an increase of 24%, due to costs incurred for the Bank's new registered office in Paris and the increase in activity.

Operating income (income before tax and exceptional items and for previous years) was F CFA 929,255,843 at 31 December 2005, compared with F CFA 480,450,959 at 31 December 2004, a substantial increase of 93.4%.

Net income for the fiscal year 2005 reached F CFA 434,413,481, compared with F CFA 454,301,687 for 2004, a slight decline of 4.4%, after, on the one hand, an extraordinary loss on previous years of F CFA 113,971,312 in 2005, compared with profit of F CFA 245,894,878 in 2004; and, on the other, the payment of tax on profits of F CFA 380,871,050 this year, compared with F CFA 272,044,150 last year.

In view of this profit and the balance brought forward from the previous year, the Board of Directors offers you, after the constitution of the legal reserve of 15% of annual profit, or F CFA 65,162,022:

- the distribution of a dividend of 20% per share, or F CFA 300,000,000 in total;
- the allocation as a free reserve of the balance of the profit, or F CFA 69,000,000, with a new balance carried forward of F CFA 1,651,470.

After distribution, the equity capital of BANK OF AFRICA - NIGER will stand at F CFA 3,486,529,128, compared with F CFA 3 202 639 558 in 2004, an increase of 8,9%. This equity capital after distribution represents 8.8% of the Bank's total assets at 31 December 2005.

In the next few years, BANK OF AFRICA - NIGER has set itself the goal of becoming one of Niger's main financial institutions, in terms not only of the quality of its growth, but also of its profitability and the quality of its human resources management. This goal is well on the way to being achieved, as the results obtained in 2005 and 2004 show. However, lasting success lies in the high quality and motivation of the men and women employed by BANK OF AFRICA - NIGER, who have never lacked in this respect. They all, therefore, deserve our thanks for the work they have done and the results achieved in 2005, and should be encouraged to continue, strengthening their mobilisation and commitment to the Bank.

Top management also intends to make a substantial contribution to galvanising the Bank's human resources by pursuing and intensifying corporate actions to this end.

Finally, the Board of Directors would like to thank the shareholders for their unfailing confidence and support, and hopes that this will continue and increase during financial year 2006.

# Auditor's Report

This report is only available in french.

## Balance Sheet

For the last two financial periods (in F CFA)

## Assets

| Assets | Fiscal Year 2004 | Fiscal Year 2005 |
|---|---:|---:|
| Cash | 1 382 389 592 | 1 775 469 115 |
| Interbank placements | 12 553 808 832 | 14 579 750 304 |
| • Demand deposits | 7 601 638 882 | 9 952 151 658 |
| · Central banks | 4 361 155 343 | 6 469 566 766 |
| · Treasury, post office bank | | |
| · Other credit institutions | 3 240 483 539 | 3 482 584 892 |
| • Term deposits | 4 952 169 500 | 4 627 598 646 |
| Customer loans | 10 495 319 844 | 15 040 977 553 |
| • Portfolio of discounted bills | 1 798 368 759 | 1 494 463 047 |
| · Seasonal credit | | |
| · Ordinary credit | 1 798 368 759 | 1 494 463 047 |
| • Other customer credit facilities | 5 582 369 820 | 9 308 194 852 |
| · Seasonal credit | | |
| · Ordinary credit | 5 582 369 820 | 9 308 194 852 |
| • Ordinary debtor accounts | 3 114 581 265 | 4 238 319 654 |
| • Factoring | | |
| Current securities | 3 961 880 000 | 3 281 950 000 |
| Investment in associates | 1 699 112 348 | 1 698 705 839 |
| Leasing and related operations | | |
| Intangible assets | 33 941 914 | 134 169 851 |
| Fixed assets | 1 567 958 822 | 1 888 013 220 |
| Shareholders associates | | 41 559 |
| Other assets | 708 475 728 | 1 149 345 556 |
| Sundry accounts | 407 426 580 | 207 164 768 |
| Total assets | 32 810 313 210 | 39 755 587 765 |

| Off-Balance-Sheet | Fiscal Year 2004 | Fiscal Year 2005 |
|---|---:|---:|
| Commitments given | 12 031 174 594 | 11 075 060 405 |
| • Financing commitments | 2 319 894 726 | 1 058 886 478 |

| | | |
|---|---|---|
| · In favour of credit institutions | | |
| · In favour of customers | 2 319 894 726 | 1 058 886 478 |
| • Guarantees given | 9 711 279 868 | 10 016 173 927 |
| · On behalf of credit institutions | 3 500 000 000 | 3 500 000 000 |
| · On behalf of customers | 6 211 279 868 | 6 516 173 927 |

## Liabilities

| Liabilities | Fiscal Year 2004 | Fiscal Year 2005 |
|---|---|---|
| Interbank liabilities | 423 095 685 | 511 100 752 |
| • At sight | 423 095 685 | 113 015 448 |
| · Treasury, post office bank | 4 585 | 4 585 |
| · Other credit institutions | 156 744 728 | 113 010 863 |
| • Long-term | 266 346 372 | 398 085 304 |
| Customers' deposits | 27 688 482 830 | 32 738 088 933 |
| • Savings deposit accounts | 1 780 295 786 | 2 503 655 330 |
| • Time deposit accounts | 3 500 000 | 3 039 760 |
| • Short-term borrowings | | |
| • Other demand deposits | 19 860 255 750 | 23 942 982 739 |
| • Other time deposit accounts | 6 044 431 294 | 6 288 411 104 |
| Debts evidenced by securities | | |
| Other liabilities | 680 028 644 | 1 200 068 016 |
| Sundry accounts | 471 519 964 | 1 426 212 960 |
| Consolidated goodwill | | |
| Reserves for contingencies & loss | 82 046 530 | 93 587 976 |
| Statuory provisions | | |
| Subordinated loans | | |
| Investment subsidies | | |
| Reserves for general banking risks | 603 993 901 | 753 469 991 |
| Capital | 1 500 000 000 | 1 500 000 000 |
| Share premiums | | |
| Reserves | 906 100 392 | 1 097 245 645 |
| Revaluation differences | | |
| Retained earnings (+/-) | 743 577 | 1 400 011 |
| Net income | 454 301 687 | 434 413 481 |

| | | |
|---|---|---|
| Total liabilities | 32 810 313 210 | 39 755 587 765 |

| Off-Balance-Sheet | Fiscal Year 2004 | Fiscal Year 2005 |
|---|---|---|
| Commitments received | 6 325 474 099 | 3 713 546 610 |
| • Financial commitments | 0 | 0 |
| · Received from credit institutions | 0 | 0 |
| • Guarantees received | 6 325 474 099 | 3 713 546 610 |
| · Received from credit institutions | 2 587 958 027 | 668 617 054 |
| · Received from customers | 3 737 516 072 | 3 044 929 556 |
| • Commitments on security | | |

# Income Statement

For the last two financial periods (in F CFA)

## Expenses

| Expenses | Fiscal Year 2004 | Fiscal Year 2005 |
|---|---|---|
| Interest and related expenses | 435 814 240 | 530 550 099 |
| • On interbank debts | 102 427 637 | 28 462 814 |
| • On customers' debts | 333 386 603 | 502 087 285 |
| • On securities | | |
| • Other interest and related expenses | | |
| Expenses on leasing and related operations | | |
| Commission | 20 531 733 | 27 394 705 |
| Expenses on financial operations | 17 822 167 | 18 005 644 |
| • Investment expenses | | 4 807 762 |
| • Foreign exchange expenses | 16 423 599 | 8 742 334 |
| • Off-balance-sheet transaction expenses | 1 398 568 | 4 455 548 |
| Other bank operating expenses | 9 282 367 | 23 068 869 |
| General operating expenses | 1 474 053 462 | 1 751 559 156 |
| • Personnel costs | 506 636 155 | 552 125 354 |
| • Other general expenses | 967 417 307 | 1 199 433 802 |
| Depreciation and provisions charged against assets | 120 913 141 | 157 220 533 |
| Deficit on corrections to securities, loans and off-balance-sheet | 324 732 668 | 134 544 361 |
| Excess of provisions over funds recovered for general banking risks | 126 879 754 | 149 476 090 |
| Exceptional expenses | 2 663 289 | 137 472 241 |
| Losses from previous years | 21 318 710 | 58 456 994 |
| Corporate income tax | 272 044 150 | 380 871 050 |
| Result | 454 301 687 | 434 413 481 |
| Total expenses | 3 280 357 368 | 3 803 033 223 |

## Income

| Income | Fiscal Year 2004 | Fiscal Year 2005 |
|---|---:|---:|
| Interest and related income | 1 691 583 226 | 2 157 585 805 |
| • On interbank loans | 301 771 527 | 299 863 030 |
| • On customers' loans | | |
| • On securities | 1 389 811 699 | 1 857 722 775 |
| • Other interest and related income | | |
| Income from leasing and related operations | | |
| Commission | 432 877 640 | 585 333 265 |
| Income from financial transactions | 801 636 192 | 847 878 815 |
| • Income from current securities | 238 339 360 | 184 440 783 |
| • Dividends and related income | 48 551 982 | 75 095 732 |
| • Income from foreign exchange transactions | 348 905 154 | 414 037 158 |
| • Income from of-balance-sheet transactions | 165 839 696 | 174 305 142 |
| Other income from banking operations | 570 237 | 112 000 |
| General operating income | 83 813 196 | 117 917 157 |
| Recovery of depreciation and provisions on fixed assets | | 12 248 258 |
| Surplus on corrections to value of loans and off-balance-sheet items | | |
| Surplus recovered on provision of funds for general banking risks | | |
| Exceptional income | 263 861 251 | 38 496 529 |
| Results from previous financial periods | 6 015 626 | 43 461 394 |
| Loss | | |
| Total income | 3 280 357 368 | 3 803 033 223 |

| Income & Expenses | Exercice 2004 | Exercice 2005 |
|---|---:|---:|
| Interest and related income | 1 691 583 226 | 2 157 585 805 |
| • On interbank loans | 301 771 527 | 299 863 030 |
| • On customers' loans | 1 389 811 699 | 1 857 722 775 |
| • Other interest and related income | 1 389 811 699 | 1 857 722 775 |
| Income from leasing and related operations | | |
| Interest and related expenses | 435 814 240 | 530 550 099 |

| | | |
|---|---|---|
| • On interbank debts | 102 427 637 | 28 462 814 |
| • On customers' debts | 333 386 603 | 502 087 285 |
| • Other interest and related expenses | | |
| Expenses on leasing and related operations | | |
| Interest margin | 1 255 768 986 | 1 627 035 706 |
| Commission income | 432 877 640 | 585 333 265 |
| Commission expenses | 20 531 733 | 27 394 705 |
| Net result from commission | 412 345 907 | 557 938 560 |
| Net result from: | | |
| • Current securities transactions | 238 339 360 | 179 633 021 |
| • Dividends and related transaction | 48 551 982 | 75 095 732 |
| • Foreign exchange transactions | 332 481 555 | 405 294 824 |
| • Off-balance-sheet transactions | 164 441 128 | 169 849 594 |
| Net income from financial operations | 783 814 025 | 829 873 171 |
| Other income from banking operations | 570 237 | 112 000 |
| Other bank operating expenses | 9 282 367 | 23 068 869 |
| Other income from non-banking operations | 83 813 196 | 117 917 157 |
| Other non-banking operating expenses | | |
| General operating expenses | 1 474 053 462 | 1 751 559 156 |
| • Personnel costs | 506 636 155 | 552 125 354 |
| • Other general expenses | 967 417 307 | 1 199 433 802 |
| Depreciation & amortization and provisions on fixed assets | 120 913 141 | 157 220 533 |
| Recaptures on depreciation | | |
| Amortization and provisions on fixed assets | | 12 248 258 |
| Gross operating profit | 932 063 381 | 1 213 276 294 |
| Net result from value adjustments | -324 732 668 | -134 544 361 |
| Net surplus from allocations and reversals on reserves for GBR | -126 879 754 | -149 476 090 |
| Pre-tax operating income | 480 450 959 | 929 255 843 |
| Extraordinary items | 261 197 962 | -98 975 712 |
| Result from previous financial periods | -15 303 084 | -14 995 600 |
| Corporate income tax | -272 044 150 | -380 871 050 |
| Net income from this financial period | 454 301 687 | 434 413 481 |

# Resolutions

Annual General Meeting held on June 2nd, 2006

## First resolution

Having heard the Board of Directors' report and the external auditors' general report on the year to 31 December 2005, the Annual General Meeting approved all parts of the reports as well as the financial statements and results as presented. The Meeting also approved the transactions reflected in these statements and summarised in these reports.

The year ended 31 December 2005 closed with a profit of F CFA 434,413,481 after amortizations of F CFA 157,220,533 as well as an allocation to the Fund for General Banking Risks of F CFA 149,476,090 and payment of F CFA 380,871,050 in corporate income tax.

In addition, after hearing the external auditors' special report on agreements covered by article 440 of the OHADA Uniform Act, 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 to 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 the net profit for the year and the previous balance brought forward as follows:

| | In F CFA |
|---|---|
| Income for the period | 434,413,481 |
| Legal reserve (15% of income) | 65,162,022 |
| Previous balance brought forward | 1,400,011 |
| Dividend (20 % of capital) | 300,000,000 |
| Optional reserve | 69,000,000 |
| New balance brought forward | 1,651,470 |

## 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 in securities at 10% of the gross dividend, shareholders will effectively be paid a net dividend corresponding to a remuneration of F CFA 1,800 per share of F CFA 10,000. The dividend will be paid as of 1 July 2006 to the management and intermediary companies holding the shares.

## Forth resolution

Following deliberation, the Annual General Meeting gave its approval for the BANK OF AFRICA - NIGER 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 – NIGE

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 bond : 5 years

Amortization : Constant amortization over five (5) years

Rate of remuneration : 6.25% gross, payable in arrears (for guidance onl

Taxation : The current rate of tax in Niger is 13

Payment of interest : Yearly

Form of bond : Dematerialise

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 tasks 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

This part is only available in french.