



2023 ANNUAL REPORT OF THE WAMU BANKING COMMISSION

(Translated from the original French)

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The Chairman,

The economic recovery underway since 2021 continued into 2023, driven by strong momentum in all business sectors in WAMU. As a result, the gross domestic product (GDP) of the Union increased, in real terms, by 5.3% compared with 5.5% in 2022. The inflation rate fell, averaging 3.7% in 2023, compared with 7.4% in the previous year.

To counter inflationary pressures, the BCEAO Monetary Policy Committee raised key rates by 25 basis points on three occasions during 2023. Consequently, the minimum rate at which the Central Bank lends its resources to banks rose from 2.75% in January 2023 to 3.50% in December 2023.

Against this backdrop, as in previous years, the WAMU banking sector recorded an improvement in its main business indicators, reinforcing its resilience and soundness. Indeed, total assets, loans and customer deposits rose by 2.9%, 7.8% and 3.0% respectively in 2023. The banking industry remained profitable, with net income up 18.9%. The average total solvency ratio reported by credit institutions was 14.1%, above the regulatory minimum of 11.5%.

The operations of the larger microfinance institutions (MFIs) experienced growth of 10.9% in total assets, 14.6% in customer loans and 4.1% in deposits. The sector recorded a 78.9% increase in net profit, compared with 12.6% a year earlier, and the capitalization ratio for large MFIs stood at 14.5%, compared with the regulatory minimum of 15.0%.

As in the above-mentioned sectors, e-money issuers saw a 63.2% increase in transactions carried out via mobile telephone and a 29.6% rise in outstanding e-money.

Over the course of 2023, the Banking Commission stepped up its on-site and documentary audits, particularly those focusing on combating money laundering and the financing of terrorism (AML/CTF), as well as credit and liquidity risks. It also continued to draw up resolution plans for Systemically Important Financial Institutions (SIFIs), bringing the total number of finalized plans to twenty.

The growth in banking activity and the subsequent increase in the density of audits have led to an increase in the frequency of meetings of the Banking Commission, to enable it to act upstream, at an early stage, with a view to limiting risks to the financial stability of our region and guarding against possible failures on the part of regulated

institutions. It held seven sessions of the Supervisory College and one meeting of the Resolution College.

On the regulatory front, the monetary and supervisory authorities finalized instruments in 2023 aimed at strengthening the resilience of the banking sector and increasing financial stability. As a result, the legal framework for banking and financial activities was overhauled through the adoption by the WAMU Council of Ministers, on the proposal of BCEAO, of instruments governing the financial sector. These are three uniform laws dealing respectively with banking regulation, microfinance regulation and combating money laundering, the financing of terrorism and the proliferation of weapons of mass destruction (AML/CTF/PF) in WAMU member states. Furthermore, to enable better financing of economies, the minimum share capital of banks has been raised from FCFA 10 billion to FCFA 20 billion as of January 1st, 2024.

In addition, the WAMU Council of Ministers adopted a new Convention and Annex governing the Banking Commission. This agreement strengthens the resolution powers of the Banking Commission and broadens the remit of the supervisory body to take account of issues such as financial stability and enhanced depositor protection.

The implementation of this new legal framework will, on the one hand, improve the quality of governance and risk management at financial institutions and, on the other, strengthen the zone's ability to respond effectively to potential banking and financial crises. This new body of regulations will also provide regulated institutions with levers for growth and innovation, particularly in the field of digital financial services.

In addition, in view of the emergence of risks related to climate change, work has begun on incorporating them into the overall risk management system of banking institutions. Furthermore, the Supervisory Authority monitors the development of ever-increasing operational risks, particularly those linked to cybercrime.

In a context marked by economic and financial uncertainties, continued commitment and close collaboration among all stakeholders will be key success factors, with the aim of tackling all the challenges and unfailingly promoting stability in the financial sector, a source of healthy, sustainable financing for the Union's economies.

Jean-Claude Kassi Brou







Governor of the Central Bank
of West African States and
Chairman of the Banking Commission






SUPERVISORY COLLEGE (as at December 31, 2023)

Chairman of the WAMU Banking Commission



Jean-Claude Kassi Brou
Governor of the BCEAO

	MEMBERS REPRESENTING THE STATES	MEMBERS APPOINTED BY THE COUNCIL OF MINISTERS
BENIN	 <p>Mr. Clement Yaovi Aziagnikouda <i>Director of Monetary and Financial Affairs at the Ministry of the Economy and Finance in charge of Cooperation in Benin</i></p>	 <p>Mr. Epiphane Adjovi <i>Economist</i></p>
BURKINA FASO	 <p>Mr. Bruno Raymond Bamouni <i>Director of the Treasury and Public Accounts at the Ministry of the Economy, Finance and Development of Burkina Faso</i></p>	 <p>Mr. Moussa Jean Christophe Milogo <i>Jurist</i></p>
COTE D'IVOIRE	 <p>Mr. Arthur Ahoussi <i>Treasury Director at the General Directorate of the Treasury and Public Accounts, Ministry of Finance and Budget of Cote d'Ivoire</i></p>	 <p>Mrs. Kra Amenan Pelagie Theoua-N'Dri <i>Professor of Public Law</i></p>
GUINEA-BISSAU	 <p>Ms. Maria Bona Gano So <i>General Director of Supervision of Financial and Insurance Activities, Ministry of Economy and Finance of Guinea-Bissau</i></p>	 <p>Mr. Numna Gorky Mendes de Medina <i>Jurist</i></p>

	MEMBERS REPRESENTING THE STATES	MEMBERS APPOINTED BY THE COUNCIL OF MINISTERS
MALI	 <p>Mr. Siaka Samake <i>National Director of Treasury and Public Accounting at the Ministry of the Economy and Finance of Mali</i></p>	 <p>Mr. Boubacar Toure <i>Financial and Accounting Auditor</i></p>
NIGER	 <p>Mr. Ibrahim Sofo Magagi <i>Director of Currency, Credit and Savings at the Ministry of the Economy and Finance of Niger</i></p>	 <p>Mr. Zouladaïni Malam Gata <i>Public Financial Inspector</i></p>
SENEGAL	 <p>Mr. Boubacar Toure <i>Director of Currency and Credit at the Ministry of Finance and Budget of Senegal</i></p>	 <p>Mr. Amadou Sadickh Diop <i>Economist</i></p>
TOGO	 <p>Mr. Elonyo Emegnimo <i>Deputy National Director of Treasury and Public Accounting at the Ministry of the Economy and Finance of Togo</i></p>	 <p>Mr. Afanou Kodjo Theophile Locoh <i>Corporate Director</i></p>

GENERAL SECRETARIAT



Mr. Antoine Traore
General Secretary of the WAMU Banking Commission

RESOLUTION COLLEGE (as at December 31, 2023)

Chairman of the WAMU Banking Commission



Jean-Claude Kassi Brou
Governor of the BCEAO

Representative of the State holding the Chairmanship of the WAMU Council of Ministers in the Supervisory College



Mr. Arthur Ahoussi
Deputy National Director of Treasury and Public Accounting at the Ministry of Finance and Budget of Cote d'Ivoire

Director of the West African Monetary Union Deposit Guarantee and Resolution Fund (FGDR-UMOA)



Ms. Patricia Anoma
Director of the West African Monetary Union Deposit Guarantee and Resolution Fund (FGDR-UMOA)

Member appointed by the WAMU Council of Ministers



Mr. Akuete Santos
Associate Professor of Law

GENERAL SECRETARIAT



Mr. Antoine Traore
General Secretary of the WAMU Banking Commission

NB : When a regulated institution is subject to a resolution procedure, the Representative of the Supervisory College of the State where it is located is invited to participate in the proceedings as a non-permanent voting member.

MAIN HIGHLIGHTS OF 2023

February 1-2

18th high-level meeting for Africa on capacity building in banking supervision, organized by the Financial Stability Institute and the Basel Committee for Banking Supervision.

February 2-8

44th Meeting of the College of Supervisors of the West African Monetary Zone (CSWAMZ)

March 2-3

West African Monetary Agency (WAMA) meeting on the harmonization of regulatory and supervisory frameworks for banking and microfinance institutions in ECOWAS Member States

March 13

132nd Session of the Supervisory College of the WAMU Banking Commission

March 30-31

Plenary Meeting of the Francophone Banking Supervisors Group (GSBF)

March 31

Ordinary session of the West African Monetary Union Council of Ministers

May 4-5

10th annual meeting of the General Secretariat of the WAMU Banking Commission (GSBC) and the General Secretariat of the Central African Banking Commission (GS-COBAC)

May 8-10

45th Meeting of the College of Supervisors of the West African Monetary Zone (CSWAMZ)

May 19

First meeting of the General Secretariat of the Banking Commission and the main managers of Electronic Money Institutions (EMIs)

May 28 to June 2

39th Meeting of the GIABA Technical/Plenary Commission and Working Groups

June 9

23rd ordinary session of the WAMU Financial Stability Committee (WAMU-FSC)

May 12 to June 16

Regional workshop of the Experts Committee on the harmonization of regulatory and supervisory frameworks for banking and non-banking financial institutions in the Economic Community of West African States (ECOWAS)

June 14

133rd Session of the Supervisory College of the WAMU Banking Commission

June 16

Ordinary session of the West African Monetary Union Council of Ministers

June 27

Meeting of the Anti-Money Laundering Liaison Committee of the Franc Zone (CLAB)

July 18

134th Session of the Supervisory College of the WAMU Banking Commission

July 19

135th Session of the Supervisory College of the WAMU Banking Commission

September 7-14

46th Meeting of the College of Supervisors of the West African Monetary Zone (CSWAMZ)

September 19

136th Session of the Supervisory College of the WAMU Banking Commission

September 22

Ordinary session of the West African Monetary Union Council of Ministers

October 12

9th meeting of the ORAGROUP College of Supervisors

October 25-26

9th meeting of the Ecobank Group's College of Supervisors

October 23-28

33rd plenary meeting of the Financial Action Task Force (FATF) on money laundering and terrorist financing

October 31

137th Session of the Supervisory College of the WAMU Banking Commission

November 16-17

40th Meeting of the GIABA Technical/Plenary Commission and Working Groups

November 17

Meeting of the Francophone Banking Supervisors Group (GSBF)

November 20-24

Annual Meeting of the Committee of Banking Supervisors of West and Central Africa (CSBAOC)

November 24

3rd meeting of the GSBC and the heads of microfinance institutions (MFIs)

November 27 to December 1

47th Meeting of the College of Supervisors of the West African Monetary Zone (CSWAMZ)

November 28

8th meeting of the GSBC and the Directors General of credit institutions and financial companies

November 30

Meeting between the GSBC and the statutory auditors of regulated institutions

December 14

Meeting of the Anti-Money Laundering Liaison Committee of the Franc Zone (CLAB)

December 18

138th Session of the Supervisory College of the WAMU Banking Commission

December 19

7th Meeting of the Resolution College of the WAMU Banking Commission

December 19

24th ordinary session of the WAMU Financial Stability Committee (WAMU-FSC)

December 21

Ordinary session of the WAMU Council of Ministers

KEY FIGURES IN 2023

A. CREDIT INSTITUTIONS AND FINANCIAL COMPANIES

A.1. Trends in the banking landscape in WAMU

WAMU	2021	2022	2023	Relative change 2023/2022
Licensed credit institutions (a+b)	155	157	160	1.9%
Banks (a)	132	133	135	1.5%
<i>including branches</i>	22	22	23	4.5%
Bank-like financial institutions (b)	23	24	25	4.2%
<i>including branches</i>	4	5	5	0%
Credit institutions in operation (*)	154	155	158	1.9%
Majority state-owned credit institutions	20	22	24	9.1%
National Systemically Important Financial Institutions	26	28	26	-7.1%
BANKING NETWORK				
Windows (branch offices and outlets)	2,648	2,689	2,747	2.2%
Automated Teller Machines (ATMs) / Cash Dispensers (CDs)	3,532	3,680	3,659	-0.6%
Number of employees in the banking system	35,317	36,928	38,228	9.0%
Number of customer accounts	18,272,955	19,670,761	20,795,203	6.6%
BANKING GROUPS AND FINANCIAL COMPANIES				
Banking groups operating in WAMU	34	34	34	0%
Financial companies operating in WAMU	19	19	19	0%
• <i>Financial holding companies</i>	15	15	15	0%
• <i>Intermediary financial holding companies</i>	4	4	4	0%
Regional Systemically Important Financial Institutions	6	6	6	0%

(*) Including branch offices

Source : General Secretariat of the WAMU Banking Commission

A.2. Activity indicators of credit institutions

Amounts in billions of FCFA

WAMU	2021	2022	2023 (*)	Relative change 2023/2022
Balance sheet total	54,957.8	64,059.2	65,921.3	2.9%
Credits	27,454.0	32,715.3	35,264.0	7.8%
Other banking assets	19,278.9	23,323.6	24,256.2	4.0%
Deposits and borrowings	38,906.2	43,754.3	45,054.1	3.0%
Net equity	4,711.4	5,447.6	6,253.2	14.8%
Other resources	1,654.4	1,898.1	2,255.8	18.8%
Net banking income	2,610.6	3,049.9	3,354.0	10.0%
Gross operating income	1,134.6	1,398.2	1,617.6	15.7%
Net result	734.4	970.0	1,153.3	18.9%

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

A.3. Key ratios of credit institutions

WAMU	2021	2022	2023 (*)	Relative change 2023/2022
Gross portfolio deterioration rate	10.6%	8.8%	8.5%	-0.3
Net portfolio deterioration rate	4.1%	3.3%	3.7%	0.4
Ratio of coverage of overdue loans	63.5%	64.9%	58.7%	-6.2
Aggregate margin	4.8%	4.9%	5.2%	0.3
Net cost-to-income ratio	61.6%	59.5%	56.3%	-3.2
Return on equity (ROE)	15.6%	17.8%	18.4%	0.6
Return on assets (ROA)	1.3%	1.5%	1.7%	0.2

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

A.4. Key prudential solvency indicators of credit institutions

Amounts in billions of FCFA

WAMU	2021	2022	2023 (*)	Relative change 2023/2022
Actual shareholders' equity (ASE)	3,697.4	4,334.6	5,175.2	19.4%
Risk-weighted assets (RWA)	29,361.8	32,624.5	36,597.1	12.2%
Total solvency ratio	12.6%	13.3%	14.1%	0.8
Requirements (≥)	10.375%	11.25%	11.5%	0.25
Leverage ratio (≥ 3%)	6.4%	6.3%	6.9%	0.6

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

A.5. Financial company activity indicators

Amounts in billions of FCFA

WAMU	2021	2022	2023 (*)	Relative change 2023/2022
Balance sheet total	43,760.8	50,768.9	49,623.3	-2.3%
Loans and advances to customers	19,187.7	23,042.7	23,235.4	0.8%
Customer deposits	30,300.7	34,367.1	34,473.9	0.3%
Equity capital	3,419.0	3,823.2	4,119.8	7.8%
Net banking income	2,276.7	2,804.4	2,978.5	6.2%
Net result	555.3	988.9	1,061.8	7.4%
including the share of the Group	417.6	800.1	843.8	5.5%
Minority interests	137.7	188.8	227.4	20.4%

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

A.6. Key prudential solvency indicators of financial companies

Amounts in billions of FCFA

WAMU	2021	2022	2023 (*)	Relative change 2023/2022
Actual shareholders' equity	2,859.0	1,952.2	3,577.9	83.3%
Risk-weighted assets	22,256.3	16,066.0	25,267.8	57.3%
Solvency ratio	12.8%	12.2%	14.2%	2.0
Requirements (≥)	10.375%	11.25%	11.5%	0.25
Leverage ratio (≥ 3%)	6.4%	3.5%	8.7%	5.2

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

B. LARGE MICROFINANCE INSTITUTIONS

B.1. Trends in the landscape of large MFIs

WAMU	2021	2022	2023	Relative change 2023/2022
MFIs supervised by the Banking Commission	213	236	261	10.6%
• Networks and Individual Institutions	92	104	116	11.5%
- Companies	30	39	46	17.9%
- Associations	12	10	14	40.0%
- Networks	22	23	24	4.3%
- Non-affiliated Mutual or Cooperative Savings and Credit Institutions (MCECs)	28	32	32	0%
• Basic banks affiliated with a network	121	132	145	9.8%

Source : General Secretariat of the WAMU Banking Commission

B.2. Financial activity indicators of large MFIs

Amounts in billions of FCFA

WAMU	2021	2022	2023 ^(*)	Relative change 2023/2022
Balance sheet total	2,814.3	3,517.7	3,902.6	10.9%
Loans to customers	1,548.4	1,939.6	2,222.4	14.6%
Other banking assets	336.0	516.5	648.6	25.6%
Deposits and borrowings	1,499.3	1,942.2	2,022.2	4.1%
Net equity	477.7	542.9	615.3	13.3%
Other resources	129.5	295.5	396.7	34.2%
Net financial income	274.2	352.4	393.7	11.7%
Net result	23.1	26.0	46.4	78.9%

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

B.3. Financial activity indicators of large MFIs

WAMU	2021	2022	2023 ^(*)	Relative change 2023/2022
Gross portfolio deterioration rate	6.4%	3.8%	4.2%	0.4
Net portfolio deterioration rate	4.7%	3.3%	3.7%	0.4
Ratio of coverage of overdue loans	26.9%	13.9%	12.4%	-1.5
Profit margin	4.0%	3.3%	6.8%	3.5
Cost-to-income ratio	82.4%	76.3%	73.1%	-3.2

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

B.4. Key prudential indicators of large MFIs

WAMU	2021	2022	2023 ^(*)	Relative change 2023/2022
Equity capital (in billions of FCFA)	447.6	437.8	525	26.2%
Risks borne (in billions of FCFA)	2,116.8	2,302.5	2,898.6	25.9%
Capitalization ratio ($\geq 15\%$)	15.5%	15.8%	14.5%	-1.3
Liquidity ratio ($\geq 100\%$)	107.1%	103.9%	92.1%	-15.1

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

C. ELECTRONIC MONEY INSTITUTIONS

C.1. Trends in EMI landscape

WAMU	2021	2022	2023	Relative change 2023/2022
Licensed electronic money institutions	13	15	17	13.3%

Source : General Secretariat of the WAMU Banking Commission

C.2. EMI financial indicators (in millions of CFA francs)

WAMU	2021	2022	2023 (*)	Relative change 2023/2022
Turnover	278,129	172,926	252,247	45.9%
Net cash position	760,776	768,457	954,892	24.3%
Equity capital	85,291	77,298	78,834	2.0%
including net income	21,534	-32,838	-21,277	-35.2%
Financial liabilities	3,034	1,393	4,428	217.9%
Stable resources	86,469	88,040	91,004	3.4%
Outstanding electronic money	666,544	740,024	959,339	29.6%

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

C.3. Statistics on EMI activities

WAMU	2021	2022	2023 (*)	Relative change 2023/2022
Number of accounts opened	78,412,110	111,983,951	138,117,306	23.3%
Number of active accounts	32,501,803	46,195,890	52,326,304	13.3%
Number of dormant accounts (**)	45,910,307	65,788,061	85,791,002	30.4%
Number of transactions	3,952,971,280	5,623,649,502	8,779,183,640	56.1%
Value of transactions (in billions of FCFA)	44,213	69,806	171,959	146.3%
Number of service points (CDs, EPTs, etc.)	787,626	958,715	1,115,805	16.4%
Number of service points in operation	555,590	688,719	737,181	7.0%

(*) Preliminary figures

(**) Accounts with no transactions over the past 90 days

Source : General Secretariat of the WAMU Banking Commission

C.4. Key prudential indicators of EMIs

WAMU	2021	2022	2023 (*)	Relative change 2023/2022
Hedge ratio ($\geq 3\%$)	7.5%	10.5%	8.3%	-2.2
Equity ratio ($\geq 100\%$)	98.5%	89.1%	93.1%	4.0
Investment ratio ($\leq 25\%$)	46.7%	15.4%	18.7%	3.3

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

ABBREVIATIONS AND ACRONYMS

AML/CTF :	Anti-money laundering and counter terrorism financing
ATM :	Automatic teller machine
BCA :	WAMU banking chart of accounts
BCEAO :	Central Bank of West African States
BIS :	Bank for International Settlements
CABS :	Community of African Banking Supervisors
CD :	Cash dispenser
CEMAC :	Central African Economic and Monetary Community
FCFA :	African Financial Community Franc
CLAB :	Anti-Money Laundering Liaison Committee of the Franc Zone
DGRF-WAMU :	WAMU Deposit Guarantee and Resolution Fund
ECOWAS :	Economic Community of West African States
EMI :	Electronic money institution
EU :	European Union
FATF :	Financial Action Task Force on Money Laundering and Terrorist Financing
GDP :	Gross domestic product
GIABA :	Inter-Governmental Action Group against Money Laundering in West Africa
GSBC :	General Secretariat of the WAMU Banking Commission
GSBF :	Francophone banking supervisors group
ICAAP :	Internal Capital Adequacy Assessment Process
IFSB :	Islamic Financial Services Board
IMCEC :	Mutual or Cooperative Savings and Credit Institutions
IMF :	International Monetary Fund
MFI :	Microfinance institution
NBI :	Net banking income
NFI :	Net financial income
NGFS :	Network for Greening the Financial System
PP :	Percentage points
RCSFD :	Specific accounting standards applicable to MFIs in the Union
ROTW :	Rest of the world
SADC :	South African Development Community
SIFI :	Systemically important financial institution
WAEMU :	West African Economic and Monetary Union
WAMA :	West African Monetary Agency
WAMU :	West African Monetary Union
WAMU-FSC :	West African Monetary Union Financial Stability Committee
WAMZ :	West African Monetary Zone
WAMZCS :	West African Monetary Zone College of Supervisors

REPORT SUMMARY

In 2023, eight ordinary sessions of the Banking Commission of the West African Monetary Union (WAMU) were held, including seven meetings of the Supervisory College and one of the Resolution College.

As part of its regular consultations with the banking profession, the Supervisory Authority organized its third meeting with the managing directors of large microfinance institutions (MFIs)¹ on November 24, 2023. It also held its annual meeting with the general managers and statutory auditors of credit institutions and financial companies, marking the eighth edition of this event. In addition, the General Secretariat of the Banking Commission (GSBC) organized the first meeting with the general managers of electronic money institutions (EMIs) and granted 132 meetings to senior executives of regulated institutions and banking groups, compared with 92 in 2022.

In terms of cross-border supervision of banking groups operating in the Union, the GSBC conducted the ninth series of meetings of the Colleges of Supervisors of Oragroup and Ecobank group on October 12 and October 25-26, 2023, respectively. These annual meetings, conducted in compliance with the Basel Committee's recommendations for the effective supervision of cross-border banking groups, allow the supervisors concerned to discuss the activities and risk profiles of the entities in the said groups.

At the invitation of Bank Al-Maghrib, the GSBC also took part in the Supervisory Colleges for the Bank of Africa, Banque Centrale Populaire (BCP) and Attijariwafa bank groups, which have subsidiaries in the WAMU region.

In addition, the WAMU Supervisory Authority conducted 79 audit missions, with a 100% completion rate for the annual program. These audits involved 42 credit institutions, 2 financial companies, 3 electronic money institutions and 32 large MFIs. Twelve (12) systemically important financial institutions (SIFIs) also underwent remote audits on credit risk and aspects of their AML/CFT systems.

The GSBC also contributed to the proceedings conducted in preparation for the 23rd and 24th ordinary sessions of the WAMU Financial Stability Committee (WAMU-FSC). It took part in the 44th, 45th and 46th meetings of the College of Supervisors of the West African Monetary Zone (WAMZCS), in February, May and September 2023, respectively.

The situation of institutions supervised by the WAMU Banking Commission remains buoyant overall, despite the slowdown in global economic activity and the fragile socio-political and security climate in the West African sub-region. The Union's real GDP grew by 5.3%, compared to 5.5% in 2022.

The number of authorized credit institutions in WAMU rose by 4 units, and one entity had its authorization withdrawn, for a new total of 160. The number of banking groups remained at 34. The number of financial companies was also 19, as in the previous year.

The Union's banking network continued to expand. The banking system boasted 2,747 branches, offices and points of sale, up 58 units (+2.2%) compared with 2022. A similar trend was observed in the number of customer accounts and staff numbers, which increased by 6.6%, and 9.0%, respectively.

The balance sheet total of operating credit institutions has shown steady growth, reaching 65,921.3 billion, representing annual growth of 2.9%.

Net uses² grew by 6.2% reaching 59,520.2 billion³. Loans to customers represented 59.2% (35,264.0 billion) and investment securities represented 25.2% (24,256.2 billion), compared with 58.4% and 26.0% in 2022. The portfolio's gross deterioration rate fell to 8.5% from 8.8% in 2022. The net rate increased from 3.3% to 3.7% at the end of the period under review.

¹ MFIs are microfinance institutions.

² Net of provisions

³ Throughout the document, amounts are in CFA francs.

The resources mobilized by the banking sector increased by 4.8% to 53,563.1 billion. Customer deposits and borrowings accounted for 84.1% of this total, up 3% year on year. Net equity and other resources, representing 11.7% and 4.2% of total resources respectively, increased by 14.8% and 18.8% compared with 2022.

Net banking income (NBI) increased by 10.0% to reach 3,354.0 billion. Gross operating income stood at 1,617.6 billion, up 15.7%. Provisional net income rose by 18.9% to 1,153.3 billion. The net cost/income ratio improved year on year from 59.5% to 56.3%. The average overall solvency ratio for credit institutions was 14.1%, compared with 13.3% in 2022.

The 28 domestic SIFIs listed in 2023 posted a balance sheet total of 26,342.9 billion, accounting for 40.0% of the Union's overall banking assets. The gross deterioration rate of the domestic SIFI portfolio stood at 8.0%, compared with 8.8% in 2022, up 0.8 percentage point. The net rate was 2.5%, compared with 2.8% the previous year. The average overall solvency ratio for domestic SIFIs was 13.5%, compared with 12.8% in 2022.

The 19 financial companies in WAMU recorded a balance sheet total of 49,623.3 billion, down 2.3% year over year. Their loans and receivables and customer deposits stood at 23,235.4 billion and 34,473.9 billion respectively, up 0.8% and 0.3% year on year. The average overall solvency ratio for the Union's financial companies was 14.2%, up 2 percentage points (pps) compared with the ratio of 12.2% in 2022.

The six regional SIFIs posted a balance sheet total of 39,681.8 billion, accounting for 81.7% of total financial company assets, compared to 80.0% in 2022. Their customer loans and receivables and customer deposits stood at 18,573.8 billion and 28,176.3 billion respectively, down 1.1% and 2.8% year on year.

Regarding the microfinance sector, the number of microfinance institutions (MFIs) subject to Article 44 of the MFI regulation act, supervised by the Banking Commission, stood at 261 compared with 236 the previous year.

These institutions posted a balance sheet total of 3,902.6 billion, representing a 10.9% increase. Their net uses grew by 16.9% reaching 2,871.0 billion. Their resources increased by 9.1% to reach 3,034.2 billion. Their portfolio's gross and net deterioration rates stood at 4.2% and 3.7% respectively, both increasing by 0.4 pps. The average capitalization ratio of these MFIs fell to 14.5% compared with 15.8% a year previously, as against a minimum standard of 15%.

The number of electronic money institutions (EMIs) rose by 2, from 15 in 2022 to 17. The number of new accounts opened totaled 138.1 million, 37.9% of which were active accounts. Transactions carried out via cell phones increased by 170.2%, reaching 171,959.1 billion compared with 63,640.7 billion a year earlier. The number of transactions rose by 61.5% year on year to total 8,779 million. Hedging, equity and investment ratios were 8.3%, 93.1% and 18.7% respectively, compared with 10.5%, 89.1% and 15.4% in 2022.

Chapter I

PRESENTATION OF THE WAMU BANKING COMMISSION

1.1. ROLES AND RESPONSIBILITIES OF THE WAMU BANKING COMMISSION

Pursuant to the provisions of Article 2 of the Convention governing the Banking Commission of the West African Monetary Union (WAMU), the Commission is responsible for ensuring the soundness and security of the WAMU banking system, in particular through the supervision of the regulated institutions (credit institutions, financial companies, microfinance institutions and electronic money institutions) and the resolution of banking crises. It is in charge of protecting depositors and contributes to maintaining the stability of the regional financial system.

Since January 1, 2018, the WAMU Banking Commission has been structured around two decision-making bodies, the Supervisory College and the Resolution College.

❖ The Supervisory College

This body is responsible, in particular, for the regulatory and prudential supervision of the regulated institutions, both through document-based and on-site controls. Its key responsibilities include :

- granting its approval to applications submitted for licenses and various authorizations and exemptions,
- ensuring, on an ongoing basis, that the regulated institutions are in compliance with the legal and regulatory provisions applicable to their operations,
- monitoring and assessing events that may have negative consequences for the soundness of the Union's banking system,
- ensuring that the regulated institutions comply with their professional obligations arising from any other legislation applicable to them,
- taking, in a timely manner, all administrative measures as well as all disciplinary or financial sanctions aiming to remedy any problems of security or soundness affecting a regulated institution, and
- handling relations with the competent supervisory authorities of the host and home countries of regulated institutions.

Chaired by the Governor of the Central Bank, the Supervisory College is composed of sixteen other members, to wit :

- a representative designated or appointed by each WAMU Member State, namely the Director of the Treasury or the Head of the Directorate in charge of credit institutions, and
- members appointed by the WAMU Council of Ministers, on the recommendation of the Governor of the Central Bank, for their competence in the banking, legal or financial fields or in any other field of expertise deemed to be consistent with the duties involved. Their number is equal to that of the members designated or appointed by the states.

❖ The Resolution College

The Resolution College is responsible for :

- contributing to preserving financial stability,
- ensuring, in conjunction with the Supervisory College, that crisis prevention measures are implemented,
- ensuring crisis resolution measures are implemented,
- ensuring the continuity of the business, services and operations of institutions subject to a resolution procedure,
- avoiding or limiting the need for public financial support, and
- protecting the interests of depositors and creditors.

It is chaired by the Governor of the Central Bank and comprises the following three additional members :

- a representative of the state holding the chairmanship of the WAMU Council of Ministers in the Supervisory College ;
- the Director of the West African Monetary Union Deposit Guarantee and Resolution Fund (FGDR-UMOA), and
- a member appointed by the WAMU Council of Ministers, on the recommendation of the Governor of the BCEAO, for their competence in the banking, legal or financial fields or in any other field of expertise deemed to be consistent with the duties involved.

Furthermore, when a regulated institution is subject to a resolution procedure, the representative of the Supervisory College of the state where it is located is invited to participate in the proceedings as a non-permanent voting member.

The WAMU Banking Commission is chaired by the Governor of the BCEAO. Meetings are held on an as-needed basis, either on the initiative of the Chair or upon request by one-third (1/3) of its members. The Supervisory College is convened at least twice a year, while the Resolution College meets at least once annually. Decisions are made by a majority vote, with the Chairman holding the casting vote in the event of a tie.

Decisions of the WAMU Banking Commission are enforceable as soon as they are notified to the parties concerned. They may be appealed only before the Union's Council of Ministers.

The WAMU Banking Commission keeps the WAMU Council of Ministers regularly informed of the conclusions of its proceedings.

1.2. ORGANIZATION AND ACTIVITIES OF THE GENERAL SECRETARIAT

1.2.1. Organization of the General Secretariat

The Central Bank provides secretarial services and covers the operating expenses of the Banking Commission.

The organization of the General Secretariat of the Banking Commission (GSBC), effective at the end of 2023, revolved around the following bodies :

- Operational Control, which reports to the General Secretary, is responsible for monitoring the operations of the GSBC on a day-to-day basis. It ensures compliance with rules, procedures and standards, as well as the consistency and effectiveness of risk management procedures,
- the Directorate of Crisis Resolution and Legal Affairs (DRCAJ) monitors the crisis resolution process and provides legal assistance to all the departments of the GSBC. It is responsible for crisis prevention and resolution. This body also works to protect the depositors and customers of the regulated institutions. It is also responsible for drafting legal documents, in particular decisions, agreements, contracts, circulars and any other regulatory documents issued by the WAMU Banking Commission, in conjunction with the relevant Departments. The DRCAJ is also responsible for drafting opinions, providing advice and carrying out legal studies,
- the Department of Studies and International Relations (DERI) is responsible for studies relating to the stability of the Union's banking system, examining applications for licenses, declarations of intent and prior authorization, and managing relations with external partners. Collaborating with the relevant departments, it also coordinates the preparation and sending of memos on items on the agenda of WAMU Banking Commission sessions. The DERI also plays a part in drafting the regulations applicable to the regulated institutions,

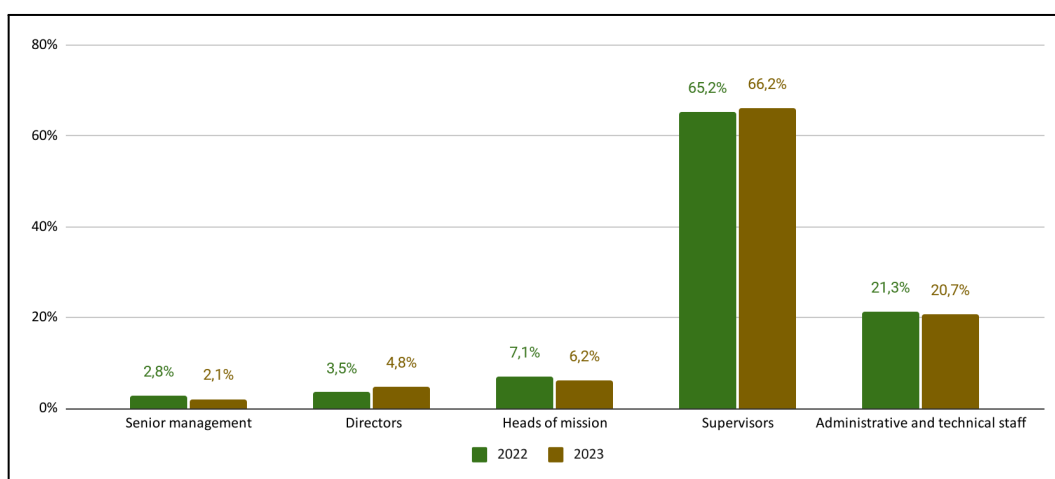
- the Department for the Permanent Supervision of Credit Institutions and Electronic Money Institutions (DSPECEME) is responsible for implementing all documentary controls on the individual situation of credit and electronic money institutions, based on an annual program setting out the areas and frequency of these audits. It also monitors the implementation of administrative measures and sanctions imposed on credit institutions and electronic money institutions by the Supervisory Authority, in conjunction with the departments concerned,
- the Directorate of Permanent Supervision of Decentralized Financial Systems (DPSFD) is in charge of implementing all document-based controls on the individual situation of large microfinance institutions, based on an annual program setting out the areas and frequency of these audits. It also monitors the implementation of administrative measures and sanctions imposed on microfinance institutions by the Supervisory Authority, in conjunction with the relevant departments,
- the Directorate of On-Site Audit of Credit Institutions and Electronic Money Institutions (DCPECEME) is responsible for implementing the inspection program for credit institutions and electronic money institutions. Organized along the lines of an audit firm, it is divided into audit teams, each led by an Inspection Mission Leader,
- the Directorate of On-Site Audit of Decentralized Financial Systems (DCPSFD) is responsible for implementing the inspection program for regulated microfinance institutions (MFIs). Organized along the lines of an audit firm, it is divided into audit teams, each of which is led by an Inspection Mission Leader, and
- the Directorate of General Resources (DMG) is responsible for managing administrative affairs, human resources, IT, accounting, and budgeting.

At the end of the 2023 financial year, the total number of staff employed by the General Secretariat of the WAMU Banking Commission, in all categories, stood at 145, compared with 141 at the end of December 2022.

The breakdown of personnel by category is as follows :

- Senior management (the General Secretary and the two Deputy General Secretaries), representing 2.1%,
- Seven Directors, representing 4.8%,
- Nine Heads of Mission with the rank of Director, representing 6.2%,
- Ninety-six supervisory staff, representing 66.2%, and
- Thirty administrative and technical staff, representing 20.7%.

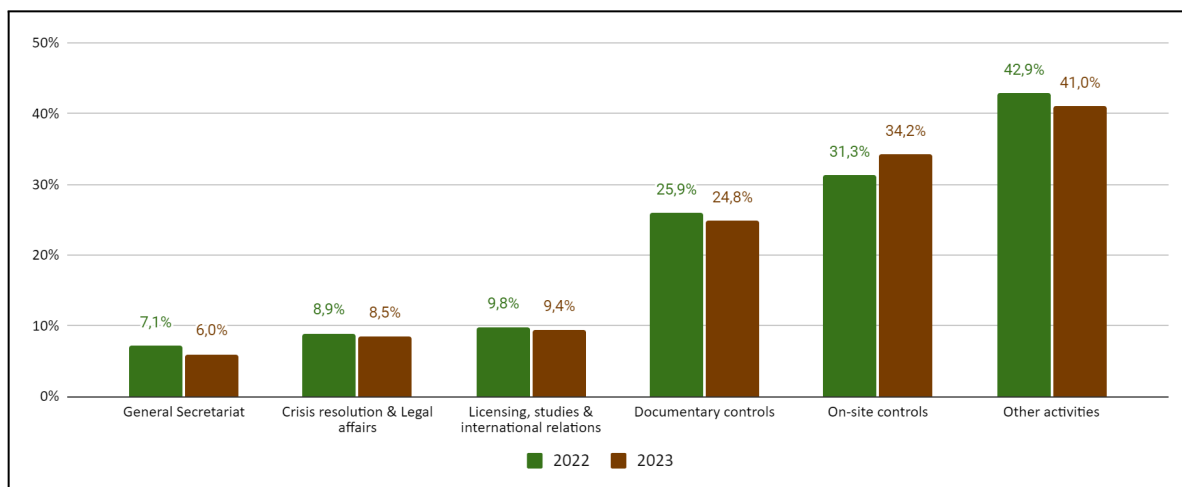
Graph 1 : Breakdown of the personnel of the GSBC by employee category in 2022 and 2023



Source : General Secretariat of the WAMU Banking Commission

Banking supervision activities are carried out by the DRCAJ, the DERI, the DSPECEME, the DSPSFD, the DCPECEME and the DCPSFD. Together, these Directorates totaled 90 employees in 2023, i.e., 62.1% of staff, compared with 60.3% in 2022.

Graph 2 : Breakdown of the personnel of the GSBC by type of activity in 2022 and 2023



Source : General Secretariat of the WAMU Banking Commission

1.2.2. Activities of the General Secretariat

The GSBC's activities focus mainly on processing applications for approval, prior authorization and exemptions from the nationality requirement, supervising regulated institutions (documentary audits, on-site audits, audits of commercial practices), and organizing sessions of the WAMU Banking Commission.

1.2.2.1. Organization of Banking Commission sessions

In 2023, the WAMU Banking Commission held seven sessions of the Supervisory College and one meeting of the Resolution College, on the following dates :

- **Supervisory College sessions :**
 - March 13, 2023,
 - June 14, 2023,
 - July 18, 2023,
 - July 19, 2023,
 - September 19, 2023,
 - October 31, 2023, and
 - December 18, 2023.
- **meeting of the Resolution College :** December 19, 2023.

1.2.2.2. Licensing and prior authorization

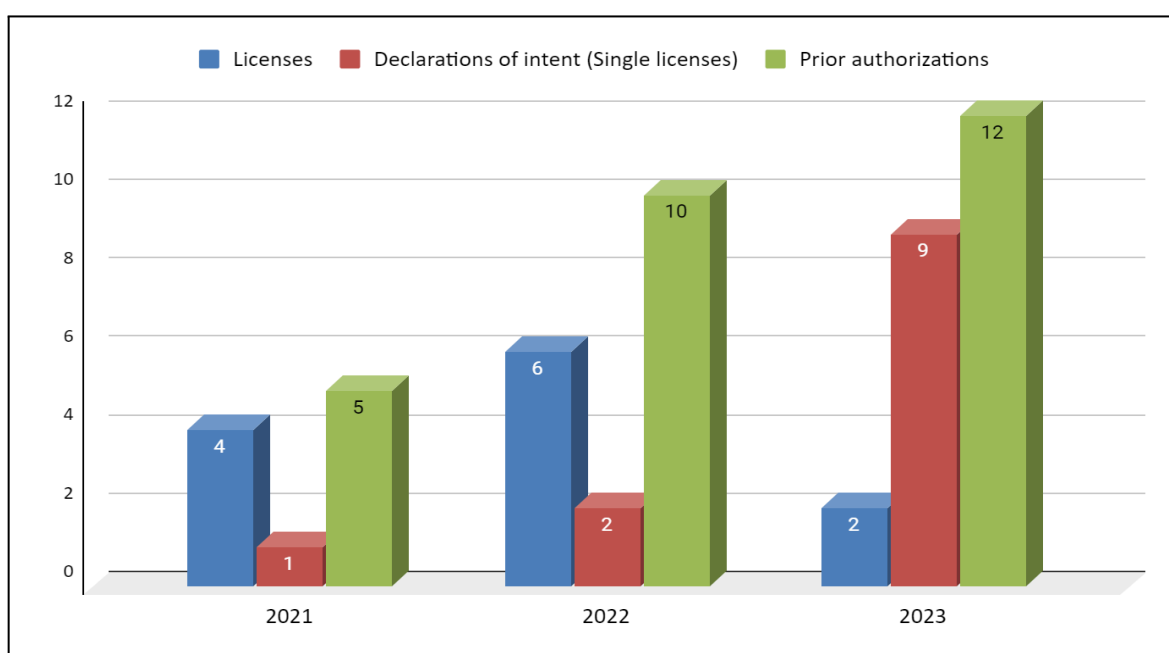
The operations concerned included :

- granting and withdrawal of accreditation,
- declarations of intent to set up branches or subsidiaries,
- acquisition or disposal of equity investments which would result in the interest of any one person, directly or through an intermediary, or of any one group of persons acting jointly, rising above the blocking minority and above the majority of the voting rights in the credit institution, or in the said interest falling below those thresholds,
- modification of the legal form, corporate name or trade name,
- transfer of a registered office to another WAMU Member State,

- merger by absorption or creation of a new company, or demerger,
- early dissolution,
- transfer of more than 20% of assets,
- placing in stewardship or discontinuation of business,
- extension of the activities of bank-like financial institutions, and
- opening of an Islamic branch.

In 2023, 23 applications were processed in relation to this activity, including two license applications, twelve applications for prior authorization and nine declarations of intent to set up a branch under a single license.

Graph 3 : Breakdown of licensing and prior authorization applications processed between 2021 and 2023



Source : General Secretariat of the WAMU Banking Commission

Of the twenty-three applications submitted in 2023, thirteen received a favorable decision from the Supervisory Authority, representing a rate of 56.5%, compared with 50.0% in 2022 and 58.8% over the 2021-2023 period.

Table 1 : Statistics on decisions relating to authorizations and requests for accreditation taken by the Banking Commission between 2021 and 2023

Type of application/Decision		2021	2022	2023	TOTAL
Accreditation and licensing	<i>Favorable</i>	2	2	2	6
	<i>Unfavorable</i>	2	4	0	6
Declarations of intent (single license)	<i>Authorization</i>	1	1	1	3
	<i>Refusal</i>	0	1	8	9
Prior authorization (*)	<i>Favorable</i>	5	6	10	21
	<i>Unfavorable</i>	0	4	2	6
TOTAL		10	18	23	51

(*) *Change in shareholder structure, merger/demerger/partial asset contribution, change of company name, Islamic window.*

Source : General Secretariat of the WAMU Banking Commission

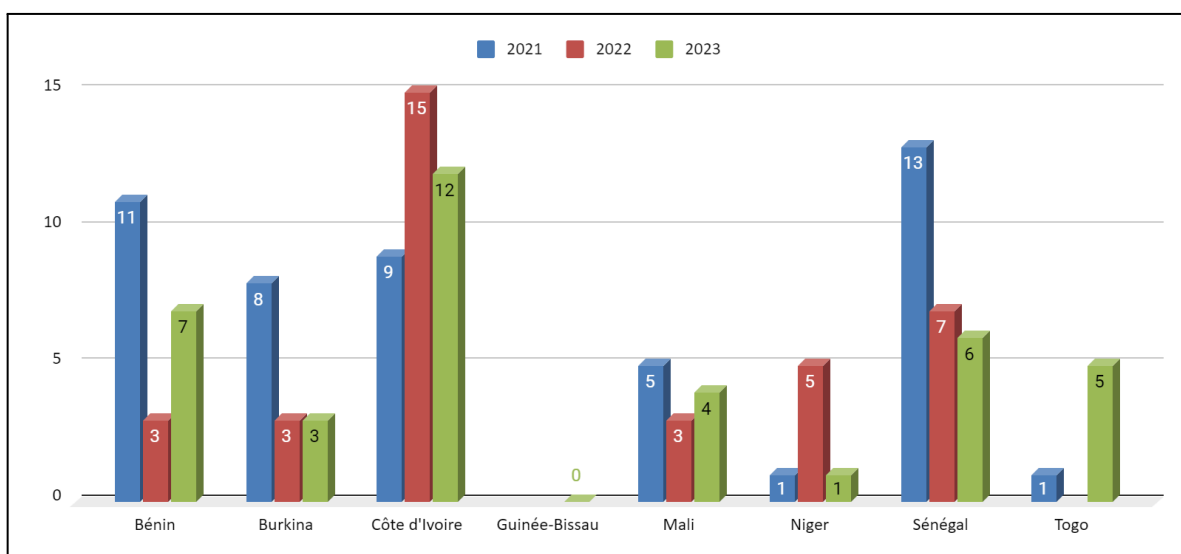
1.2.2.3. Exemptions from the nationality requirement

An exemption is an exceptional authorization granted to a non-WAMU national by the Minister of Finance, upon approval by the Banking Commission, to allow him/her to exercise the functions of director or manager of a credit institution, for which the legislation in force requires that the applicant possess the nationality of a WAMU Member State.

Exemptions from the nationality requirement are also required in cases where there is no agreement laying down the principle of assimilation of nationals of a non-member country, between that country and the country in the Union in which the credit institution where foreign nationals are to exercise at least one of the aforementioned functions is located. Once obtained, such exemptions allow their beneficiaries, by virtue of the principle of general recognition, to carry out functions of the same category, in the same institution or outside it, and even in a credit institution in another Member State.

In 2023, thirty-eight exemptions from the nationality requirement were granted to regulated institutions, compared with thirty-six in 2022, up 5.6% year on year.

Graph 4 : Trends in exemptions from the nationality requirement between 2021 and 2023



Source : General Secretariat of the WAMU Banking Commission

In 2023, all thirty-eight applications submitted were approved by the Banking Commission. Over the 2021-2023 period, the average approval rate was 98.3%.

Table 2 : Statistics relating to approvals granted by the Banking Commission between 2021 and 2023 in connection with exemptions from the nationality requirement

Approvals	2021	2022	2023	TOTAL
Granted	45	35	38	118
Not Granted	1	1	0	2

Source : General Secretariat of the WAMU Banking Commission

1.2.2.4. Document-based audits

Documentary auditing or permanent supervision is based on an analysis of all the regulatory and reporting statements produced by the regulated institutions. These include periodic reports as well as prudential statements, accounting and financial data.

The information and data collected from the regulated institutions are processed and analyzed as part of the assessment of their individual situation. In this way, documentary audits also reveal signs of vulnerability in an institution and may form a basis for appropriate decisions to be made. In this sense, they act as a preventive and early warning system, providing guidance for on-site audits and allowing the General Secretariat to better target its investigations.

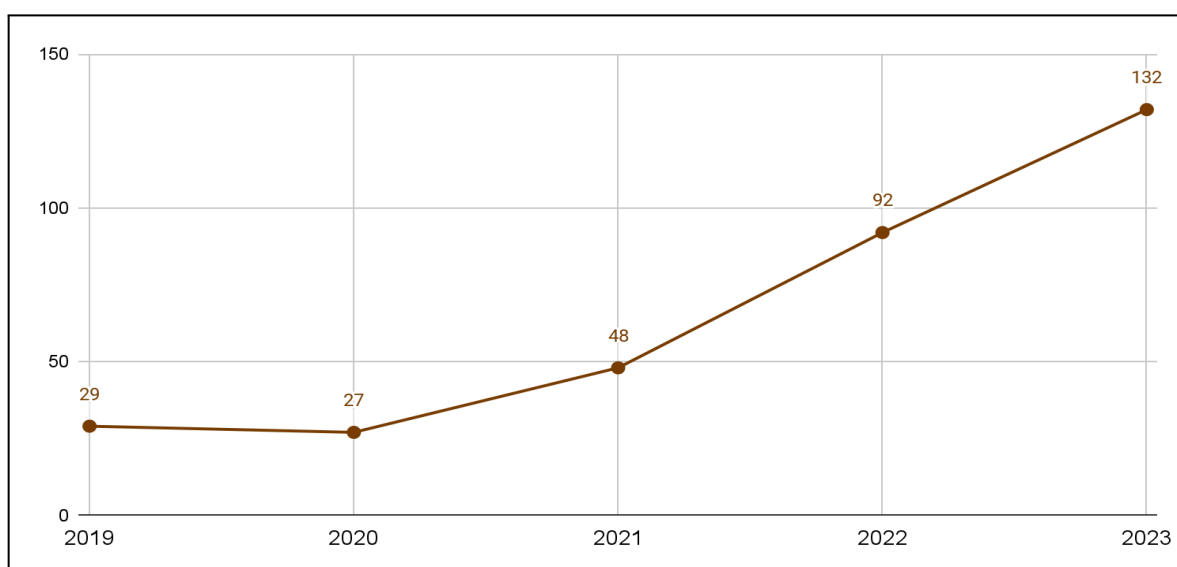
The information received from the regulated institutions also forms the foundation for general or specific studies on overall trends in the banking system as well as on microfinance and electronic money issuing in the WAMU Union.

The General Secretariat updated the internal ratings of credit institutions for the 2023 financial year and carried out the first ratings of MFIs.

In the course of 2023, the Banking Commission validated the preventive recovery plans of seven systemically important financial institutions (SIFIs).

Within the framework of its regular consultations with the banking industry and external partners, the General Secretariat granted 132 meetings to senior executives of regulated institutions and banking groups, compared with 92 in 2022.

Graph 5 : Trends in the number of meetings and working sessions granted to the banking sector and external partners from 2019 to 2023



Source : General Secretariat of the WAMU Banking Commission

The main objective of these meetings is to assess the risks to which regulated institutions are exposed and evaluate their business prospects.

The Supervisory Authority also organized the following meetings :

- the first biannual meeting with the top executives of electronic money institutions, on May 16, 2023,
- the eighth meeting with General Managers of credit institutions and financial companies, on Thursday, November 30, 2023,
- the third meeting with the main managers of large MFIs, on November 26, 2023, preceded by a consultation with the ministerial monitoring bodies for MFIs, and
- meetings with the statutory auditors of credit institutions and large MFIs, on November 30, 2023.

1.2.2.5. On-site audits

On-site audits are conducted on the basis of a schedule approved by the Chairman of the Banking Commission. This schedule is developed as part of an approach based on identified risks, enabling the creation of a list of regulated institutions to be audited. The main criteria for selecting the entities to be included in the audit program are :

- their degree of vulnerability to the primary risks in their business segment, based on the rating system internal to the institutions,
- the systemic importance of the institution,
- the difficulties identified in the monitoring of the implementation of Banking Commission recommendations and decisions, and
- the length of time since the last audit by the Banking Commission.

On-site audits are used to confirm and/or supplement document-based audits. In addition to their main purpose of identifying and assessing the risks incurred by the regulated institutions, they also aim to assess the accuracy of the financial and accounting information provided to the financial and supervisory authorities, compliance with prudential regulations and framework, the quality of management, and the outlook for the regulated institutions.

These audits cover corporate governance, internal and external controls, compliance with accounting principles, prudential standards, and strategic choices. They also cover savings and loan management, anti-money laundering and anti-terrorist financing (AML/CFT) measures, the performance of information systems, the effectiveness of risk management and the implementation of the Banking Commission's recommendations.

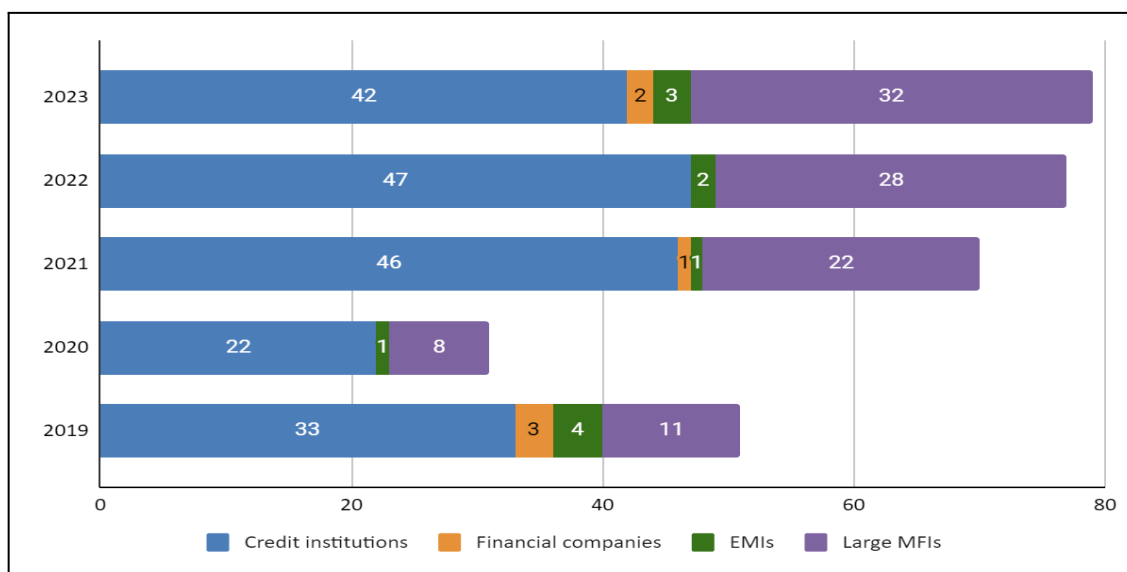
On-site inspections may be extended to include affiliated companies. They may be general, specific or thematic in nature.

General audits are designed to assess the start-up conditions of newly licensed entities, aiming to assess all areas of a regulated entity's activities and management. Specific or targeted audits cover a more limited range of fields and focus on a particular aspect of a risk involving the management or situation of a regulated institution or group of institutions. Thematic audits deal with a cross-cutting issue common to several institutions.

In addition, due diligence was carried out on the implementation of recommendations from previous audits for the institutions concerned.

The audit plan for 2023 was based on a target of 79 regulated institutions, including 41 credit institutions, three financial companies, three electronic money institutions (EMIs), and 32 large MFIs. The implementation covered a total of 79 regulated entities which were effectively audited, namely 42 credit institutions, 2 finance companies, 3 EMIs and 32 large MFIs.

Graph 6 : Number of institutions audited by category of regulated institutions between 2019 and 2023



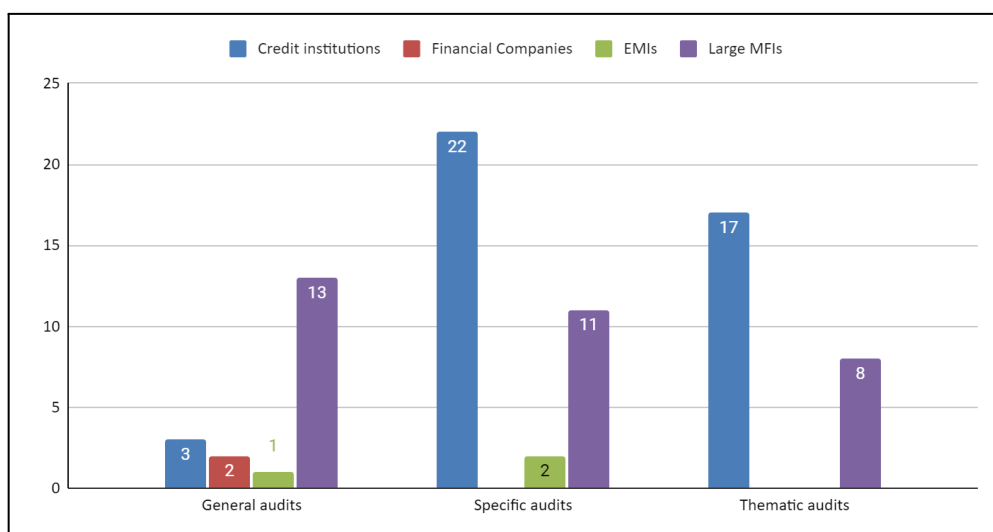
Source : General Secretariat of the WAMU Banking Commission

The audits carried out can be broken down as follows :

- one credit institution, as part of an overall audit of business start-up conditions,
- twenty-two credit institutions through specific checks,
- two financial companies,
- sixteen credit institutions for AML/CFT thematic missions,
- one institution, as part of an audit carried out jointly with another supervisor, on the evaluation of the AML/CFT system and the management of cyber-risks,
- two subsidiaries of banking groups based outside WAMU, as part of joint audits with banking groups' host supervisors,
- three EMIs, one for a general audit and the other two for specific audits,
- thirteen MFIs for general audits,
- eleven MFIs for specific audits, and
- eight MFIs for AML/CFT thematic audits.

As a result, the overall implementation rate for the 2023 audit program was 100%. In addition to the implementation of this program, twelve systemically important financial institutions (SIFIs) underwent remote checks on credit risk and aspects of their AML/CFT systems.

Graph 7 : Breakdown of institutions audited in 2023 by type of regulated entity and type of audit



Source : General Secretariat of the WAMU Banking Commission

1.2.2.6. Audits of commercial practices

In 2020, as part of the missions defined in article 2 of the Annex to the Convention governing the WAMU Banking Commission, in particular *"ensuring the protection of depositors and contributing to maintaining the stability of the regional financial system"*, the Community Supervisory Authority set up a system for managing customer complaints within the Union. This system is governed by Circular no. 002-2020/CB/C of September 18, 2020, on handling complaints from customers of institutions regulated by the Banking Commission.

In 2023, the GSBC handled a total of 123 complaints, compared with 56 in 2022, representing an increase of 119.6%.

Customer complaints mainly concerned bank transfers and direct debits (42), account management (20), credit transactions (14) and account closures (13).

Table 3 : Trends in the number of complaints broken down by category

Types of complaints	2021	2022	2023
Account opening	-	-	-
Account closure	1	5	13
Account management	2	7	20
Payment instruments	-	3	2
Bank transfers and direct debits	12	18	42
Value dates applied	-	4	1
Banking fees	3	1	6
Remote banking services	-	-	-
Payment incidents	-	1	3
Foreign exchange transactions	-	-	4
Credit transactions	2	8	14

Types of complaints	2021	2022	2023
Foreign transactions	-	-	-
Other banking services	5	9	18
TOTAL	25	56	123

Source : General Secretariat of the WAMU Banking Commission

In 2023, 82.9% of the complaints received were filed by individuals, compared with 71.4% in 2022. They mainly came from Cote d'Ivoire (68.0%) and Senegal (15.0%), in line with the trend of the last three years. The breakdown of requests recorded in 2023 is as follows : Benin (7), Burkina Faso (4), Cote d'Ivoire (84), Guinea-Bissau (1), Mali (3), Senegal (18) and Togo (6).

Table 4 : Trends in the number of complaints broken down by country

Country	2021	2022	2023
Benin	2	1	7
Burkina Faso	1	2	4
Cote d'Ivoire	16	34	84
Guinea-Bissau	-	1	1
Mali	-	1	3
Niger	-	-	-
Senegal	5	14	18
Togo	1	3	6
WAMU	25	56	123

Source : General Secretariat of the WAMU Banking Commission

In 2023, 65.0% of cases investigated and referred to the relevant regulated institutions were resolved in favor of the claimants, compared with 25.0% in 2022.

1.2.2.7. Other activities

In 2023, the GSBC took part in the sessions of the WAMU Financial Stability Committee (WAMU-FSC).

In anticipation of the 23rd and 24th ordinary sessions of the WAMU-FSC, the GSBC was actively involved in the activities of the Expert Group, which focused on analyzing macroprudential surveillance indicators, mapping financial system risks, and identifying and analyzing the main vulnerability factors that could impact the resilience of the financial sector

Box 1 : A brief overview of crisis resolution in WAMU

The WAMU crisis resolution framework came into force on January 2, 2018. It is structured around a resolution authority and a resolution financing institution, which is the West African Monetary Union Deposit Guarantee and Resolution Fund (FGDR-UMOA).

The Banking Commission is the WAMU resolution authority. It fulfills this responsibility through its Resolution College, which is responsible for implementing crisis prevention and resolution measures.

As part of its **preventive measures**, the Resolution College ensures that early intervention measures taken by the Supervisory College are executed.

Crisis resolution by the Resolution College aims to ensure the continuity of critical functions, avoid the negative effects of a banking crisis on financial stability, avoid or limit recourse to public financial support and protect the interests of depositors and creditors. The resolution framework is implemented whenever an institution, in particular a systemically important banking institution, "**is deemed to be non-viable with no prospect of restoring viability**".

Within this context, the Resolution College has access to specific instruments and exceptional powers provided for by the regulations in force.

In respect of **resolution instruments**, it may decide to transfer all or part of one or more business lines of an institution in resolution to one or more purchasers, to create a bridge institution, to cancel liability instruments or convert them into property titles, or to apply other measures contained in the Annex to the Convention governing the Banking Commission.

To execute one or more of the aforementioned instruments, the Resolution College has **exceptional powers** to take control of an institution in resolution, transfer all or part of its assets and liabilities, depreciate, cancel or convert shares, ownership interests or other equity or debt instruments, suspend or restrict any contracts, obligations or rights of the institution, its shareholders or management, set up a continuity mechanism or any other measure provided for in the texts governing the Banking Commission. The Resolution College appoints a special administrator responsible for executing the resolution plan it has drawn up and implementing all resolution measures.

In exercising its powers, the Resolution College does not require the prior authorization or consent of any public authority or private individual, shareholders in particular. In addition, no provisions or stipulations may be enforced against the Resolution College, the application of which would have the effect of hindering a resolution measure.

Resolution actions are funded primarily through private mechanisms, having recourse in the first instance to internal stakeholders of the institution in question, particularly its shareholders and creditors, and then the WAMU Deposit Guarantee and Resolution Fund. The latter intervenes under the terms and conditions it determines.

Chapter II

REGULATORY FRAMEWORK GOVERNING THE ACTIVITIES OF INSTITUTIONS REGULATED BY THE WAMU BANKING COMMISSION

2.1. INSTRUMENTS GOVERNING THE ACTIVITIES OF REGULATED INSTITUTIONS

In addition to the common law applicable to commercial companies, the following main instruments regulate the activities of credit institutions, financial companies, MFIs and electronic money institutions :

- the WAMU Treaty of January 20, 2007,
- the Convention of April 6, 2007, governing the Banking Commission, including its annex,
- the Uniform Banking Act and its implementing instructions,
- the Uniform Act regulating microfinance institutions, as well as its implementing decree and instructions,
- the Uniform Act defining and punishing usury,
- the Uniform Act on money laundering and terrorist financing and its implementing instructions,
- the Uniform Act regulating credit information bureaus in WAMU Member States and its implementing instructions,
- Regulation No. 09-2010/CM/UEMOA of October 1, 2010, on the external financial relations of WAEMU Member States and its implementing instruments,
- Regulation No. 015-2002/CM/UEMOA of September 19, 2002, on payment systems in WAEMU Member States and its implementing instruments,
- the revised WAMU Banking Chart of Accounts (BCA) and its application instructions,
- the Specific Accounting Standards for MFIs (RCSFD) in WAMU,
- prudential requirements applicable to credit institutions and financial companies in WAMU,
- Decision No. 014/24/06/2016/CM/UMOA on the supervision on a consolidated basis of parent credit institutions and financial companies in WAMU,
- Banking Commission Circulars,
- Instruction No. 008-05-2015 of May 21, 2015, governing the terms and conditions of the activities of issuers of electronic money in the WAEMU Member States,
- Instruction No. 001-01-2020 of January 31, 2020, relating to the accounting treatment of electronic money transactions by issuing institutions,
- Instruction No. 002-03-2018 of March 21, 2018, relating to special provisions applicable to credit institutions carrying out Islamic finance activities,
- Instruction No. 003-03-2018 of March 21, 2018, relating to the special provisions applicable to microfinance institutions carrying out Islamic finance activity,
- Instruction no. 004-05-2018 of May 2, 2018, relating to the technical characteristics of Islamic finance operations carried out by credit institutions in the West African Monetary Union (WAMU), and
- Instruction No. 005-05-2018 of May 2, 2018, on the technical characteristics of Islamic finance operations carried out by microfinance institutions in the West African Monetary Union (WAMU).

2.2. NEW INSTRUMENTS ADOPTED IN 2023

The following new instruments pertaining to the monitoring of entities subject to the supervision of the WAMU Banking Commission were adopted in 2023 :

- Uniform act to combat money laundering, the financing of terrorism and the proliferation of weapons of mass destruction in WAMU Member States, March 31, 2023,
- Directive no. 01/2023/CM/UEMOA of March 31, 2023, on the fight against money laundering, the financing of terrorism and the proliferation of weapons of mass destruction in WAMU Member States,
- Convention of March 31, 2023, governing the Banking Commission, including its annex,
- Uniform act on banking regulations in WAMU Member States, June 16, 2023, and
- Uniform act regulating microfinance in WAMU Member States, December 19, 2023.

In addition, the Council of Ministers of the West African Monetary Union (WAMU) issued Decision no. 020 of 21/12/2023/CM/UMOA to raise the minimum share capital of banks in the Union from 10 to 20 billion CFA francs, with effect from January 1st, 2024. Similarly, by Decision no. 021 of 21/12/2023/CM/UMOA, it set the thresholds for the implementation of the uniform act on the fight against money laundering, the financing of terrorism and the proliferation of weapons of mass destruction in WAMU Member States.

Chapter III

ACTIONS AND MEASURES

3.1. Trends in the membership of the Banking Commission

Changes were made to the membership of the Banking Commission in 2023.

With regard to the Supervisory College, Mr. Arthur Ahoussi, Deputy Director General of the Treasury and Public Accounting at the Ministry of Finance and Budget of the Republic of Cote d'Ivoire, and Mr. Siaka Samake, National Director of the Treasury and Public Accounting at the Ministry of Economy and Finance of the Republic of Mali, were appointed to the College as representatives of their respective countries. No changes were made in respect of the members appointed by the WAMU Council of Ministers.

As to the Resolution College, Mrs. Patricia Marie-Laure Anoma, in her capacity as Director of the WAMU Deposit Guarantee and Resolution Fund, and Mr. Arthur Ahoussi, Representative to the Supervision College of the state holding the presidency of the WAMU Council of Ministers, became members.

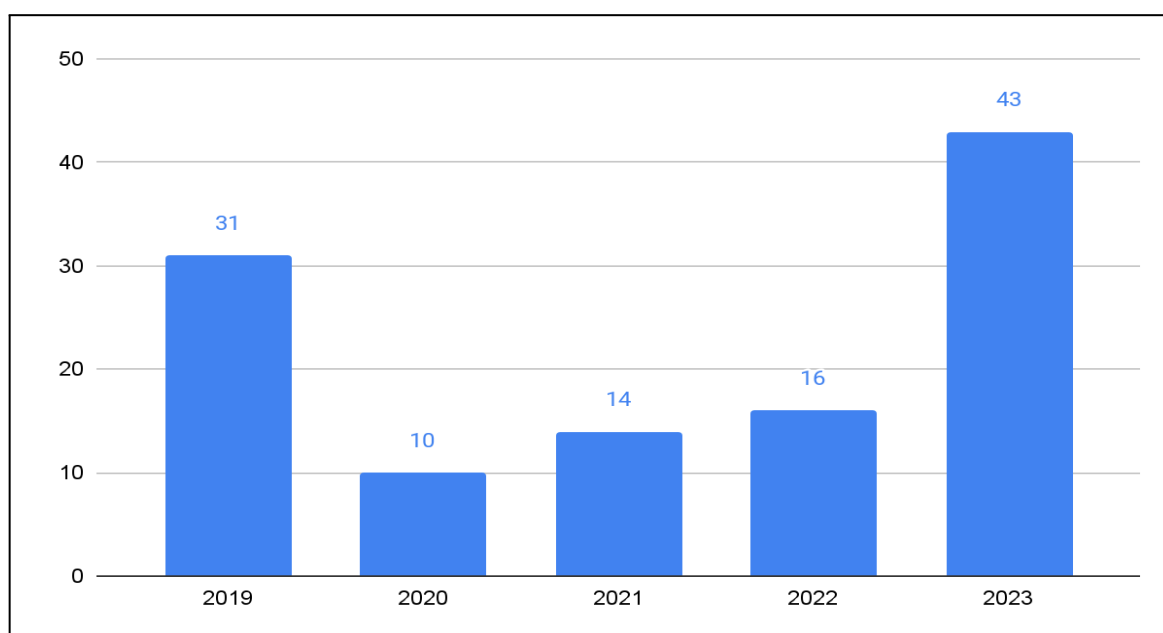
3.2. Updating of the list of systemically important financial institutions (SIFIs)

In 2023, the WAMU Banking Commission updated its list of SIFIs, resulting in removals and new registrations. Four banks were removed from the list : one each in Benin, Cote d'Ivoire, Mali and Senegal. There were three new registrations of banks, based respectively in Benin, Burkina Faso and Cote d'Ivoire, which were added to the list of SIFIs. A total of thirty-two⁴ SIFIs were registered on the new list, including seven regional SIFIs and 26 domestic SIFIs.

3.3. Administrative measures

Pursuant to the provisions of Articles 22 and 29 of the Annex to the Convention governing the WAMU Banking Commission, the Banking Commission issued forty-three injunctions in the 2023 financial year, compared with sixteen in 2022.

Graph 8 : Trends in the number of injunctions issued by the Banking Commission



Source : General Secretariat of the WAMU Banking Commission

⁴ One of the banks based in Cote d'Ivoire qualifies as both a domestic and a regional SIFI.

The injunctions were addressed to thirty-two credit institutions based in Benin (3), Burkina Faso (5), Cote d'Ivoire (7), Mali (6), Niger (1) and Senegal (10), three MFIs based in Burkina Faso (2) and Cote d'Ivoire (1) and two EMIs based in Cote d'Ivoire (1) and Senegal (1).⁵

In general terms, these injunctions focused on :

- correcting any deficiencies identified during the audits,
- ensuring scrupulous compliance with legal and regulatory anti-money laundering and terrorist financing requirements,
- bringing the decision-making body into line with regulatory requirements relating to the governance of credit institutions, with a view to ensuring its smooth and efficient operation,
- strengthening the internal audit system to bring it into line with applicable legislation,
- ensuring the effective and full implementation of risk management requirements, and
- ensuring full compliance with current prudential standards and, in particular, that the minimum share capital is represented by tier one capital.

In addition, the Supervisory Authority issued injunctions to SIFIs that were removed from the list, for the purpose of maintaining the specialized committees and control functions required by their previous status for a period of one year from notification of the Supervisory Authority's decision.

In addition, the Supervisory Authority lifted the close supervision of one credit institution established in Burkina Faso, due to its completion of the due diligences required by the Supervisory Authority.

3.4. Disciplinary and financial penalties

Pursuant to the provisions of Articles 31 and 32 of the annex to the Convention governing the WAMU Banking Commission, the Supervisory Authority, after duly summoning and hearing the directors of credit institutions, EMIs and MFIs based in WAMU, issued the following disciplinary sanctions :

❖ **Reprimands**, against :

- twenty-six credit institutions⁶ in Benin (2), Burkina Faso (4), Cote d'Ivoire (6), Mali (4) and Senegal (8),
- three MFIs based in Benin (1), Burkina Faso (1) and Cote d'Ivoire (1),
- two EMIs based in Cote d'Ivoire (1) and Senegal (1), and
- the Provisional Administrator of a credit institution based in Togo.

❖ **Warnings** :

- one bank based in Benin, and
- one MFI located in Burkina Faso.

❖ **Withdrawal of accreditation** of one MFI based in Burkina Faso.

❖ **Financial penalties**

Pursuant to the provisions of Article 31.2 of the Annex to the Convention governing the WAMU Banking Commission and the implementing instructions for the banking and MFI regulation acts, the Supervisory Authority imposed, in addition to disciplinary sanctions, twenty-nine financial sanctions⁷ on :

- twenty-three credit institutions, located respectively in Benin (2), Burkina Faso (4), in Cote d'Ivoire (5), Mali (6), and Senegal (6),
- one MFI in Burkina Faso,

⁵Six institutions from Benin (1), Cote d'Ivoire (2), Mali (1) and Senegal (2) each received two injunctions.

⁶ Four institutions from Benin (1), Cote d'Ivoire (1), Mali (1) and Senegal (1) each received two reprimands.

⁷ Three institutions from Cote d'Ivoire (1) and Senegal (2) each received two financial penalties.

- two EMIs based in Cote d'Ivoire (1) and Senegal (1).

In 2023, the total amount of financial penalties imposed by the Banking Commission, for all those subject to fines, came to FCFA 6,536 million, compared with FCFA 1,971 million a year earlier. This sum was collected by the BCEAO on behalf of the national treasuries of the countries in which the sanctioned institutions are located, in accordance with the regulations in force.

3.5. Notices to Ministers of Finance

3.5.1. Ordinary notices

❖ Extension of the terms of office of interim administrators

The WAMU Banking Commission issued three notices of assent for the extension of the terms of office of the interim administrators of one bank based in Togo, and two MFIs in Benin (1) and Mali (1).

The purpose of these extensions was to enable the entities concerned, in conjunction with the national authorities, to finalize all the due diligences required by the terms of reference of their missions, in application of the provisions of Articles 60 and 61 of the Banking Regulation Act and Articles 62 and 63 of the Act regulating MFIs.

❖ Lifting of provisional administration

The WAMU Banking Commission issued one favorable assent for the lifting of the provisional administration of one MFI based in Burkina Faso.

❖ Extension of the term of office of a liquidator

The Supervisory Authority issued one approval notice for the extension of the liquidation period and the term of office of the liquidator of an MFI based in Benin, in accordance with Article 35 of the Annex to the Convention governing the WAMU Banking Commission, in order specifically to enable the said liquidator to finalize all due diligences required by the terms of reference of their mandate.

3.5.2. Binding notices

❖ Accreditation and licensing

In 2023, the WAMU Banking Commission issued two approval notices for applications to operate as a bank and a bank-like financial institution to two companies based respectively in Senegal (1) and Cote d'Ivoire (1).

❖ Withdrawal of accreditation

The Banking Commission issued one favorable assent to an application to withdraw the license of a bank based in Cote d'Ivoire. This request followed the partial transfer of assets from the bank to another bank based in the country.

❖ Changes in ownership structure

Pursuant to the provisions of Articles 15, 16, 39, and 41 of the Banking Regulation Act, the WAMU Banking Commission issued five favorable opinions on applications for prior authorization to modify the shareholding structure of credit institutions based in Benin (1), Burkina Faso (1) Cote d'Ivoire (1), and Senegal (2).

❖ Changes of company names

The Supervisory Authority issued three favorable opinions on requests for prior authorization to change the corporate name of three banks based in Benin (1), Cote d'Ivoire (1) and Mali (1).

The Supervisory Authority also issued one unfavorable opinion on a request for prior authorization to change the corporate name of a bank based in Senegal.

❖ **Ceilings on loans to major shareholders, executives, employees, and statutory auditors**

The Banking Commission issued three unfavorable opinions on requests for exemptions from the ceiling on loans to major shareholders, executives, staff, and statutory auditors submitted by two banks based in Senegal.⁸

❖ **Opening of an Islamic branch**

The WAMU Banking Commission issued one unfavorable opinion on a request for prior authorization to open an Islamic branch in a bank based in Cote d'Ivoire.

❖ **Partial transfer of assets from one bank to another**

The WAMU Banking Commission issued one favorable assent to a request for prior authorization for the partial transfer of assets from a bank based in Cote d'Ivoire to another bank based in the same country.

❖ **Declarations of intent to set up branches or subsidiaries**

The Banking Commission authorized the setting up in Senegal of one branch of a bank based in Cote d'Ivoire. On the other hand, it issued a refusal for the setting up of eight branches, following applications from a bank⁹ and two bank-like financial institutions.¹⁰

❖ **Exemptions from the nationality requirement for directors and officers who are not nationals of Member States**

During the period under review, the WAMU Banking Commission issued thirty-eight favorable assents, pertaining to twenty-seven administrators' terms of office and eleven executive positions, in response to requests from credit institutions for persons who were not nationals of WAMU Member States to be appointed to management or administrative positions.

3.6. Other measures

3.6.1. Approval of the appointment or reappointment of statutory auditors

The Banking Commission approved the appointment or reappointment of the statutory auditors of the following entities :

- thirty-one credit institutions in Burkina Faso (2), Cote d'Ivoire (9), Guinea-Bissau (1), Mali (4), Niger (2), Senegal (10), and Togo (3),
- two (2) financial companies based in Cote d'Ivoire (1) and Togo (1), and
- twenty three MFIs in Benin (2), Cote d'Ivoire (1), Mali (1), Senegal (12), and Togo (7).

3.6.2. Other decisions

The Supervisory College took the following further decisions during the year under review :

- directors from twenty-seven credit institutions in Benin (3), Burkina Faso (4), Cote d'Ivoire (5), Mali (6), Niger (1), Senegal (7) and Togo (1), five MFIs in Benin (1), Burkina Faso (3) and Cote d'Ivoire (1), and two EMIs in Cote d'Ivoire (1) and Senegal (1) were summoned to disciplinary hearings. The former Chairman of the Board of Directors of a bank in Benin was also summoned to a hearing. These summonses were issued in respect of breaches of regulations in force or shortcomings identified following audits,
- suspended ruling in disciplinary proceedings against two banks established in Niger (1) and Senegal (1),
- closure of disciplinary proceedings against one bank based in Cote d'Ivoire,
- three banks based in Burkina Faso (1), Cote d'Ivoire (1) and Senegal (1) were refused temporary exemptions from the risk division ratio,

⁸ One of the banks received two unfavorable opinions.

⁹ The bank's declaration of intent was to open two branches, one in Senegal and one in Togo.

¹⁰ One of the institutions declared its intention to set up five branches, one each in Benin, Burkina Faso, Cote d'Ivoire, Mali and Togo. The other was planning to open a branch in Cote d'Ivoire.

- refusal to extend the time limit for holding non-operating fixed assets acquired through the realization of guarantees, following requests from two banks based in Benin (1) and Senegal (1),
- placing of one Benin MFI under provisional administration for a period of six months, due to the impossibility of ensuring management under normal conditions, in view of persistent breaches of the regulations governing MFIs, operations that have been structurally loss-making for several years, and capital requirements, notwithstanding the corrective measures recommended by the Banking Commission,
- liquidation of one MFI based in Burkina Faso,
- lifting of the ban on dividend distribution imposed on two credit institutions based in Burkina Faso (1) and Cote d'Ivoire (1),
- requests to extend provisional administration, terminate the duties of the provisional administrator and replace them ;
- adoption and publication of the list of SIFIs,
- adoption of the articles of association of the Federation of Professional Associations of Banks and Financial Institutions in Mali, and
- validation, for 2023, of preventive recovery plans for seven SIFIs, including one regional and six domestic SIFIs.

In 2023, the Resolution College adopted eight resolution plans pertaining to one regional SIFI and seven domestic SIFIs, located in Benin, Cote d'Ivoire, Guinea-Bissau, Mali, Senegal and Togo.

Chapter IV
COOPERATION AND TRAINING ACTIVITIES

4.1. COOPERATION ACTIVITIES

In 2023, cooperative actions focused mainly on *(i)* implementing agreements signed between the WAMU Banking Commission and counterpart supervisory authorities, *(ii)* relations with supervisory authorities of banking groups operating in the Union, and *(iii)* participation in bilateral and multilateral meetings with regional and international financial bodies and institutions.

4.1.1. Implementation of cooperation agreements

As part of the implementation of cooperation agreements, the General Secretariat of the WAMU Banking Commission hosted a delegation from the General Secretariat of the Central African Banking Commission (SG-COBAC) in Abidjan, Cote d'Ivoire, from February 1st to 7, 2023, for a study visit on the operational aspects of the single authorization mechanism and the activities of intermediaries in banking operations in WAMU. They also took part in the 10th bilateral meeting between the two Supervisory Authorities, held on May 4 and 5, 2023, in Libreville, Gabon.

4.1.2. Relations with supervisors of banking groups operating in WAMU

The Supervisory Authority continued to strengthen its cooperative relations with foreign supervisors and regulators through several meetings held as part of the implementation of the Basel Committee's recommendations for effective supervision of cross-border banking groups.

In this respect, the WAMU Banking Commission, in its capacity as home supervisor, organized the 9th meetings of the College of Supervisors of the Orabank group and the College of Supervisors of the Ecobank group, respectively on October 12 and on October 25-26, 2023.

In addition, the GSBC also attended three meetings, via videoconference, of the supervisory colleges of foreign banking groups with subsidiaries in the Union :

- the meeting of the College of Supervisors of BMCE/Bank of Africa subsidiaries on November 20, 2023, in Casablanca, Morocco,
- meeting of the College of Supervisors of Banque Centrale Populaire (BCP) group subsidiaries, on November 22, 2023, in Casablanca, Morocco,
- meeting of the College of Supervisors of Attijariwafa bank (AWB) subsidiaries on November 24, 2023, in Casablanca, Morocco.

4.1.3. Relations with other regional and international organizations and financial institutions

The GSBC took part in bilateral and multilateral meetings on specific issues and topics of common interest, as part of relations with other regional and international organizations and financial institutions. In 2023, the General Secretariat was involved in the following events :

- forty-fourth meeting of the College of Supervisors of the West African Monetary Zone (CSWAMZ), from February 2 to 9, 2023, in Banjul, Gambia,
- meeting of the Committee of Experts on the harmonization of regulatory and supervisory frameworks for banking and micro-finance institutions in ECOWAS Member States, organized by the West African Monetary Agency (WAMA), on March 2 and 03, 2023, by videoconference,
- plenary meeting of the Groupe des Superviseurs Bancaires Francophones (GSBF) for 2023, on March 30 and 31, 2023 in Port-Louis, Mauritius,
- annual conference and meeting of the Community of African Banking Supervisors (CABS) of the Association of African Central Banks (AACB) for 2023, on April 6 and 7, 2023, in Banjul, Gambia,
- meeting with the joint WAMA-ECOWAS multilateral surveillance mission, from April 20 to 24, 2023, in Abidjan, Cote d'Ivoire,
- forty-fifth meeting of the CSWAMZ, from May 8 to 10, 2023, in Accra, Ghana,

- workshop of the committee of experts on the harmonization of regulatory and supervisory frameworks for banking and non-banking financial institutions in ECOWAS, organized by WAMA from June 12 to 16, 2023, in Freetown, Sierra Leone,
- forty-sixth meeting of the CSWAMZ, from September 7 to 14, 2023, in Accra, Ghana,
- second CABS Fintech Forum, November 13-15, 2023, in Abuja, Nigeria,
- annual meeting of the Groupe des Superviseurs Bancaires Francophones (GSBF), on November 17, 2023, by videoconference,
- twenty-first annual meeting and seminar of the Committee of Banking Supervisors of West and Central Africa (CSBAOC), held from November 20 to 25, 2022 in Abuja, Nigeria,
- forty-seventh meeting of CSWAMZ, November 27-December 1, 2023, in Koforidua, Ghana,
- meeting to set up the CABS Supervisory College to Combat Money Laundering and Terrorist Financing, on November 30 and December 1, 2023, in Pretoria, South Africa,
- meeting of the CABS Working Group on cross-border supervision, on December 13, 2023, by videoconference.

In addition to these actions within the framework of the implementation of cooperation agreements and participation in the activities of other external partners, the GSBC also attended the following meetings :

- face-to-face meeting with the ICRG Joint Group on the implementation of Mali's action plan, on January 11, 2023, by videoconference,
- eighteenth high-level meeting for Africa organized by the Financial Stability Institute (FSI), the Basel Committee on Banking Supervision and the South African Reserve Bank (SARB), on February 1st and 2, 2023, in Cape Town, South Africa,
- meeting with joint IMF and World Bank teams on the conclusions and recommendations of the WAMU Financial Sector Assessment Program (FSAP), on April 27, 2023, at BCEAO headquarters,
- forum on sustainable finance organized by the Bank of Central African States (BEAC), on May 8 and 9, 2023, in Douala, Cameroon,
- thirty-ninth Plenary/Technical Commission and Working Groups meeting of the Intergovernmental Action Group against Money Laundering in West Africa (GIABA), from May 28 to June 2, 2023, in Praia, Cabo Verde,
- second public- and private-sector consultative forum initiated by GIABA, on August 21 and 22, 2023, by videoconference,
- face-to-face meeting with FATF expert assessors on the 5th, 6th and 7th monitoring reports for Mali, Burkina Faso and Senegal respectively, as part of the ICRG processes, on September 11, 2023, in Amman, Jordan,
- international workshop on the risks of climate change and biodiversity loss, organized by the Network for Greening the Financial System (NGFS), on October 3-5, 2023, by videoconference,
- thirty-third FATF plenary meeting, on October 25-27, 2023, in Paris, France,
- twentieth anniversary of AFRITAC West, on November 8, 2023, by videoconference,
- fortieth GIABA Plenary/Technical Commission and Working Groups meeting, held on November 16-17, 2023, in Abuja, Nigeria, and
- second semi-annual meeting of the Anti-Money Laundering Liaison Committee (CLAB), on December 14, 2023, by videoconference.

4.2. TRAINING ACTIVITIES

As in previous years, the General Secretariat of the WAMU Banking Commission carried out capacity-building activities for its staff, by organizing and participating in training courses.

4.2.1. In-house training and seminars

Training sessions on banking supervision were organized in collaboration with the IMF's AFRITAC West center. They focused on the following topics :

- on-site inspection of IT risk, from January 30 to February 3, 2023,
- the prudential supervision process and early warning system, from March 6 to 10, 2023,
- the conduct of stress tests by the Supervisory Authority, from April 12 to 14, 2023,
- accreditation procedures, from June 21 to 23, 2023,
- asset quality review, from July 5 to 7, 2023, and
- supervision of market and interest rate risk on the banking portfolio, in partnership with AFRITAC West, from August 30 to September 1, 2023.

4.2.2. External training and seminars

Staff from the General Secretariat of the WAMU Banking Commission took part in external virtual training courses and seminars organized by other organizations and institutions. They mainly focused on the following themes :

- the internal capital adequacy assessment process (ICAAP) and the supervisory review and risk evaluation process (SREP), organized by France's Autorite de Controle Prudentiel et de Resolution (ACPR), on January 13, 2023,
- risk management for Islamic financial institutions and fundamental principles of Islamic finance regulation, by the Islamic Financial Services Board (IFSB), March 2, 2023,
- climate-related financial risks, delivered by the CSWAMZ, from March 20 to 24, 2023, in Abuja, Nigeria,
- the resolution framework (BRRD1, BRRD2 & CRR2) and TLAC/MREL ratios, organized in partnership with the AFGES training center, on November 24, 2023, and
- combating money laundering and terrorist financing, organized within the framework of cooperation between the Banque de France and the BCEAO, from December 12 to 15, 2023.

Chapter V
ACTIVITIES AND MONITORING OF REGULATED ENTITIES


5.1. ECONOMIC AND FINANCIAL ENVIRONMENT

In 2023, the international economic and financial environment was marked by a slowdown in global economic activity, induced by the lingering effects of the health crisis, the geopolitical crisis and the Russian-Ukrainian crisis. The resulting inflationary pressures led central banks to tighten monetary policy. According to estimates published by the International Monetary Fund (IMF), the global economy grew by 3.1% in 2023, following 3.5% growth in 2022.

Economic activity in WAEMU remained generally buoyant in 2023, despite the global economic slowdown and the fragile socio-political and security climate in the West African sub-region. The Union's gross domestic product (GDP) grew by 5.3% in real terms, after 5.5% growth in 2022, thanks to the strong performance of mining, manufacturing, trade and services, as well as a buoyant construction sector.

5.2. STATUS OF CREDIT INSTITUTIONS AND FINANCIAL COMPANIES

5.2.1. Credit institutions

	<p>160 licensed credit institutions, including 4 newly licensed in 2023</p> <p>157 credit institutions in operation</p> <p>26 banks on the domestic SIFI list</p> <p>114 credit institutions affiliated with 34 banking groups, accounting for 82.9% of total credit institution assets</p> <p>Total assets of credit institutions rose by 2.9% to stand at 65,921.3 billion</p> <p>Customer loans up 7.8% to stand at 35,264.0 billion</p> <p>Deposits rose by 3.0%, reaching 45,054.1 billion</p> <p>Return on equity ratio up by 0.6 percentage points (pps), reaching 18.3%</p> <p>Provisional net income of 1,153.3 billion euros, an increase of 18.9%</p> <p>Gross portfolio deterioration rate of 8.5%, down 0.3 percentage points.</p> <p>Solvency ratio of 14.1% in 2023, above the minimum required threshold of 11.5%</p>
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5.2.1.1. Landscape of credit institutions

At the end of December 2023, the Union's banking system totaled 160 licensed credit institutions, compared with 157 in December 2022. This change resulted from the following events :

- accreditations granted to AFG Bank Cote d'Ivoire (AFG Bank CI) and Algerian Bank of Senegal (ABS), as banks,
- an accreditation granted to Societe de Garantie des Credits aux Petites et Moyennes Entreprises ivoiriennes (SGPME) as a bank-like financial institution,

- authorization granted to Orange Bank Africa (OBA) to set up a branch in Senegal, and
- the withdrawal of Banque Populaire de Cote d'Ivoire (BPCI) banking license, following the partial transfer of its activities to AFG Bank Cote d'Ivoire.

Licensed credit institutions included 135 banks, 23 of which were branches, and 25 bank-like financial institutions, 5 of which were branches. The breakdown by country and category was as follows.

Table 5 : Number of licensed credit institutions as at December 31, 2023

Country	Banks (a)	including bank branches	Bank-like financial institutions (b)	including branches of bank-like institutions	TOTAL (a+b)
Benin	14	2	1	-	15
Burkina Faso	16	2	4	1	20
Cote d'Ivoire	28	2	4	2	32
Guinea-Bissau	6	3	-	-	6
Mali	14	1	3	1	17
Niger	14	4	6	-	20
Senegal	29	6	4	1	33
Togo	14	3	3	-	17
Total	135	23	25	5	160

Source : General Secretariat of the WAMU Banking Commission

As at December 31, 2023, 158 credit institutions were in operation in WAMU, including 133 banks and 25 bank-like financial institutions¹¹. At that date, 26 banks were registered on the list of domestic SIFIs.

► **Key credit institution indicators**

Based on data received from the 155 credit institutions in operation¹², the key indicators for the banking landscape were as follows :

Table 6 : Business indicators of active credit institutions at the end of 2023

Country	Balance sheet total (in billions of FCFA)	Market share (%)	Number			Staff
			Windows (**)	ATMs/CDs (***)	Bank accounts	
Benin	6,418	9.7%	202	305	2,299,667	2,861
Burkina Faso	9,111	13.8%	362	595	3,110,393	4,189
Cote d'Ivoire	22,183	33.7%	664	951	7,148,974	10,309
Guinea-Bissau	453	0.7%	36	92	219,144	643
Mali	7,567	11.5%	458	411	2,445,887	4,195
Niger	2,512	3.8%	192	194	1,002,271	6,328
Senegal	12,853	19.5%	562	739	2,834,382	6,963

¹¹ As at the end of 2023, Algerian Bank of Senegal (ABS) and Orange Bank Africa, Senegal branch, had not started operations.

¹² Data was not available for three institutions in operation : Societe de Garantie des Credits aux Petites et Moyennes Entreprises ivoiriennes (SGPME) in Cote d'Ivoire, NITA, Cote d'Ivoire branch, and ZEYNA in Niger.

Country	Balance sheet total (in billions of FCFA)	Market share (%)	Number			Staff
			Windows (**)	ATMs/CDs (***)	Bank accounts	
Togo	4,823	7.3%	271	372	1,734,485	2,740
WAMU	65,921	100%	2,747	3,659	20,795,203	38,228

(*) According to the balance sheet totals of credit institutions in the Union

(**) Branches, offices, and points of sale

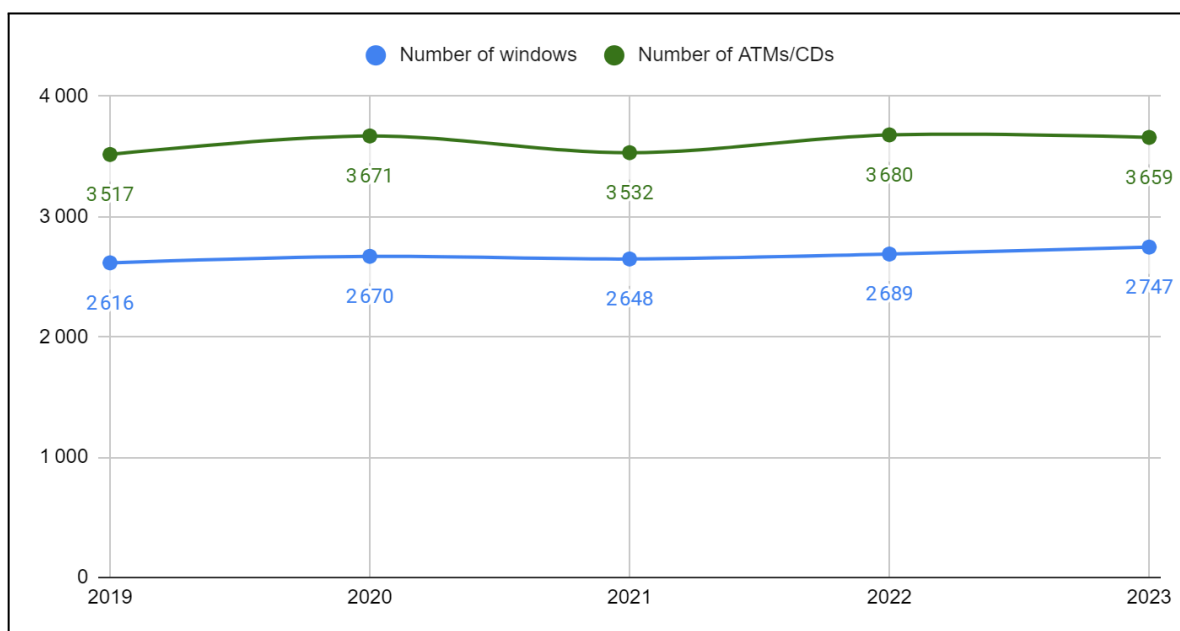
(***) Automated Teller Machines (ATMs) and Cash Dispensers (CDs)

Source : General Secretariat of the WAMU Banking Commission

Banking in the Union at the end of 2023 continued to be dominated by the banking centers of Cote d'Ivoire (33.7%) and Senegal (19.5%), with a combined market share of 53.2% based on total assets. They were followed by Burkina Faso (13.8%), Mali (11.5%), Benin (9.7%), Togo (7.3%), Niger (3.8%) and Guinea-Bissau (0.7%).

The size of the network¹³ (branches and offices) grew by 58 units year on year in 2023, or +2.2%, to reach a total of 2,747. The number of ATMs/CDs fell by 21 units (-0.6%) year on year to 3,659.

Graph 9 : Trends in the number of ATMs/CDs and windows of WAMU credit institutions

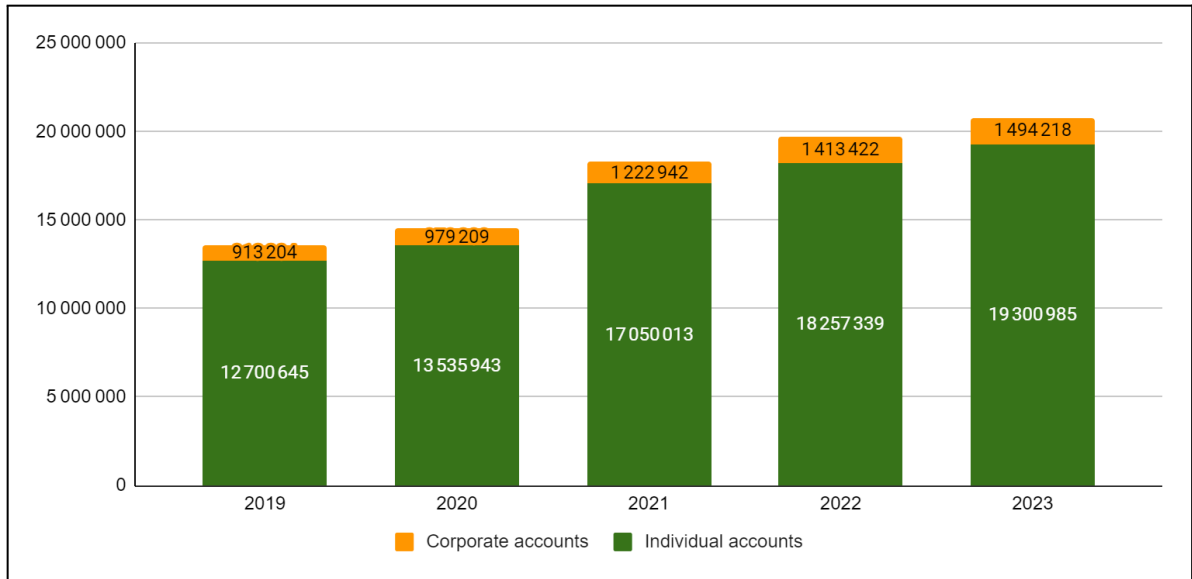


Source : General Secretariat of the WAMU Banking Commission

The number of bank accounts on the books of credit institutions rose by 5.7% year on year to stand at 20,795,203 on December 31, 2023. Individual and corporate accounts recorded annual growth of 7.2%, with 19,300,985 and 1,494,218 units, respectively.

¹³ These locations do not include service outlets, of which 2,068 were identified in Niger for five bank-like financial institutions specializing in money transfers. They are mainly installed in transportation hubs.

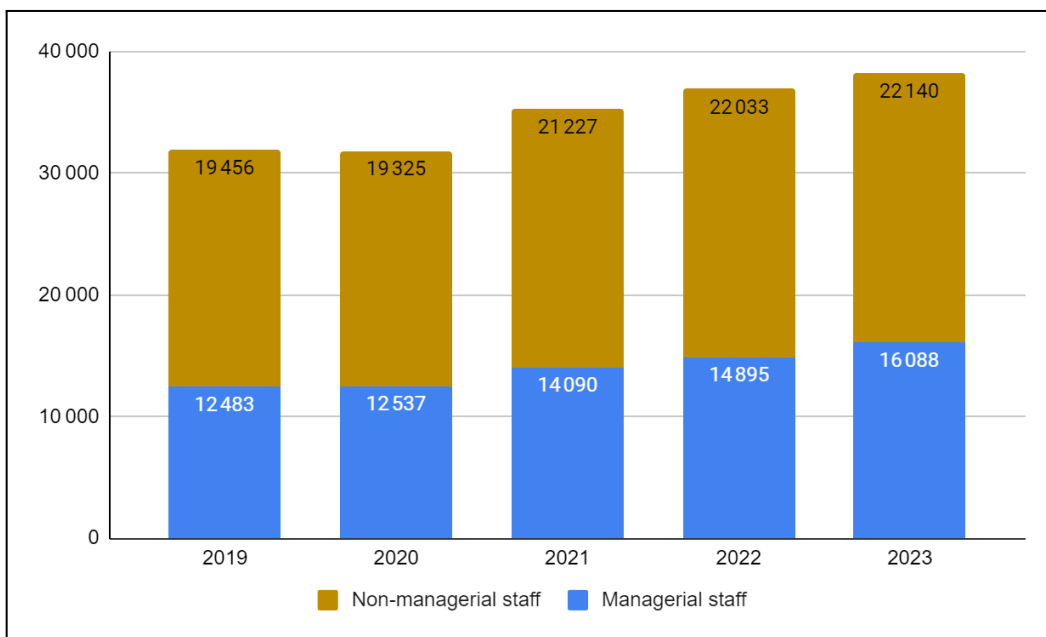
Graph 10 : Trends in bank accounts held with credit institutions in WAMU



Source : General Secretariat of the WAMU Banking Commission

The number of staff in the banking sector showed an increase of 1,300 (+3.5%) compared with the end of 2022, reaching a total of 38,228, mainly due to the expansion of the banking network. Managerial staff accounted for 42.1% of the total, compared with 40.3% a year earlier.

Graph 11 : Trends in staffing levels in WAMU credit institutions



Source : General Secretariat of the WAMU Banking Commission

As at December 31, 2023, the banking system comprised 63 international banks and 70 sub-regional banks (majority shareholding outside WAMU), as well as 22 bank-like financial institutions, including 5 international and 17 sub-regional institutions.

Table 7 : Breakdown of active credit institutions by type

Categories	Number of institutions									Market share (*)	Shares			
	Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo	WAMU		Windows (**)	ATMs/CDs (***)	Bank accounts	Staff
Sub-regional banks	5	9	13	5	7	8	15	8	70	53.3%	53.2%	55.5%	45.3%	43.0%
Cross-border banks	9	7	15	1	7	6	12	6	63	45.3%	44.5%	44.5%	53.6%	43.8%
Sub-regional bank-like institutions	1	3	1	0	2	5	2	3	17	1.3%	0.8%	0%	1.1%	12.5%
Cross-border bank-like institutions	0	1	1	0	1	0	2	0	5	0.1%	1.5%	0%	0%	0.7%
Total	15	20	30	6	17	19	31	17	155	100%	100%	100%	100%	100%

(*) According to the balance sheet totals of credit institutions in the Union

(**) Branches, offices, and points of sale

(***) Automated Teller Machines (ATMs) and Cash Dispensers (CDs)

Source : General Secretariat of the WAMU Banking Commission

The proportion of assets held by sub-regional banks rose from 52.7% in 2022 to 53.3%. These institutions accounted for 53.2% of the branch network, had 55.5% of the Union's ATMs/CDs, 45.3% of its bank accounts and employed 43.0% of its banking staff.

Cross-border banks had a 45.3% market share compared with 46.1% in 2022. This category included 44.5% of branches, ATMs and CDs, 53.6% of customer accounts and 43.8% of staff.

Sub-regional bank-like institutions accounted for 1.3% of assets, 0.8% of branches and 12.5% of staff.

Cross-border bank-like institutions accounted for 0.1% of assets, 1.5% of branches and 0.7% of staff.

Box 2 : Analysis of credit institutions' ownership structures

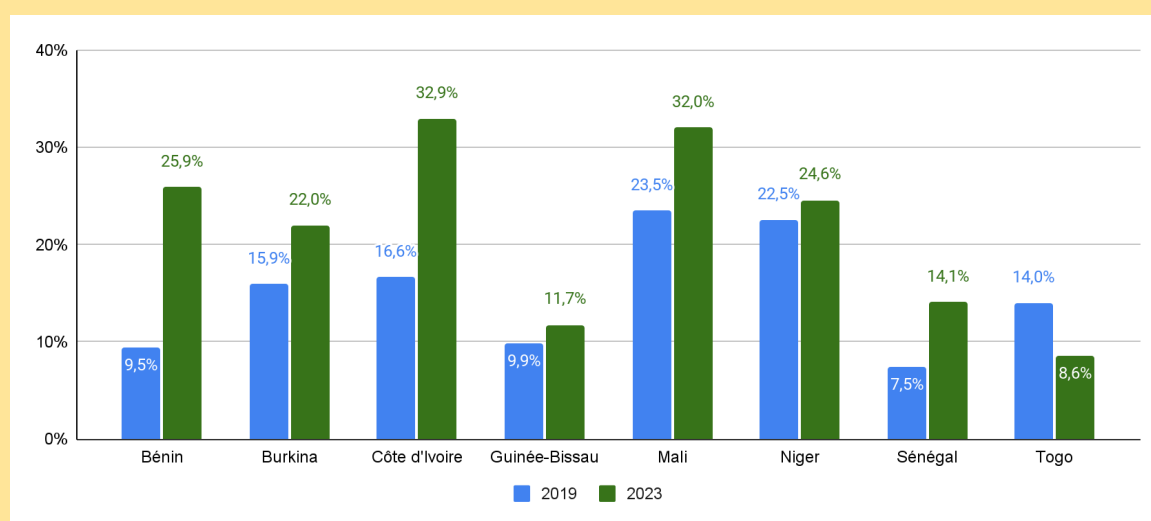
The shareholder base of the Union's credit institutions changed significantly over the 2019-2023 period, due to a number of movements in the sector.

Public equity investments (government and branches) rose from 300.6 billion in 2019 to 641.9 billion in 2023, increasing by 113.5% over the five-year period, mainly due to the acquisition of majority stakes in the capital of certain ailing institutions or the entry of new players into the ecosystem.

At national level, public shareholding in the capital of credit institutions ranged from 8.6% in Togo to 32.9% in Cote d'Ivoire in 2023.

As at December 31, 2023, twenty-three credit institutions, representing 21.3% of banking system assets and 22.5% of risk-weighted assets, were mainly owned by governments and their branches.

Graph 12 : Proportion of public shareholding in the capital of credit institutions



Source : General Secretariat of the WAMU Banking Commission

Private national capital participations (by individuals and legal entities from WAMU) had an estimated equity value of 1,094.2 billion in 2019, which rose to 1,243.2 billion in 2023, representing an average increase of 13.6% over the five-year period. This increase was mainly due to acquisitions or creation of credit institutions by national economic operators. The Union's private shareholders accounted for 52.1% of the system's capitalization at the end of 2023, compared with 54.0% in 2019.

Table 8 : Share of WAMU private shareholders by country

	Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo
Private WAMU	53.3%	55.2%	38.2%	72.8%	38.3%	67.7%	57.5%	77.4%
including local private shareholders	9.7%	40.7%	20.4%	6.8%	11.7%	24.2%	29.1%	13.6%

Source : General Secretariat of the WAMU Banking Commission

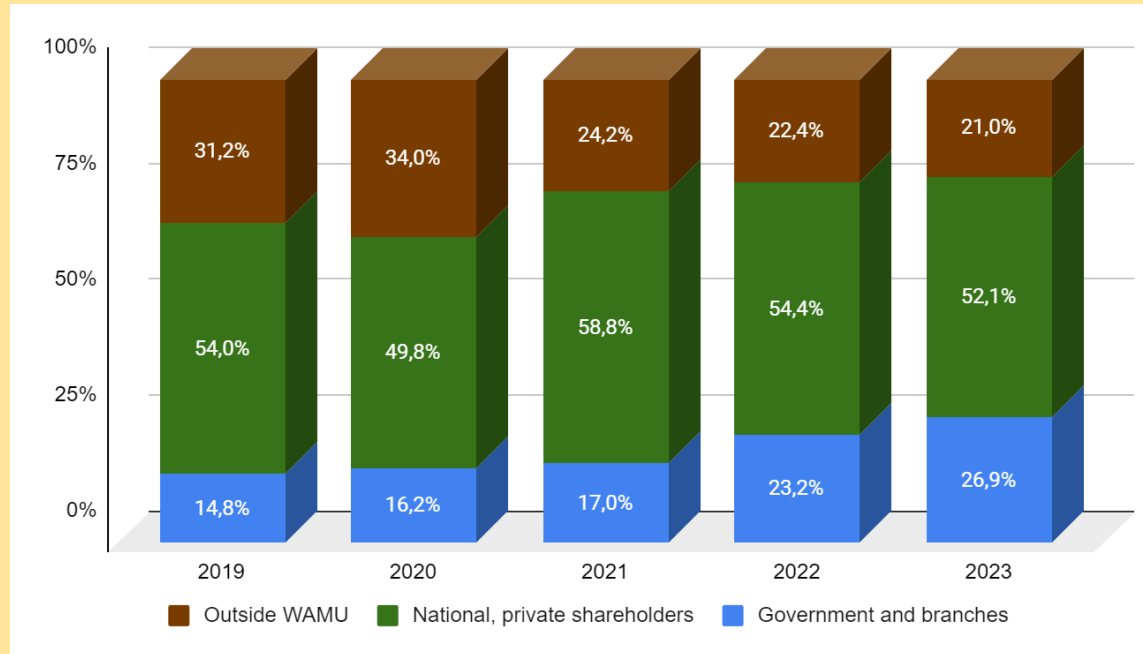
Foreign shareholders (outside WAMU) held interests valued at 500.3 billion in 2023, compared with 633.0 billion in 2019. The relative share of this category of shareholders in the capitalization of the banking system contracted, falling from 32.2% in 2019 to 21.0% in 2023, reflecting the exit of several banks from the ecosystem through the sale of majority stakes, either to governments or private individuals in the Union.

Table 9 : Share of foreign shareholders (outside WAMU) by country

Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo
20.8%	22.8%	28.9%	15.5%	29.7%	7.7%	28.4%	14.0%

Source : General Secretariat of the WAMU Banking Commission

Graph 13 : Trends in the ownership structure of credit institutions by category of shareholder



Source : General Secretariat of the WAMU Banking Commission

➤ **Breakdown of the number of credit institutions based on size**

The breakdown of the number of credit institutions by size was calculated based on the balance sheet total, total deposits and total loans, using quartiles.

As a reminder, quartiles are the three (3) values of a statistical variable, arranged in ascending order, which divide the population into four (4) equal subsets. These internal dividers are identified by the abbreviated letters Q1, Q2 and Q3.

- The 1st quartile (Q1) is the value of the statistical variable (balance sheet total, deposits, or loans) that marks the cut-off point for the bottom 25% of the balance sheet total, total deposits or total loans.
- The 2nd quartile (Q2) is the value of the statistical variable that marks the cut-off point for the bottom 50% of the balance sheet total, total deposits, or total loans. It is the median of the data set.
- The 3rd quartile (Q3) is the value of the statistical variable that marks the cut-off point for the bottom 75% of the balance sheet total, total deposits or total loans.

Quartile analysis shows that on December 31, 2023 :

- 25% of the credit institutions had a balance sheet total, total deposits, and total loans below 80,763 million, 58,317 million and 67,688 million, respectively.
- 50% of the credit institutions had a balance sheet total, total deposits and total loans below 280,987 million, 212,020 million and 254,422 million, respectively.
- 25% of credit institutions had a balance sheet total, total deposits and total loans above 553,540 million, 424,856 million and 526,285 million, respectively.

In 2023, the spread showed a decline of 11.3% in the Q1 quartile of credit institutions' balance sheet total, compared with an increase of 28.9% in 2022 to 80,763 million. Similarly, the Q3 quartile fell by 4.0% versus 21.8% to stand at 280,987 million at the end of 2023. In contrast, the Q2 quartile rose by 2.4% after a 23.6% increase in 2022, to 553,540 million in 2023.

Table 10 : Trends in the quartiles between 2022 and 2023

Quartile	Balance sheet total		Total deposits		Total loans	
	2022	2023	2022	2023	2022	2023
Q1	91,035	80,763	45,454	58,317	35,580	67,688
Q2	274,338	280,987	179,541	212,020	119,075	254,422
Q3	576,626	553,540	388,998	424,856	282,492	526,285

Source : General Secretariat of the WAMU Banking Commission

Credit institutions with a balance sheet total below the first quartile (Q1 or 80,763 million) held 1.8% of assets, 11.6% of offices and branches, 9.1% of ATMs/CDs and 0.7% of bank accounts. They employed 2.2% of the banking system's staff.

Those with a balance sheet total between the first (Q1) and second quartile (Q2 or 280,987 million) accounted for 10.5% of total assets. This category accounted for 19.5% of branches, 18.9% of ATMs/CDs, 1.8% of customer accounts, and 7.4% of staff.

Entities with a balance sheet total between the second (Q2) and third quartile (Q3 or 553,540 million) accounted for 22.0% of the assets of the Union's banking system. This category included 22.4% of branches, 20.7% of ATMs/CDs, 46.2% of customer accounts, and 8.7% of staff.

Credit institutions with a balance sheet total above the third quartile (Q3) accounted for 65.7% of the assets of the WAMU banking system. They covered 46.5% of the branch network, 51.3% of ATMs/CDs, 51.3% of bank accounts and 81.7% of staff.

Table 11 : Breakdown of credit institutions by quartiles according to balance sheet total

Category	Number of institutions by country									Market share	Windows	ATMs/CDs	Bank accounts	Staff
	Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo	WAM U					
< Q1	4	6	3	3	3	9	8	3	39	1.8%	11.6%	9.1%	0.7%	2.2%
Between Q1 and Q2	1	3	9	3	4	7	6	6	39	10.5%	19.5%	18.9%	1.8%	7.4%
Between Q2 and Q3	5	6	5	0	5	3	8	6	38	22.0%	22.4%	20.7%	46.2%	8.7%
> Q3	5	5	13	0	5	0	9	2	39	65.7%	46.5%	51.3%	51.3%	81.7%
Total	15	20	30	6	17	19	31	17	155	100%	100%	100%	100%	100%

Source : General Secretariat of the WAMU Banking Commission

Credit institutions with total deposits below the first quartile (Q1 or 58,317 million) held 3.0% of assets, 15.4% of offices and branches, 13.4% of ATMs/CDs and 0.7% of bank accounts. They employed 4.0% of the banking system's staff.

Those with total deposits between the first (Q1) and second quartile (Q2 or 212,020 million) accounted for 18.5% of assets. This category accounted for 22.8% of branches, 20.8% of ATMs/CDs, 2.9% of customer accounts, and 10.3% of staff.

Banks and bank-like financial institutions with total deposits between the second (Q2) and third quartile (Q3 or 424,856 million), accounted for 20.5% of assets. They accounted for 22.0% of locations, 20.1% of ATMs/CDs, 50.7% of customer accounts and 5.5% of staff.

Entities with total deposits above the third quartile (Q3) accounted for 58.0% of the banking system's assets. They covered 39.8% of the branch network, 45.7% of ATMs/CDs, 45.7% of bank accounts and 80.2% of staff.

Table 12 : Breakdown of credit institutions by quartiles according to total deposits

Category	Number of institutions by country									Market share	Windows	ATMs/CDs	Number of bank accounts	Staff
	Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo	WAM U					
< Q1	4	6	3	3	3	9	8	3	39	3.0%	15.4%	13.4%	0.7%	4.0%
Between Q1 and Q2	1	2	8	3	6	6	5	8	39	18.5%	22.8%	20.8%	2.9%	10.3%
Between Q2 and Q3	5	7	6	0	3	4	9	4	38	20.5%	22.0%	20.1%	50.7%	5.5%
> Q3	5	5	13	0	5	0	9	2	39	58.0%	39.8%	45.7%	45.7%	80.2%
Total	15	20	30	6	17	19	31	17	155	100%	100%	100%	100%	100%

Source : General Secretariat of the WAMU Banking Commission

Credit institutions with total loans below the first quartile (Q1), i.e., 67,688 million, had 2.8% of assets, 14.1% of offices and branches, 11.4% of ATMs/CDs and 0.8% of bank accounts. They employed 3.7% of the banking system's staff.

Those with total loans between the first quartile (Q1) and second quartile (Q2 or 254,422 million) accounted for 14.0% of assets. This category represented 21.3% of locations, 21.7% of ATMs/CDs, 2.5% of customer accounts, and 8.4% of staff.

Institutions with total loans between the second quartile (Q2) and third quartile (Q3 or 526,285 million) totaled 19.3% of banking assets, 19.1% of locations, 15.6% of ATMs/CDs, 45.4% of customer accounts, and 6.9% of staff.

Entities with total loans above the third quartile (Q3) held 63.9% of banking system assets, covered 45.5% of the branch network and had 51.3% of ATMs/CDs, 51.3% of bank accounts, and 81.0% of staff.

Table 13 : Breakdown of credit institutions by quartiles according to total loans

Category	Number of institutions by country									Market share	Windows	ATMs/CDs	Number of bank accounts	Staff
	Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo	WAMU					
< Q1	4	6	3	2	3	9	8	4	39	2.8%	14.1%	11.4%	0.8%	3.7%
Between Q1 and Q2	0	3	9	4	4	7	5	7	39	14.0%	21.3%	21.7%	2.5%	8.4%
Between Q2 and Q3	6	6	5	0	6	3	8	4	38	19.3%	19.1%	15.6%	45.4%	6.9%
> Q3	5	5	13	0	4	0	10	2	39	63.9%	45.5%	51.3%	51.3%	81.0%
Total	15	20	30	6	17	19	31	17	155	100%	100%	100%	100%	100%

Source : General Secretariat of the WAMU Banking Commission

► Analysis of activity by banking group

⇒ Institutions affiliated with a banking group

As at December 31, 2023, 114 credit institutions, representing 72.9%, were affiliated with 34 banking groups. This subset accounted for 82.9% of banking assets, 80.3% of branches, 79.8% of ATMs/CDs, 86.5% of customer bank accounts, 73.6% of employees and 86.3% of provisional overall net income.

The number of banking groups operating in WAMU, each holding at least 2% of the balance sheet total of the banking system, stood at 12 in 2023, compared to 13 in 2022. These major groups, which comprised 79 operating units, accounted for 70.1% of the balance sheet total and 62.0% of the number of windows, had 64.1% of ATMs/CDs and 70.4% of customer bank accounts and employed 59.9% of banking system staff. Their operations accounted for 78.6% of the banking system's provisional overall net income.

Table 14 : Main banking groups operating in WAMU

Rank	Main groups (minimum market share of at least 2%)	Country of origin of parent company	Number of subsidiaries/branches	Market share	Windows	ATMs/CDs	Number of bank accounts	Staff	Share of overall net provisional income
1	Ecobank	Togo	8	9.5%	5.5%	12.7%	15.0%	7.5%	15.3%
2	Societe Generale	France	5	8.9%	4.6%	8.3%	8.0%	7.1%	11.7%
3	Coris	Burkina Faso	8	8.8%	4.8%	4.2%	4.4%	4.7%	9.9%
4	BOA West Africa	Morocco	7	7.3%	8.6%	4.8%	14.0%	8.7%	10.0%

Rank	Main groups (minimum market share of at least 2%)	Country of origin of parent company	Number of subsidiaries/branches	Market share	Windows	ATMs/CDs	Number of bank accounts	Staff	Share of overall net provisional income
5	Atlantic Business International (ABI)	Morocco	9	6.7%	7.4%	7.6%	5.7%	6.9%	5.0%
6	Attijariwafa Bank	Morocco	9	6.2%	10.0%	4.5%	6.6%	8.0%	8.0%
7	NSIA	Cote d'Ivoire	4	5.4%	2.3%	4.1%	1.5%	1.9%	7.3%
8	Oragroup	Togo	8	5.0%	4.0%	5.4%	3.6%	5.2%	1.5%
9	UBA	Nigeria	5	3.6%	2.1%	2.6%	7.6%	2.6%	4.2%
10	BDM	Mali	6	3.6%	6.5%	3.4%	1.9%	2.6%	2.7%
11	BSIC Holding	Libya	7	2.9%	5.7%	5.5%	1.7%	3.6%	1.4%
12	BGFIBANK	Gabon	3	2.1%	0.5%	0.9%	0.4%	1.1%	1.8%
TOTAL			79	70.1%	62.0%	64.1%	70.4%	59.9%	78.6%

Source : General Secretariat of the WAMU Banking Commission

The 22 other smaller groups, each holding less than 2% of assets, are, by order of magnitude :

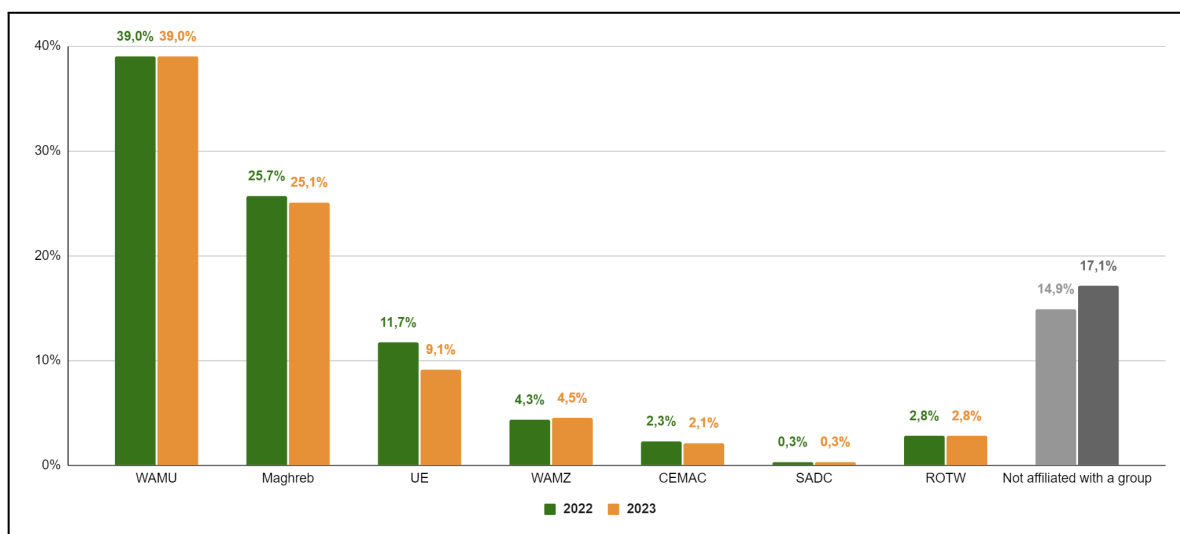
- Bridge Bank Group (2 banks ; 1.3%)
- SUNU Investment Holding (2 banks ; 1.2%)
- Islamic Development Bank (1 bank ; 1.1%)
- Libyan Foreign Bank (4 banks ; 1.1%)
- IB Holding (2 banks ; 1.1%)
- Groupe Afrika¹⁴ (2 banks ; 1.0%)
- Citigroup (2 banks ; 0.9%)
- AFG Holding (2 banks ; 0.6%)
- Vista Group (1 bank ; 0.6%)
- Banque pour le Commerce et l'Industrie (2 banks ; 0.6%)
- Mansa Financial Group (1 bank ; 0.5%)
- First Bank of Nigeria (1 bank ; 0.5%)
- Guaranty Trust Bank (1 bank ; 0.4%)
- Standard Chartered Bank (1 bank ; 0.4%)
- Standard Holding (1 bank ; 0.3%)
- Afriland First Group (1 bank ; 0.3%)
- African Lease Group (1 bank ; 0.2%)
- Orange Abidjan Participations (1 bank ; 0.2%)
- TLG Finance (4 banks ; 0.1%)
- Credit Libanais (1 bank ; 0.1%)
- BANGE (1 bank ; 0.1%)
- African Guarantee Fund (1 bank ; 0.1%)

In 2023, these 22 groups controlled 35 credit institutions in the Union, and accounted for 17.1% of assets, 19.7% of locations and 20.2% of ATMs/CDs. They held 13.5% of customer bank accounts and employed 26.4% of staff. Their contribution to the overall net income of the Union's banking system stood at 13.7% in 2023.

¹⁴ Formerly BDK Group

The 34 banking groups operating in WAMU as at December 31, 2022, originated in WAMU (13), the Maghreb (7), the European Union (2), the West African Monetary Zone (3), the Economic Community of Central African States (2), the Southern African Development Community (2) and the Rest of the World (5).

Graph 14 : Market share of banking groups by geographic region of origin in 2022 and 2023



Source : General Secretariat of the WAMU Banking Commission

There were 13 **WAMU banking groups**,¹⁵ i.e., banks whose parent companies originated from within the Union. These entities, which accounted for 39.0% of total market share based on balance sheet total, owned 48 units, 31.0% of branches and 36.0% of ATMs/CDs. They employed 29.7% of staff and held 32.4% of customer bank accounts and 42.2% of deposits. They accounted for 36.8% of loans to customers and 41.4% of provisional overall net income.

With a 25.1% share of assets, the 7 **Maghreb banking groups**¹⁶ present in the Union totaled 42 entities, 38.2% of the branch network, and 28.1% of ATMs/CDs, employing 29.6% of staff. They held 28.9% of customer accounts, 25.5% of deposits and accounted for 26.0% of loans granted. These institutions contributed 24.7% to the overall net provisional income.

These groups were dominated by Moroccan entities, with 25 credit institutions affiliated with 3 groups. These institutions accounted for 20.3% of market share, 21.4% of deposits, 21.1% of loans to customers, and 23.0% of provisional overall net income. They accounted for 26.0% of locations, 16.9% of ATMs/CDs, 26.2% of bank accounts, and 23.6% of staff.

Table 15 : Main geographical regions of origin of banking groups operating in WAMU

Geographic area	Number of groups	Number of institutions	Market share (balance sheet total)	Percentage of windows	Percentage of ATMs/CDs	Percentage of bank accounts	Percentage of staff	Share of deposits	Share of loans	Share of Profits
WAMU	13	49	39.0%	31.0%	36.0%	32.4%	29.7%	42.2%	36.8%	41.4%
Maghreb	7	42	25.1%	38.2%	28.1%	28.9%	29.6%	25.5%	26.0%	24.7%
European Union	2	6	9.1%	4.7%	8.3%	15.0%	7.5%	12.4%	11.8%	11.4%
WAMZ	3	7	4.5%	2.4%	3.0%	8.6%	3.5%	3.9%	2.3%	5.1%
CEMAC	2	4	2.1%	0.5%	0.9%	0.4%	1.1%	1.9%	2.2%	1.8%

¹⁵ Burkina Faso (CBI, Vista Group) - Cote d'Ivoire (AFG Holding, Bridge Bank Group, Mansa Financial Group, NSIA, SIH) - Mali (BDM) - Senegal (Groupe BDK) - Togo (African Lease Group, Ecobank, IB Holding, Oragroup).

¹⁶ Libya (BSIC, LFB) - Morocco (ABI, Attijariwafa Bank, BMCE/BOA) - Mauritania (BCI) - Tunisia (TLG Finance).

SADC	2	2	0.3%	0.1%	0.0%	0.0%	0.1%	0.3%	0.3%	-0.1%
ROTW	5	6	2.8%	3.5%	3.5%	1.4%	2.1%	3.0%	2.6%	2.1%
WAMU	34	114	82.9%	80.3%	79.8%	86.5%	73.6%	89.2%	82.0%	86.4%

Source : General Secretariat of the WAMU Banking Commission

The 2 **EU banking groups**¹⁷ of French origin, with 6 entities, accounted for 9.1% of all assets, 4.7% of the branch network, 8.3% of ATMs/CDs, and 15.0% of customer accounts, employing 7.5% of staff. They mobilized 12.4% of deposits and granted 11.8% of loans to customers. They accounted for 11.4% of the banking sector's provisional net income.

With a market share of 4.5%, all 3 **WAMZ banking groups**¹⁸ were Nigerian. Their 7 operating banking units accounted for 4.5% of assets, 2.4% of the branch network, 3.0% of ATMs/CDs, 8.6% of bank accounts and employed 3.5% of staff. They mobilized 3.9% of deposits and granted 2.3% of loans to customers in the Union. Their contribution to the banking system's overall net income was estimated at 5.1%.

The two banking **groups from the CEMAC**¹⁹ region totaled 4 banking entities, held 0.5% of the branch network, 0.9% of ATMs/CDs, 0.4% of bank accounts and employed 1.1% of staff. They mobilized 1.9% of deposits and granted 2.2% of loans to customers. Their assets represented 2.1% of the Union's balance sheet total. The overall provisional net income of this group represented 1.8% of the total in the Union.

The 2 **banking groups from SADC**²⁰ with 2 credit institutions holding 0.1% of the branch network and 0.1% of staff, accounted for 0.3% of deposits and granted 0.3% of loans to customers. Their assets represented 0.3% of the Union's balance sheet total. The overall provisional net income of this group was in deficit and represented -0.1% of the total in the Union

The 5 **banking groups from the ROTW**²¹ made up a 2.8% share of the market, totaled 6 banks, and accounted for 3.5% of the branch network, 3.5% of ATMs/CDs, 1.4% of bank accounts and 2.1% of staff. These institutions held 3.0% of deposits and granted 2.6% of loans to customers. They contributed 2.1% to overall net provisional income.

5.2.1.2. Activities and results of credit institutions

► Balance sheet total

The balance sheet total of credit institutions in WAMU grew at an annual rate of 1,862 billion (+2.9%) to reach 65,921.3 billion by December 31, 2023.

¹⁷ France (Societe Generale, Orange Abidjan Participations).

¹⁸ Nigeria (First Bank, GTBank, UBA).

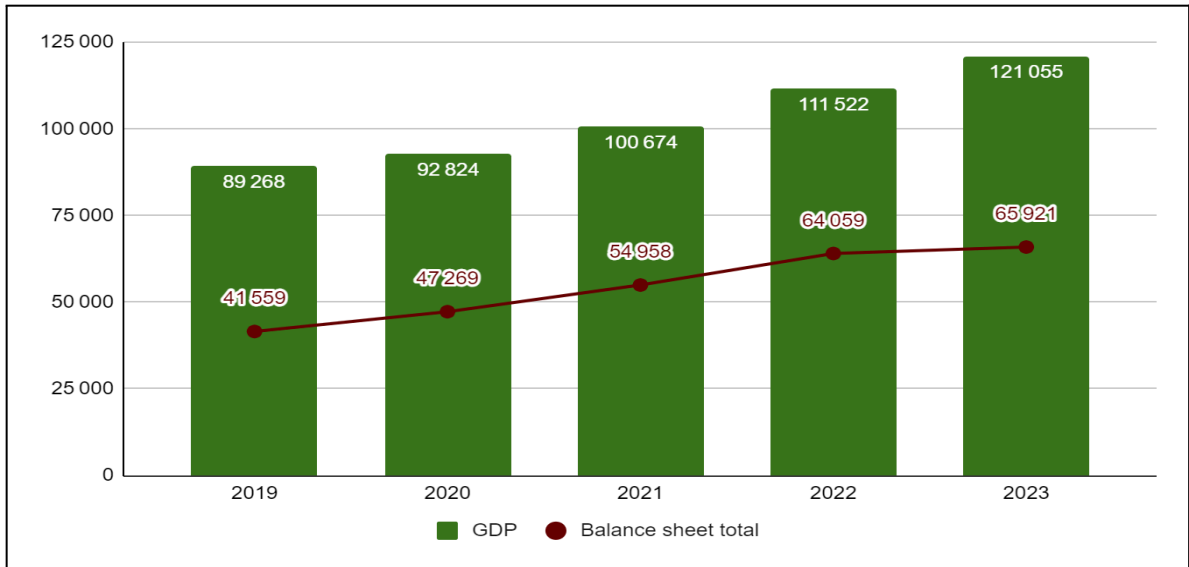
¹⁹ Gabon (BGFIBank), Equatorial Guinea (BANGE).

²⁰ South Africa (Standard Bank) - Mauritius (African Guarantee Fund, whose operational headquarters are in Kenya).

²¹ Saudi Arabia (Banque Islamique de Developpement) - USA (Citigroup) - Lebanon (Credit Libanais) - Switzerland (Afriland First Group) - UK (Standard Chartered Bank).

Graph 15 : Trends in balance sheet total and GDP in the WAMU region

(in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission & BCEAO

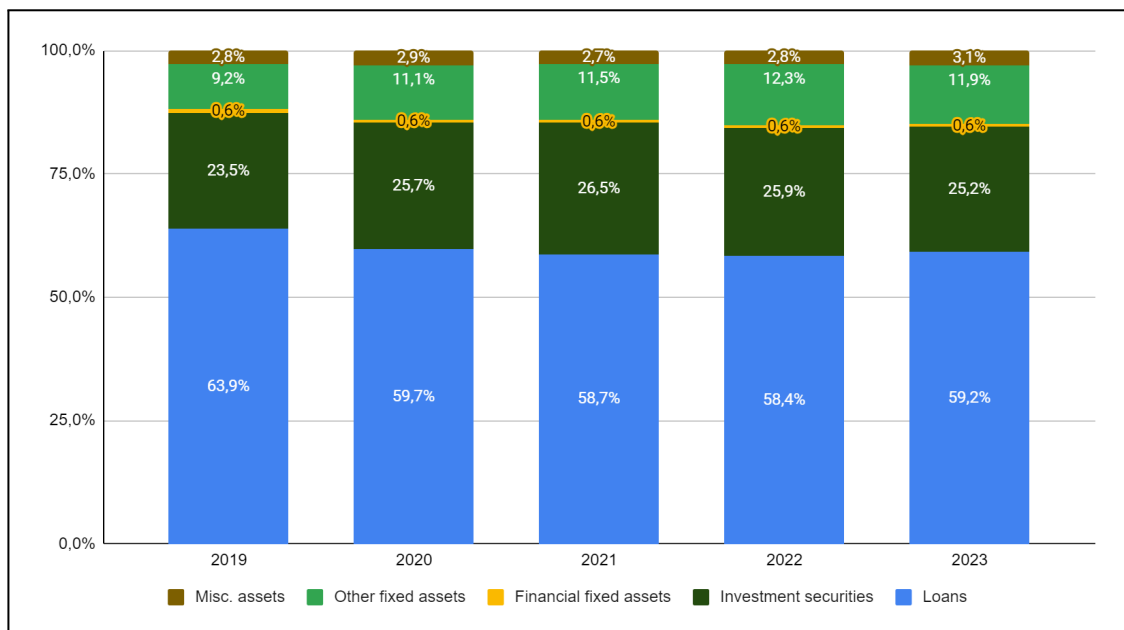
Total assets increased in five banking centers : Cote d'Ivoire (+741 billion ; +3.5%), Senegal (+630 billion ; +5.2%), Benin (+494 billion ; +8.3%), Mali (+233 billion ; +3.2%) and Togo (+87 billion ; +1.8%). Decreases were recorded in Guinea-Bissau (-37 billion ; -7.6%), Niger (-118 billion ; -4.5%) and Burkina Faso (-167 billion ; -1.8%).

► **Uses²²**

The banking system's assets totaled 59,520.2 billion at the end of 2023, up 6.2% over the year, reflecting a rise in loans to customers and investment securities.

As was the case in previous years, the structure of uses was dominated by loans to customers (59.2%) and investment securities (25.2%). Other fixed assets, sundry assets and financial fixed assets accounted for 11.9%, 3.0% and 0.6%, respectively.

Graph 16 : Trends in credit institution uses (in billions of FCFA)



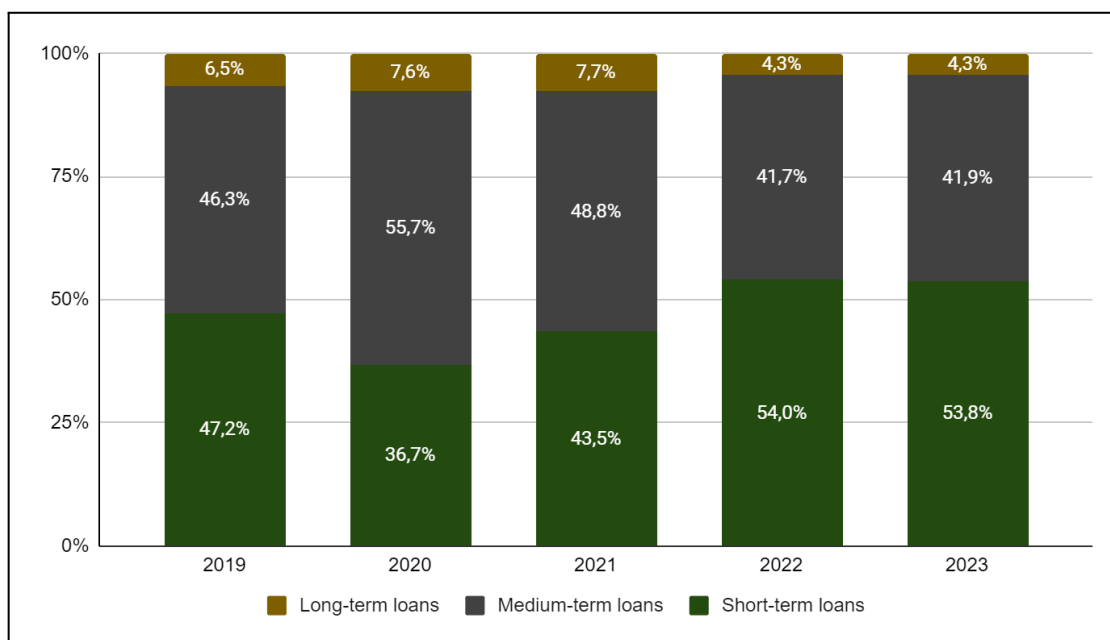
Source : General Secretariat of the WAMU Banking Commission

²² Banking uses include customer loans, marketable securities, long-term investments, fixed assets and miscellaneous uses.

Loans to customers²³, net of provisions, rose by 7.8% year over year to reach 35,264 billion by the end of 2023, following a 19.2% increase in 2022.

Broken down by maturity²⁴ they showed a preponderance of short-term loans, which accounted for 53.8% of total loans at the end of December 2023. Medium-term and long-term loans accounted for 41.9% and 4.3% of total outstanding loans respectively in 2023.

Graph 17 : Trends in the structure of loans to customers by maturity



Source : General Secretariat of the WAMU Banking Commission

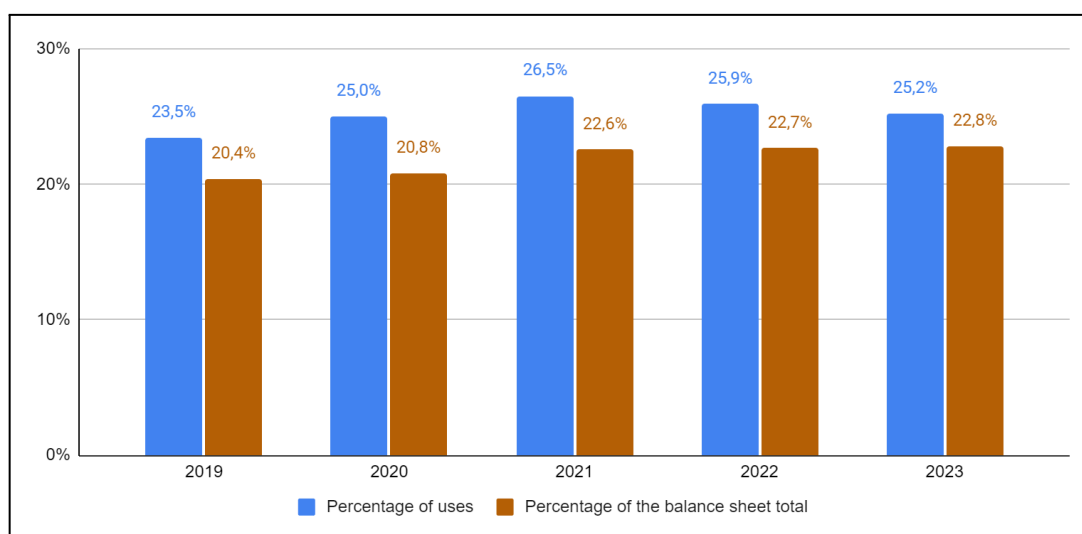
Short-term loans amounted to 18,103.4 billion, up 7.0% year over year, compared with 30.8% in 2022. Medium-term loans totaled 14,076.8 billion, up 7.9% year over year, compared to 13.0% growth a year earlier. Long-term credit, at 1,445.8 billion, grew by 7.2% in 2023, compared with a decrease of 11.2% in 2022.

Investment securities totaled 15,025.3 billion at the end of 2023, an increase of 496.6 billion (+3.4%) over the year, compared with an increase of 37.5% in 2022. The weight of investment securities in uses rose from 23.5% in 2019 to 26.5% in 2021, before falling back to 25.9% in 2022 and 25.2% in 2023. Their percentage of total banking system assets rose steadily from 20.4% in 2019 to 22.8% in 2023.

²³ Seven (7) banking centers in the Union recorded increases in customer loans : Benin (463.1 billion ; +17.6%), Burkina Faso (88.6 billion ; +1.9%), Cote d'Ivoire (1,062.2 billion ; +9.6%), Guinea-Bissau (25.5 billion ; +13.3%), Mali (106.7 billion ; +2.8%), Senegal (831.6 billion ; +12.2%), and Togo (82.8 billion ; +3.9%). In Niger, loans fell by 118 billion (-8.3%).

²⁴ Short-term loans are customer commitments with maturities of less than 2 years, medium-term loans have maturities of 2 to 10 years, and long-term loans have maturities of more than 10 years.

Graph 18 : Trends in the weight of investment securities in uses and balance sheet totals of credit institutions



Source : General Secretariat of the WAMU Banking Commission

Financial fixed assets were valued at 348.9 billion at the end of 2023, up 32.0 billion (+10.1%).

Other fixed assets stood at 2,019.6 billion at the end of 2023, up 199.7 billion (+11.0%) year over year.

Miscellaneous uses increased by 210.3 billion (+13.2%) over the year to reach 1,798.0 billion at the end of December 2023.

Trends in the breakdown of loans granted by credit institutions, by industry, as recorded in the BCEAO's Central credit register, were as follows :

Table 16 : Breakdown of loans registered with the Central credit register by industry

Industry	2019	2020	2021	2022	2023
Agriculture, forestry and fishing	3%	3%	3%	4%	3%
Extractive industries	2%	2%	2%	2%	2%
Manufacturing industries	14%	14%	12%	12%	12%
Electricity, gas and water	5%	5%	6%	7%	7%
Public works and civil engineering	10%	10%	10%	9%	9%
Retail, restaurants and hotels	28%	28%	28%	29%	29%
Transportation, warehousing and communications	11%	11%	10%	9%	9%
Insurance, real estate and services to businesses	7%	8%	9%	7%	8%
Community and social services	20%	19%	20%	21%	21%
TOTAL	100%	100%	100%	100%	100%

Source : BCEAO

An analysis of the breakdown of loans by industry across the Union at the end of December 2023 reveals that the bulk of financing remained concentrated in five industries, namely "Retail, restaurants and hotels" (29%), "Community services" (21%), "Manufacturing industries" (12%), "Transportation and communications" (9%) and "Public works and civil engineering" (9%).

Trends in the Herfindahl-Hirschman concentration index (HHI)²⁵ as at the end of December 2023, based on loans to customers, are shown in the table below :

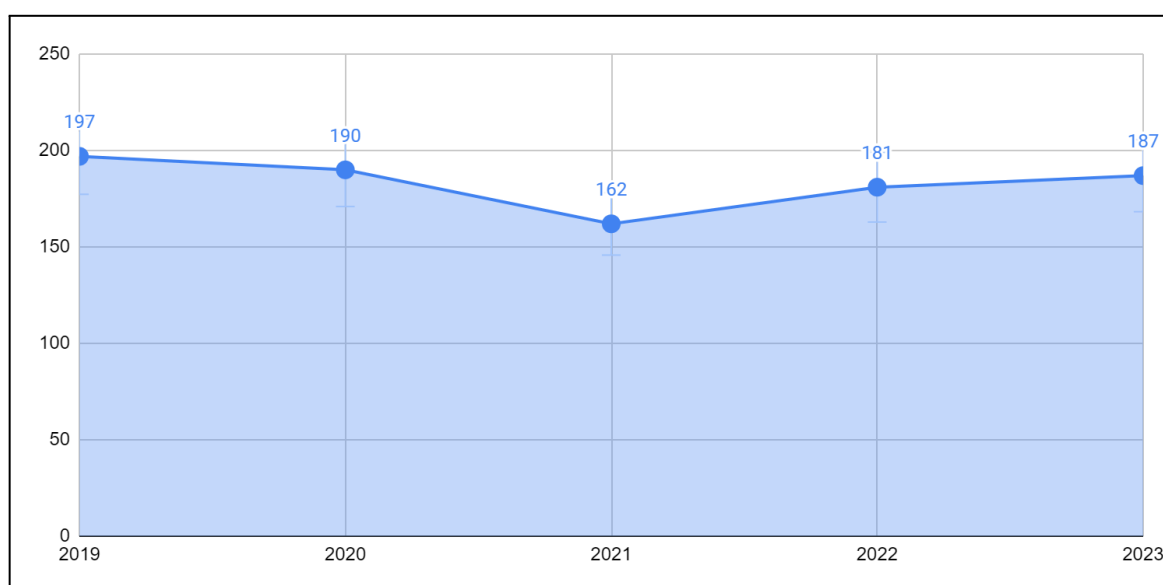
Table 17 : Trends in the Herfindahl-Hirschman Index for WAMU countries

Country	2019	2020	2021	2022	2023
Benin	1,275	1,261	1,016	1,060	1,209
Burkina Faso	1,225	1,245	1,139	1,121	1,134
Cote d'Ivoire	954	869	750	874	893
Guinea-Bissau	2,162	2,074	2,086	2,457	1,797
Mali	1,104	1,156	1,115	1,250	1,231
Niger	1,269	1,174	1,107	1,213	1,278
Senegal	779	718	621	657	668
Togo	1,248	1,225	1,001	1,192	1,114
WAMU	197	190	162	181	187

Source : General Secretariat of the WAMU Banking Commission

Credit market concentration remains low in Cote d'Ivoire and Senegal. The other financial centers showed average levels of concentration.

Graph 19 : Trends in the Herfindahl-Hirschman Index in WAMU



Source : General Secretariat of the WAMU Banking Commission

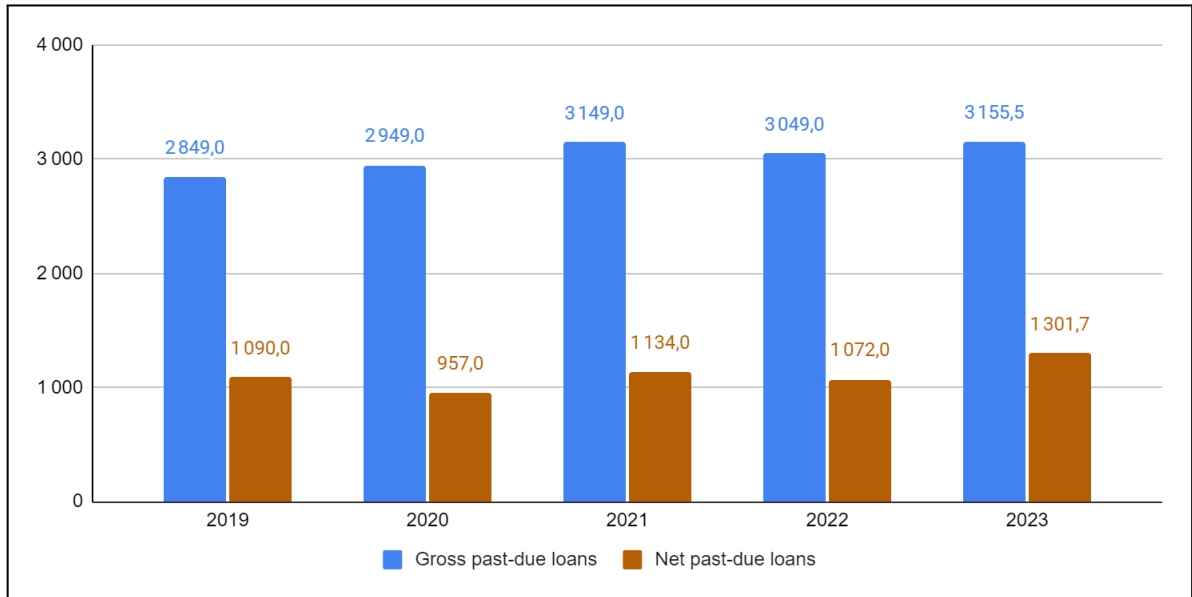
► Portfolio quality

Gross outstanding loans increased year over year by 106.3 billion (+3.5%) to reach 3,155.5 billion at the end of December 2023. This trend was driven by restructured loans and doubtful and disputed loans, which rose by 100.9 billion (+34.2%) and 68.5 billion (+14.3%) respectively.

Based on provisions of 1,853.9 billion, the banking system's net past-due loans stood at 1,301.7 billion at the end of 2023, up 229.9 billion (+21.4%) year over year.

²⁵ The higher a market's HHI index, the more the market is concentrated among a small number of players, with risks of oligopolistic situations. There are 3 different situations : HHI < 1,000 (low-concentration sector) ; 1,000 < HHI < 2,000 (intermediate range, medium-concentration sector) ; HHI > 2,000 (concentrated sector, high-risk range).

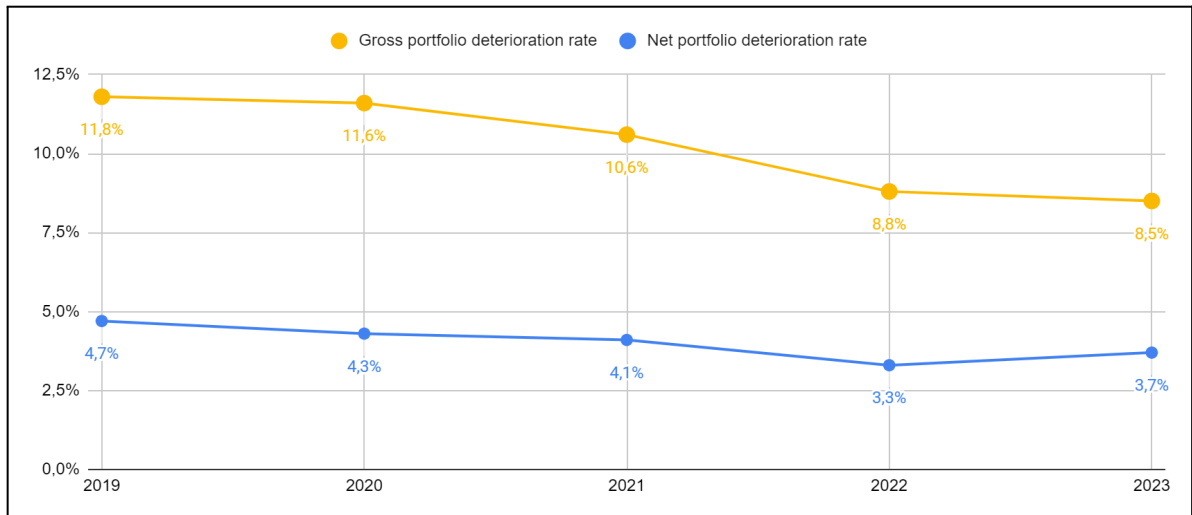
Graph 20 : Trends in gross and net past-due loans of credit institutions (billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

The gross deterioration rate for the WAMU portfolio improved by 0.3 pps, standing at 8.5% at the end of December 2023, compared with 8.8% in 2022. This positive trend was due to higher growth in customer loans compared with gross past-due loans. The net rate rose by 0.4 pps to 3.7% in 2023, compared with 3.3% a year earlier, reflecting a lower provisioning rate for past-due receivables. The rate stood at 58.7% at end-December 2023, down 6.2 pps compared with 2022.

Graph 21 : Trends in the deterioration rates of credit institution portfolios

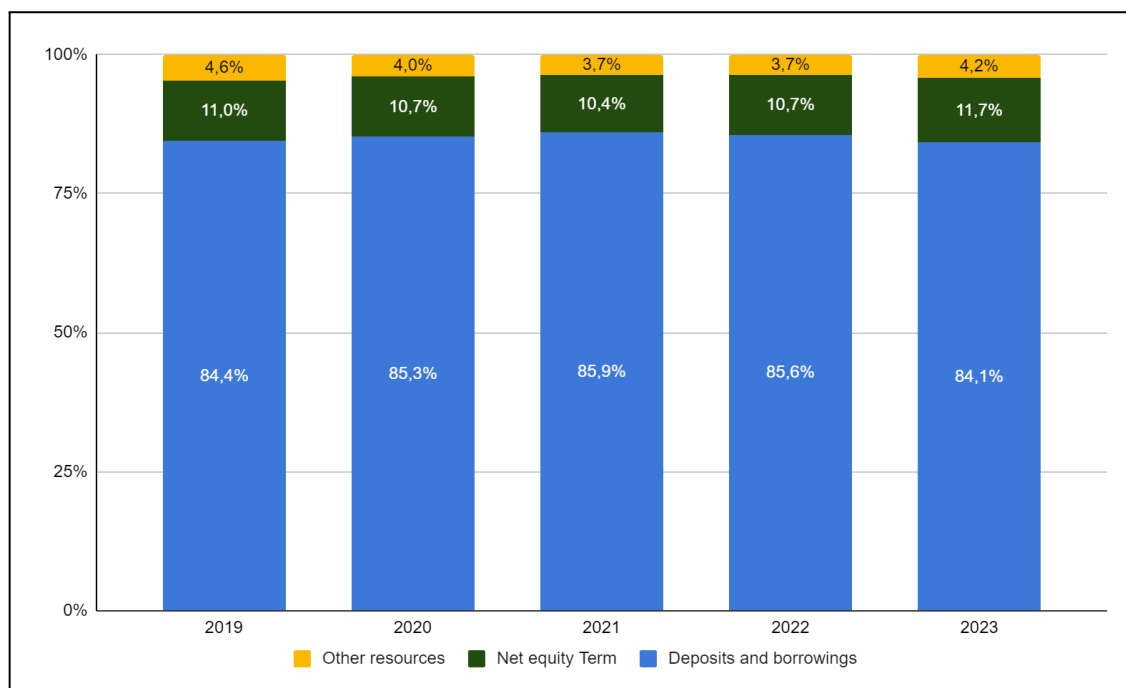


Source : General Secretariat of the WAMU Banking Commission

► Resources²⁶

Resources of credit institutions increased by 4.8% year on year to 53,563.1 billion at the end of 2023, thanks to the strengthening of equity capital and other resources, which rose by 14.8% and 18.8%, respectively. They consist of deposits and borrowings (term deposits, sight deposits, loans), net equity and other resources,²⁷ in proportions of 84.1%, 11.7% and 4.2%, respectively.

Graph 22 : Trends in the resource structure of credit institutions (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

Deposits and borrowings rose by 1,299.8 billion (+3.0%) over the year, to reach 45,054.1 billion at the end of 2023. They were made up of sight deposits (25,240.6 billion ; 56.0%) and term deposits (19,813.5 billion ; 44.0%), which rose by 0.6% and 6.1% respectively during the period under review.

The banking system's **equity and related resources** rose by 856.1 billion (+14.8%), from 5,447.6 billion in 2022 to 6,253.2 billion a year later. They were made up of capital and reserves (5,869.5 billion ; 93.9%) and other shareholders' equity²⁸ (383.7 billion ; 6.1%). These two components grew by 15.9% and 13.0%, respectively.

Other resources rose by 357.7 billion (+18.8%) year over year to 2,255.8 billion at the end of 2023.

► Cash position

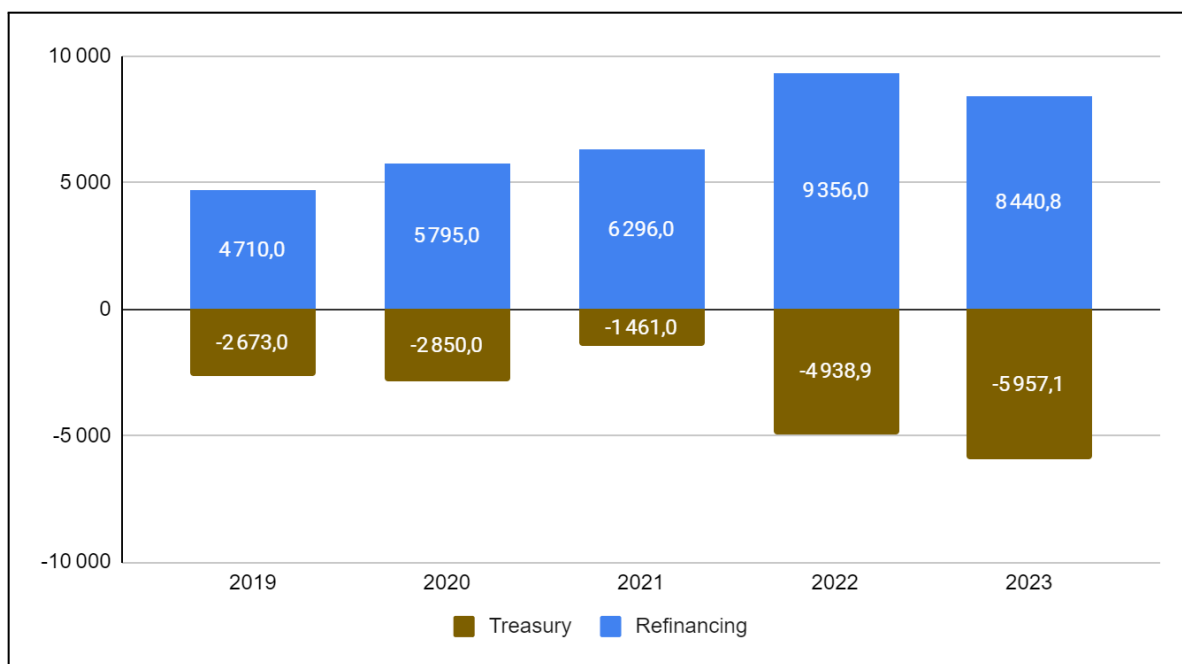
The cash position of credit institutions, which has shown a structural deficit for several years, stood at -5,957.1 billion at the end of December 2023, compared with -4,938.9 billion a year earlier. Faster growth in banking uses (+3,481.4 billion, +6.2%) compared with resources (+2,513.7 billion, +4.8%) was behind the rise of 967.7 billion (+19.6%) in the structural cash deficit of credit institutions at the end of 2023. To address this shortfall, credit institutions raised funds through the Central Bank's refinancing windows, with outstanding refinancing estimated at 8,440.8 billion as at December 31, 2023.

²⁶ Resources consist mainly of deposits and borrowings, shareholders' equity and similar resources, and other resources.

²⁷ Other resources consist of outstanding payments on investment securities and portfolios, trading securities on the liabilities side, conditional instruments sold, securities settlement accounts, liaison accounts on the liabilities side, sundry creditors, provisions, suspense and accrual accounts and deferred income, and outstanding payments on long-term investments.

²⁸ Including regulated provisions, subordinated debt, blocked shareholder accounts and revaluation differences.

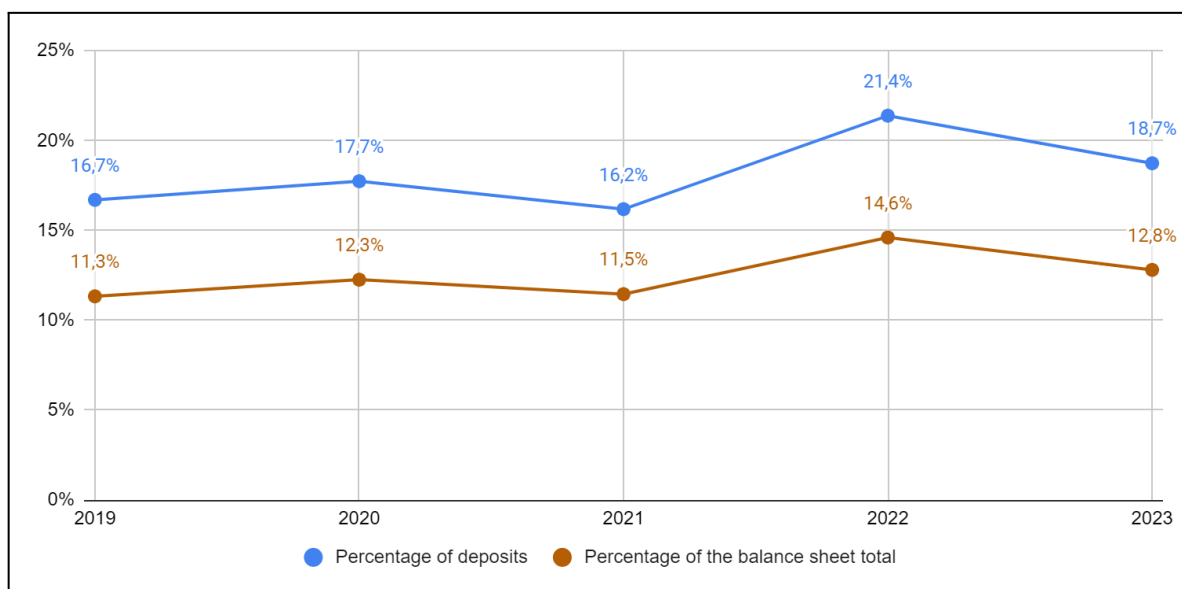
Graph 23 : Trends in credit institutions' cash positions and outstanding refinancing with the BCEAO (in billions of FCFA)



Source : BCEAO and General Secretariat of the WAMU Banking Commission

The ratio of Central Bank refinancing to deposits collected amounted to 18.7% in 2023, compared with 21.4% in 2022. Compared with the balance sheet total, it represented 12.8% in 2023 compared to 14.6% a year earlier.

Graph 24 : Trends in BCEAO refinancing as a percentage of deposits and of the balance sheet total



Source : BCEAO and General Secretariat of the WAMU Banking Commission

► **Financial results**

The Union's net banking income (NBI) stood at 3,354.0 billion in 2023, up 10.0% compared to 2022. It was mainly composed of net income from customer transactions and income from securities and miscellaneous transactions, which accounted for 64.9% and 36.1% respectively, compared with 61.3% and 34.0% in 2022.

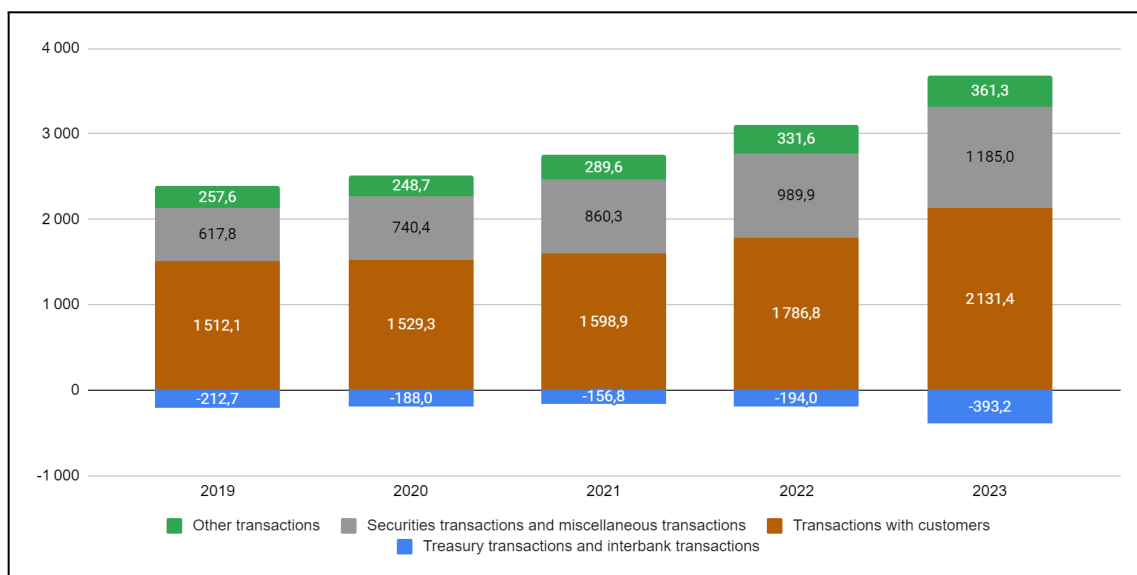
Net income from customer transactions rose by 19.3% to 2,131.4 billion in 2023 from 1,786.8 billion in 2022, up by 344.6 billion.

Net income from securities and miscellaneous transactions rose by 19.7% to 1,185.0 billion in 2023, compared with 989.9 billion a year earlier, an increase of 195.1 billion.

Income from treasury transactions and transactions with credit institutions and similar entities posted a 393.2 billion deficit in 2023, compared with a deficit of 194.0 billion a year earlier, deepening by 199.1 billion (+12.0%).

Income from other transactions (foreign exchange, financial services and miscellaneous) rose by 29.7 billion, or 8.9%, from 331.6 billion in 2022 to 361.3 billion in 2023.

Graph 25 : Trends in the components of the net banking income of credit institutions (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

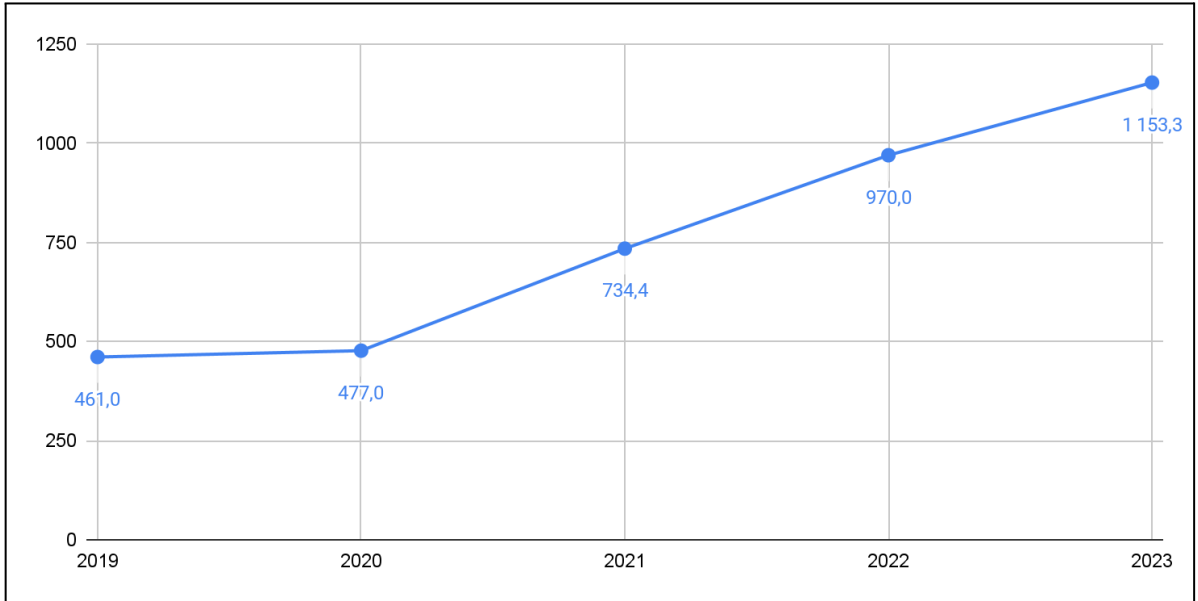
Thanks to the growth in GNP, total operating income increased by 9.0%, rising from 3,200.4 billion in 2022 to 3,489.0 billion in 2023.

Gross operating income followed a similar trend, rising by 15.7% to 1,617.6 billion, despite a 4.9% increase in overhead.

Operating income, adjusted for the cost of risk, stood at 1,262.1 billion at the end of 2023, compared with 1,046.1 billion a year earlier, an increase of 20.6%. The preliminary figure for net provisioning decreased by 3.2 pdp to stand at 22.7% at the end of 2023, compared with 25.9% in 2022.

Banking activity in the WAMU Union remained profitable, with provisional overall net income up 18.9% to stand at 1,153.3 billion at the end of 2023, compared with an actual figure of 970.0 billion in 2022.

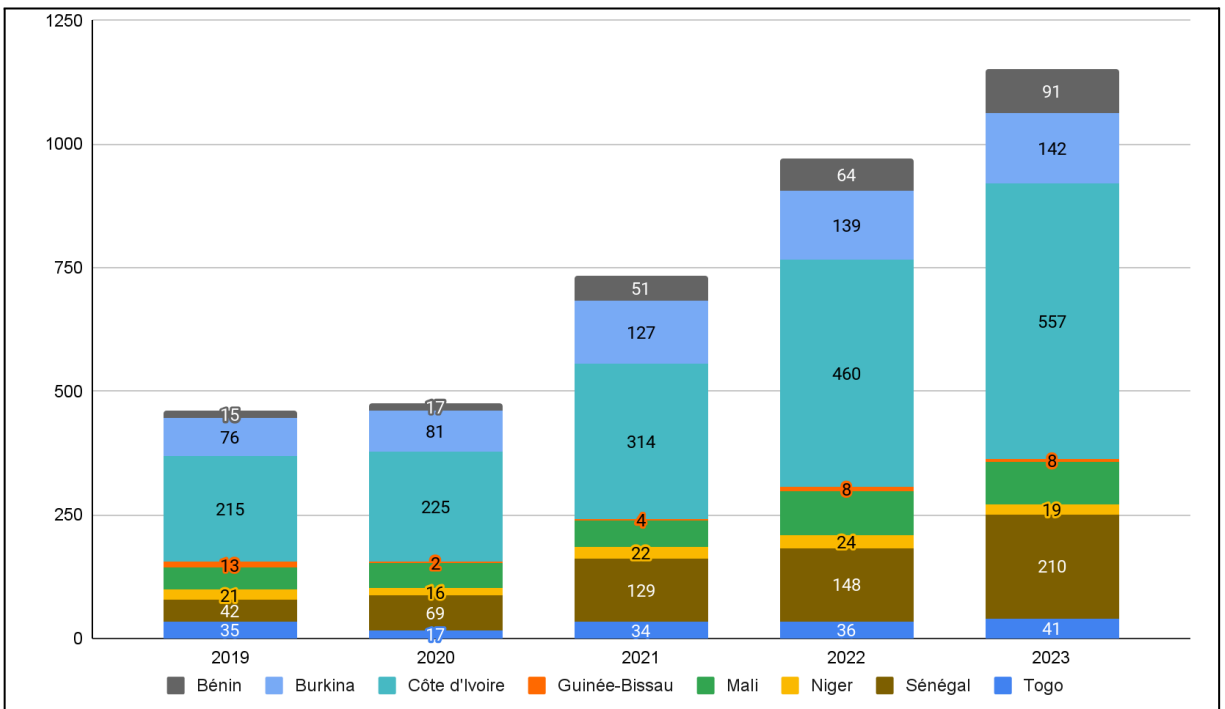
Graph 26 : Trends in the net income of credit institutions (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

Overall net income was 556.8 billion in Cote d'Ivoire, 209.9 billion in Senegal, 142.0 billion in Burkina Faso, 90.6 billion in Benin, 85.7 billion in Mali, 41.3 billion in Togo, 19.4 billion in Niger and 7.6 billion in Guinea-Bissau.

Graph 27 : Trends in overall net income by country in WAMU between 2019 and 2023 (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

► **Key operating ratios**

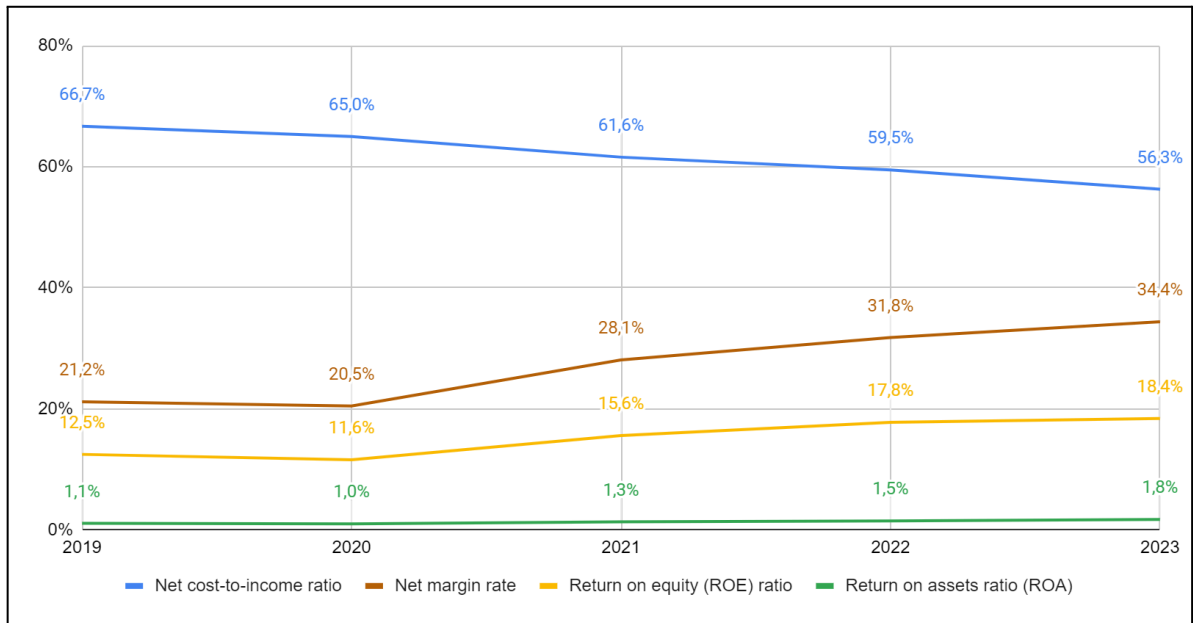
The net cost/income ratio, which measures the level of absorption of NBI by overhead, improved by 3.2 pps year over year, from 59.5% in 2022 to 56.3% in 2023.

The net margin rate, which measures profitability by dividing net income by NBI, rose by 2.6 pps to 34.4% as at December 31, 2023, compared with 31.8% a year earlier.

The return on equity (ROE)²⁹ ratio, which measures yield on equity as a percentage of net income, rose by 0.6 pp to 18.4% at the end of 2023, compared with 17.8% in 2022.

The return on assets (ROA)³⁰ ratio, which measures the ratio of net income to balance sheet total, stood at 1.7% at the end of the year under review, compared with 1.5% one year prior.

Graph 28 : Trends in key banking system ratios



Source : General Secretariat of the WAMU Banking Commission

²⁹ Return on Equity (ROE).

³⁰ Return on Assets (ROA).

Table 18 : Summary of the activities and key ratios of credit institutions*(Amounts in millions of FCFA)*

HEADINGS	12/31/2021	12/31/2022	12/31/2023 (*)	Change 2023/2022
NET USES (1+2)	46,732,878	56,038,875	59,520,234	6.2%
1. LOANS (a+b+c+d+e)	27,453,986	32,715,268	35,264,002	7.8%
a) Short-term loans	12,939,016	16,925,124	18,103,644	7.0%
b) Medium-term loans	11,544,473	13,045,507	14,076,838	7.9%
c) Long-term loans	1,518,904	1,348,315	1,445,825	7.2%
d) Leasing transactions	317,986	324,555	336,042	3.5%
e) Past-due loans	1,133,607	1,071,767	1,301,654	21.4%
2. OTHER USES (a+b+c+d)	19,278,893	23,323,607	24,256,233	4.0%
a) Investment securities	12,400,814	14,528,640	15,025,265	3.4%
b) Long-term investments	259,224	316,900	348,921	10.1%
c) Other fixed assets	5,365,545	6,888,605	7,084,024	2.8%
d) Miscellaneous	1,253,309	1,587,751	1,798,022	13.2%
RESOURCES (1+2+3)	45,271,923	51,099,990	53,563,129	4.8%
1. DEPOSITS AND BORROWINGS (a+b)	38,906,180	43,754,286	45,054,132	3.0%
a) Demand deposits	21,775,751	25,081,154	25,240,628	0.6%
b) Term deposits	17,130,430	18,673,132	19,813,504	6.1%
2. NET EQUITY (a+b)	4,711,370	5,447,631	6,253,215	14.8%
a) Capital, endowments & reserves	4,423,596	5,108,165	5,869,480	14.9%
b) Other	287,774	339,466	383,735	13.0%
3. OTHER RESOURCES	1,654,372	1,898,073	2,255,782	18.8%
CASH POSITION : CASH RESOURCES - USES	-1,460,956	-4,938,885	-5,957,106	-20.6%
TRENDS IN RESULTS				
Treasury and Interbank Transactions	-156,754	-194,043	-393,185	102.6%
Customer Transactions	1,598,924	1,786,765	2,131,390	19.3%
Securities and Miscellaneous Transactions	860,342	989,871	1,184,962	19.7%
Miscellaneous Transaction	289,629	331,642	361,305	8.9%
Deduction of interest on overdue receivables	18,462	12,909	14,663	13.6%
1. Net Banking Income	2,592,141	3,049,919	3,354,003	10.0%
Net Incidental Income	130,197	150,431	134,987	-10.3%
2. Total Operating Income	2,722,338	3,200,350	3,488,990	9.0%
Overhead Costs	-1,455,563	-1,626,283	-1,706,520	4.9%
Net depreciation and provisions on fixed assets	-150,686	-175,841	-164,862	-6.2%
3. Gross operating income	1,116,089	1,398,226	1,617,608	15.7%
Net Write-Downs on Contingencies and Losses on Uncollectible Loans	-340,226	-365,036	-370,178	1.4%
Reinstatement of Interest on Overdue Receivables	14,425	12,909	14,672	13.7%
4. Operating income	790,288	1,046,099	1,262,102	20.6%
Net Extraordinary Income	38,793	38,813	30,737	-20.8%
Income tax	-113,192	-114,912	-139,566	21.5%
5. Results	715,890	970,000	1,153,272	18.9%

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

Table 19 : Key ratios of credit institutions

KEY RATIOS	12/31/2021	12/31/2022	12/31/2023 (*)	Differences 2023/2022
GROSS CUSTOMER PORTFOLIO DETERIORATION RATE <i>Gross past-due loans / Total gross loans</i>	10.6%	8.8%	8.5%	-0.3
NET CUSTOMER PORTFOLIO DETERIORATION RATE <i>Net past-due loans / Total net loans</i>	4.1%	3.3%	3.7%	0.4
PROVISIONING RATE FOR PAST-DUE LOANS <i>Provisions / Gross past-due loans</i>	63.5%	64.9%	58.7%	-6.2
PROVISIONING RATE FOR DOUBTFUL AND DISPUTED LOANS <i>Provisions / Gross doubtful and disputed loans</i>	70.5%	75.8%	70.8%	-5.0
OVERALL MARGIN <i>Return on loans - Cost of capital</i>	4.8%	4.9%	5.2%	0.3
NET OPERATING COEFFICIENT <i>(Overhead + Depreciation) / Net Banking Income</i>	61.6%	59.5%	56.3%	-3.2
NET PROVISIONING RATE <i>Net allocations to provisions / (Gross operating income + Dubious)</i>	29.6%	25.9%	22.7%	-3.2
NET MARGIN <i>Net income / Net banking income</i>	28.1%	31.8%	34.4%	2.6
RETURN ON EQUITY <i>Net income / Shareholders' equity</i>	15.6%	17.8%	18.4%	0.6
RETURN ON ASSETS <i>Net income / Balance sheet total</i>	1.3%	1.5%	1.7%	0.2

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

5.2.1.3. Prudential status of credit institutions

The prudential status of the Union's banking system, based on preliminary data as reported on December 31, 2023, presented below, covers 129 regulated institutions comprising 111 banks and 18 bank-like financial institutions.

► Capital adequacy ratios

❖ Representation of minimum share capital by Tier 1 equity capital (T1)

This provision requires all credit institutions in WAMU to hold, at all times, Tier 1 capital at least equal to the minimum share capital of ten billion³¹ for banks and three billion for bank-like financial institutions, as determined by the WAMU Council of Ministers, or to the amount set out in the licensing decision.

Ninety-nine credit institutions met these requirements, representing 76.7% of the regulated institutions concerned, compared with 89.6% as at December 31, 2022. They represented 85.1% of assets and 86.0% of risk-weighted assets of the banking system. In 2022, 112 regulated institutions representing 91.6% of assets and 96.6% of weighted risks were compliant with the standard.

❖ Minimum ratio (CET1)³²

This is the ratio between hard core capital and risk-weighted assets. The minimum regulatory threshold is 7.5%. Tier 1 capital is the highest-quality capital that is sufficiently stable to absorb losses and enable the bank to continue as a going concern.

³¹ On December 21, 2023, the Council of Ministers of the West African Monetary Union (WAMU) decided to raise the minimum share capital of banks in the Union from 10 to 20 billion FCFA, with effect from January 1st, 2024. Institutions already accredited must comply by the end of 2026.

³² CET1 : Common Equity Tier one.

One hundred and thirteen credit institutions, or 87.6%, were in compliance with this standard. These regulated institutions accounted for 91.4% of banking assets and 92.7% of risk-weighted assets in the system. One hundred and seventeen (117) institutions, representing 92.6% of assets and 97.5% of risks, complied with this standard one year earlier.

❖ Minimum ratio (T1)³³

This standard, measured using the ratio of core equity tier one (CET1) plus additional tier one capital or other T1 items to risk-weighted assets was set, for 2023, at 8.5%.

The ratio was complied with by one hundred and eleven credit institutions, i.e., 86.0% of the regulated institutions concerned, which accounted for 90.5% of the banking system's assets and 91.4% of its risk-weighted assets. On December 31, 2022, the number of regulated institutions meeting this ratio was 114. They represented 90.8% of assets and 95.3% of risk-weighted assets of the banking system.

❖ Total solvency ratio

This indicator is determined by the ratio of effective shareholders' equity³⁴ to weighted risk. The threshold was set at 11.5% as of 2023.

As at December 31, 2023, actual equity capital and risk-weighted assets stood at 5,175.2 billion and 36,597.1 billion respectively, compared with 4,334.6 billion and 32,624.5 billion in 2022.

Table 20 : Breakdown of credit institutions by minimum solvency ratio

Range	Number of credit institutions	Share of total assets	Share of risk-weighted assets
≥ 11.5%	113	91.3%	92.6%
< 11.5%	16	8.7%	7.4%
TOTAL	129	100%	100%

Source : General Secretariat of the WAMU Banking Commission

In the Union as a whole, one hundred and thirteen credit institutions met the solvency standard at the end of December 2023. These entities accounted for 91.3% of banking assets and 92.6% of risk-weighted assets. In 2022, 114 credit institutions holding 91.3% of assets and 95.2% of risk-weighted assets were in compliance with this ratio.

At the end of December 2023, the total solvency ratio in the Union stood at 14.1%, compared to 13.3% in 2022, above the minimum regulatory threshold set at 11.5% for 2023, the end of the prudential transition period.

By country, the ratio was as follows :

Table 21 : Average solvency ratio of credit institutions by country and across WAMU

Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau (*)	Mali	Niger	Senegal	Togo	WAMU
16.4%	14.2%	13.7%	-18.5%	15.6%	14.5%	15.4%	8.3%	14.1%

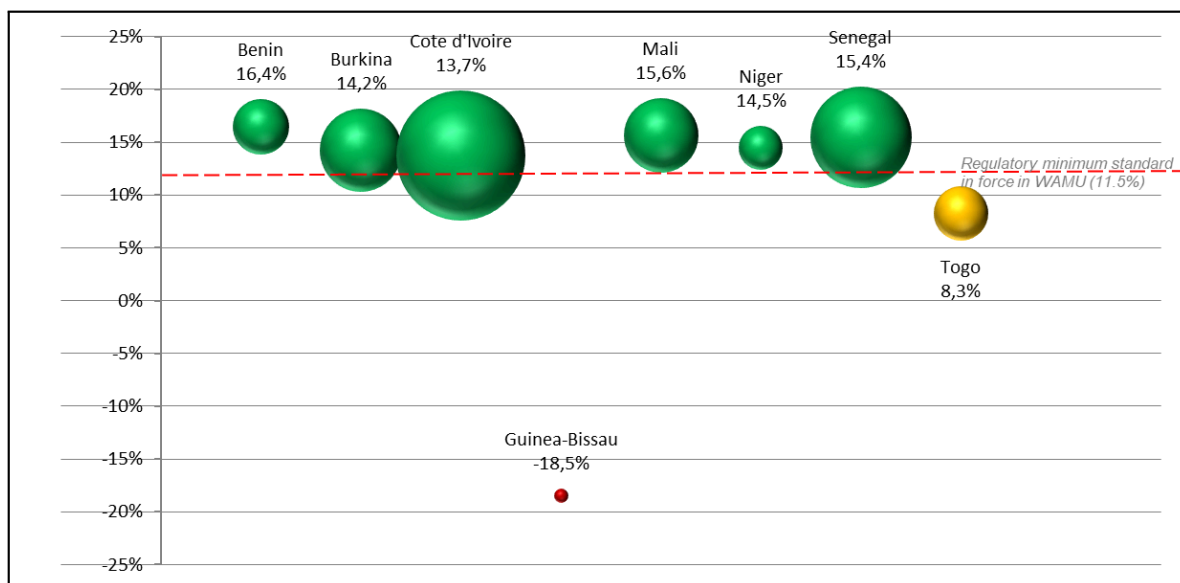
(*) The level of the ratio in Guinea-Bissau was linked to the prudential status of an institution with negative equity that had a significant weight in the national banking sector.

Source : General Secretariat of the WAMU Banking Commission

³³ (T1) : Tier One or Core Capital.

³⁴ The equity capital used to calculate the total solvency ratio is the effective equity capital obtained from the sum of core capital (T1) and supplementary capital (T2).

Graph 29 : Solvency ratio of credit institutions in relation to risk-weighted assets



The size of the circles reflects the volume of risk-weighted assets.

Source : General Secretariat of the WAMU Banking Commission

❖ Risk division standard

The risk division standard, measured by total assets weighted according to the risk on a customer or group of related customers in relation to tier one capital (T1), was set at 25% for 2023. It measures customer concentration risks, or "large risks".³⁵

As at December 31, 2023, ninety-five credit institutions, or 73.6% of those subject to the standard, accounting for 83.6% of assets and 85.6% of risk-weighted assets, were in compliance with the risk division standard. In 2022, they numbered eighty-five credit institutions, i.e., 65.9% of regulated institutions, accounting for 70.6% of banking system assets and 74.9% of risk-weighted assets.

❖ Leverage ratio

The purpose of the leverage ratio is to control an institution's balance sheet growth in relation to its equity capital, and to limit the accumulation of leverage in the banking sector. It is measured based on tier one equity capital (T1) in relation to total exposure (balance sheet and off-balance sheet). The minimum standard is 3%.

As at December 31, 2023, total exposure was estimated at 68,182.4 billion. This resulted in a leverage ratio of 6.9%, compared with 6.3% in 2022. One hundred and eight credit institutions, holding 88.8% of assets and 89.7% of risk-weighted assets, met the leverage standard. In 2022, 113 credit institutions, accounting for 90.4% of assets and 94.9% of risks, were in compliance with this ratio.

By country, the leverage ratio was as follows :

Table 22 : Leverage ratio by country and across WAMU

Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau (*)	Mali	Niger	Senegal	Togo	WAMU
6.0%	7.3%	7.0%	-10.2%	7.7%	14.2%	7.2%	3.5%	6.9%

(*) The level of the ratio in Guinea-Bissau was due to the prudential status of an institution with negative equity that had a significant weight in the national banking sector.

Source : General Secretariat of the WAMU Banking Commission

³⁵ The notion of "large risk" represents a customer or group of related customers whose total credit-risk-weighted assets amount to at least 10% of an institution's core capital (T1).

► Other prudential standards

❖ Individual and total limits on investments in business entities

As at December 31, 2023, one hundred and six credit institutions, or 82.2% of entities, were in compliance with the standard limiting individual holdings in business entities to 25% of their capital. They represented 86.4% of assets and 87.8% of risk-weighted assets. At the end of 2022, 115 credit institutions holding 89.3% of the banking system's assets and 94.4% of its risk-weighted assets complied with the limit.

At the end of 2023, one hundred and eleven credit institutions were in compliance with the standard limiting individual holdings in business entities to 15% of the institution's tier one capital (T1). They represented 90.5% of assets and 91.4% of risk-weighted assets. A year earlier, one hundred and fifteen institutions, representing 92.3% of assets and 97.1% of risk-weighted assets, complied with the standard.

In addition, one hundred and twenty-three credit institutions were in compliance with the standard limiting overall holdings in business entities to 60% of the institution's actual capital at the end of 2023. They represented 93.9% of assets and 95.2% of risk-weighted assets. In 2022, the one hundred and twenty-five credit institutions complying with this limit represented 94.8% of assets and 100% of risk-weighted assets.

❖ Ceiling on non-operating fixed assets

At the end of 2023, ninety-four credit institutions, whose activities represented 75.1% of assets and 75.4% of risk-weighted assets, were in compliance with the standard limiting non-operating fixed assets to a maximum of 15% of tier one capital (T1). In 2022, one hundred and one credit institutions, representing 82.4% of assets and 86.8% of risk-weighted assets, were in compliance with this standard.

❖ Ceiling on total non-operating fixed assets and equity investments

As at December 31, 2023, 111 regulated institutions, accounting for 90.5% of assets and 91.4% of risk-weighted assets, met the standard limiting total non-operating fixed assets and participating interests to 100% of tier one capital (T1). For the 2022 financial year, one hundred and fourteen credit institutions, representing 91.6% of the banking system's assets and 96.5% of its risks, complied with this limit.

❖ Ceiling on loans to shareholders, management and staff

At the end of 2023, one hundred and nine credit institutions, representing 89.3% of assets and 90.4% of risk-weighted assets, were in compliance with the standard limiting total loans to shareholders, management and employees to 20% of actual equity. One hundred and ten credit institutions complied with this standard on December 31, 2022. They represented 90.0% of assets and 94.1% of risk-weighted assets of the banking system.

❖ Coefficient of coverage of medium- and long-term uses with stable resources

This standard, which requires that at least 50% of fixed assets be covered by stable resources, aims to prevent excessive transformation of banks' short-term resources into medium- or long-term assets. It helps to ensure the balance of the financial structure of credit institutions.

As at the end of the period under review, ninety entities, representing 70.2% of assets and 70.3% of risk-weighted assets, were in compliance with this requirement. At the end of 2022, 105 credit institutions holding 82.9% of the assets and 89.3% of the risk-weighted assets of the banking system met this standard.

❖ Liquidity ratio

Designed to prevent short-term liquidity risks in the banking system, this standard requires credit institutions to have sufficient liquid assets or assets with a residual maturity not exceeding three months to cover at least 75% of their liabilities with the same maturity.

As at December 31, 2023, ninety-six credit institutions, accounting for 74.5% of assets and 73.4% of risk-weighted assets, met this requirement, compared with one hundred and ten credit institutions with 85.7% and 91.1% in 2022. With regard to bank-like financial institutions, this ratio applies only to those that take in funds from the public.

Table 23 : Liquidity ratio by country and across WAMU

Benin	Burkina Faso	Cote d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo	WAMU
105.8%	112.5%	102.8%	92.7%	96.8%	102.5%	103.5%	107.8%	104.2%

Source : General Secretariat of the WAMU Banking Commission

At the end of 2023, the liquidity ratio stood at 104.2%, compared with 107.3% a year earlier.

It should be pointed out that the prudential framework, which came into force in January 2018, provides for a short-term liquidity ratio (STLR) and a long-term liquidity ratio (LTLR) that are not yet applicable.

► **Summary of the prudential status of credit institutions**

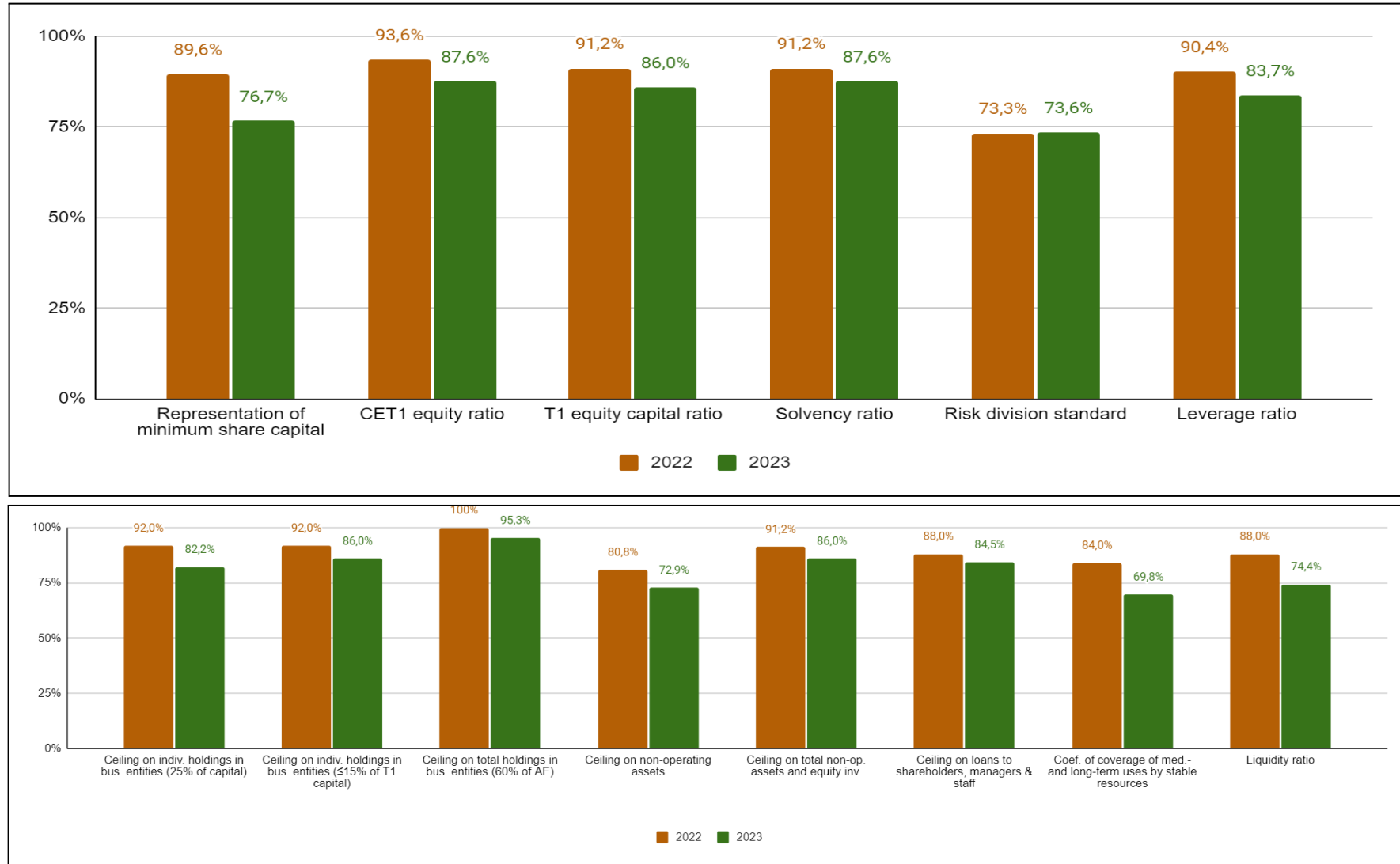
The table and graph below provide an overview of prudential compliance by credit institutions operating in the Union at the end of December 2023.

Table 24 : Number of credit institutions in compliance with prudential requirements as at December 31, 2023

	Minimum share capital represented by T1 core capital	Solvency standards			Risk division standard	Leverage ratio	Other prudential standards							
		Core equity tier one (CET1) ratio	Equity tier one (T1) capital ratio	Total solvency ratio			Ceiling on indiv. holdings in bus. entities (25% of the capital of the business)	Individual holdings in business entities (15% of core tier one capital (T1))	Total holdings in business entities (60% of actual equity capital)	Ceiling on non-operating assets	Ceiling on total non-operating assets and equity investments	Ceiling on loans to shareholders, management and staff	Coefficient of coverage of medium- and long-term uses with stable resources	Liquidity ratio (≥ 50%)
Benin (12)	10	12	12	11	11	10	12	12	12	7	12	12	9	10
Burkina Faso (18)	14	14	14	14	13	14	12	14	16	13	14	13	15	14
Cote d'Ivoire (27)	24	25	25	25	21	25	25	25	27	24	25	25	20	21
Guinea-Bissau (3)	1	1	1	1	1	1	1	1	2	0	1	1	0	2
Mali (15)	15	15	15	15	14	15	14	15	15	12	15	14	14	14
Niger (13)	10	12	12	12	9	12	12	12	12	8	12	12	7	7
Senegal (27)	14	23	21	24	18	20	19	21	25	20	21	21	14	15
Togo (14)	11	11	11	11	8	11	11	11	14	10	11	11	11	13
WAMU (129)	99	113	111	113	95	108	106	111	123	94	111	109	90	96

Source : General Secretariat of the WAMU Banking Commission

Graph 30 : Percentage of credit institutions in compliance with prudential requirements in 2022 and 2023



Source : General Secretariat of the WAMU Banking Commission

5.2.1.4. Activities and profitability of domestic SIFIs

The 28 domestic SIFIs, representing 40.0% of total banking assets in WAMU, had a balance sheet total of 26,342.9 billion, up 5.3% over 2022.

Table 25 : Domestic SIFI statistics at end 2023

Country	Number of SIFIs	Balance sheet total (billions of FCFA)	Credits	Deposits	Gross portfolio deterioration	Windows	ATMs/CDs	Bank accounts	Staff
Benin	4	3,587.4	1,790.3	2,458.3	3.5%	142	210	1,624,649	1,517
Burkina Faso	3	5,086.6	2,457.8	3,410.1	5.6%	171	299	2,083,739	2,031
Cote d'Ivoire	4	6,151.3	3,721.0	4,488.6	7.3%	184	322	1,438,013	2,907
Guinea-Bissau	2	178.8	90.9	139.8	14.1%	19	56	59,303	302
Mali	4	3,862.9	2,058.2	2,271.6	15.3%	249	309	1,307,959	1,873
Niger	3	1,212.8	638.2	726.5	19.6%	65	86	583,461	949
Senegal	4	3,851.8	2,394.1	3,047.5	5.6%	156	265	962,181	2,690
Togo	4	2,411.3	1,131.4	1,822.7	6.2%	96	226	1,090,961	1,179
WAMU	28	26,342.9	14,282.1	18,365.1	8.0%	1,082	1,773	9,150,266	13,448

Source : General Secretariat of the WAMU Banking Commission

As at December 31, 2023, gross outstanding loans to domestic SIFIs were down by 7 billion (-0.6%). They stood at 1,206.1 billion at the end of December 2023, compared with 1,213.1 billion a year earlier. This represents 38.2% of the gross outstanding past-due loans of the WAMU banking system.

The gross deterioration rate of the domestic SIFI portfolio stood at 8.0% at the end of 2023, versus 8.8% a year earlier, improving by 0.8 pp. The net rate was 2.5% in 2023, compared with 2.8% the previous year.

At the end of the period under review, after deducting provisions of 851.8 billion, down 2.2 billion (-0.3%), representing 45.9% of the Union's provisions, net past-due loans of domestic SIFIs stood at 354.3 billion compared with 359.1 billion a year earlier, down 4.7 billion (-1.3%).

The provisioning rate stood at 70.6% at the end of December 2023, up 0.2 pps compared to the same period the year before.

The cash deficit of domestic SIFIs deepened from -1,625.7 billion on December 31, 2022, to -2,179.3 billion at the end of 2023.

The SIFIs' total provisional net income rose by 18.8% to 510.4 billion at the end of 2023, compared with 429.7 billion in 2022. Thus, in 2023, the twenty-eight national SIFIs accounted for 44.3% of the provisional net profit of the WAMU banking system.

The SIFIs' net cost/income ratio fell by 1.8 pps, year over year, from 51.9% in 2022 to 50.1% in 2023.

The net margin increased by 0.9 pps to 35.6% as at December 31, 2023, from 34.7% a year earlier.

The return on equity (ROE) ratio rose by 0.5 pp to 19.1% at the end of 2023, compared with 18.6% in 2022.

The return on assets (ROA) ratio stood at 1.9% at the end of the year under review, compared with 1.7% in 2022, improving by 0.2 pp.

Table 26 : Share of national SIFIs in the local banking system, by indicator at the end of 2023

Country	Uses	Credits	Resources	Deposits	Provisional net income	Local market share (balance sheet total)	Weight in Union SIFIs
Benin	43.5%	41.2%	46.3%	46.4%	63.8%	55.9%	13.6%
Burkina Faso	54.7%	51.0%	55.9%	56.7%	76.4%	55.8%	19.3%
Cote d'Ivoire	29.2%	31.1%	30.6%	30.1%	26.6%	27.7%	23.4%
Guinea-Bissau	44.2%	49.5%	55.1%	60.8%	57.6%	39.5%	0.7%
Mali	49.3%	53.2%	48.1%	47.0%	53.5%	51.0%	14.7%
Niger	47.2%	44.5%	47.4%	48.6%	75.5%	48.3%	4.6%
Senegal	29.7%	30.4%	32.5%	32.1%	45.7%	30.0%	14.6%
Togo	56.3%	55.7%	55.4%	56.6%	59.2%	50.0%	9.2%
WAMU	39.7%	39.5%	40.3%	40.1%	44.3%	40%	100%

Source : General Secretariat of the WAMU Banking Commission

National SIFIs had 33.4% of windows, controlled 37.1% of ATMs/CDs, held 47.1% of customer bank accounts and employed 33.7% of WAMU banking system staff.

Their resources and uses represented respectively 40.3% and 39.7% of those of the WAMU banking system. These national SIFIs accounted for 40.1% of deposits and 39.5% of loans in the WAMU banking system. They contributed 44.3% to the total provisional net income of the Union.

5.2.1.5. Prudential status of national SIFIs

► Capital adequacy standards

❖ Representation of minimum share capital by Tier 1 equity capital (T1)

All twenty-eight national SIFIs were in compliance with the thresholds for the representation of minimum share capital by tier one capital compared with 23 institutions representing 92.9% as at December 31, 2022.

❖ Core Equity Tier 1 ratio (CET1)

Twenty-three national SIFIs, or 88.5%, met the CET1 Tier 1 ratio, compared with 25 regulated institutions, or 89.3%, in 2022.

❖ Equity tier one (T1) capital ratio

The core capital ratio (T1) was met by twenty-three national SIFIs, i.e., 88.5% of regulated entities, compared with twenty-four (85.7%) in 2022.

❖ Total solvency ratio

As at December 31, 2023, actual capital and risk-weighted assets for national SIFIs stood at 2,131.4 billion and 15,798.8 billion respectively, compared with 2,052.4 billion and 16,057.9 billion in 2022.

Table 27 : Breakdown of national SIFIs by minimum solvency ratio

Range	Number of national SIFIs	Percentage
≥ 11.5%	25	89.3%
< 11.5%	3	10.7%
TOTAL	28	100%

Source : General Secretariat of the WAMU Banking Commission

Twenty-five national SIFIs met the solvency standard at the end of December 2023, the same number as in 2022.

At the end of December 2023, the total solvency ratio of domestic SIFIs stood at 13.5%, compared with 12.8% in 2022, above the minimum regulatory threshold fixed at the limit of 11.5% in 2023.³⁶

❖ Risk division standard

As at December 31, 2023, seventeen national SIFIs, or 80.8% of those subject to the standard, were in compliance with the risk division standard, compared with eighteen in 2022, representing 60.7% of institutions.

❖ Leverage ratio

At the end of 2023, the total exposure of domestic SIFIs was estimated at 29,510.7 billion, compared with 30,898.3 billion in 2022. This resulted in a leverage ratio of 6.8%, compared with 6.3% in 2022. Twenty-two domestic SIFIs, or 84.6%, met the leverage standard, compared with twenty-two, or 85.7%, in 2022.

► Other prudential standards

❖ Individual and total limits on investments in business entities

As at December 31, 2023, twenty-one national SIFIs, or 80.8% of those entities, were in compliance with the standard, which limits individual equity investments in business entities to 25% of their capital, compared with twenty-four in 2022. The standard was met by five regional SIFIs, as in 2022.

On the other hand, twenty-three national SIFIs, or 88.5% of these regulated institutions, were in compliance with the standard that individually limits holdings in business entities to 15% of the institution's tier one capital (T1), compared with twenty-five national SIFIs, or 89.3%, in 2022. All regional SIFIs were in compliance with this ceiling.

In addition, twenty-five national SIFIs were in compliance with the standard that limits overall holdings in business entities to 60% of the institution's actual equity capital, compared with all the SIFIs in 2022.

❖ Ceiling on non-operating fixed assets

At the end of 2023, eighteen national SIFIs, or 69.2% of these regulated institutions, were in compliance with the standard limiting non-operating fixed assets to a maximum of 15% of tier one capital (T1), compared with twenty-one, or 75.0% in 2022.

All regional SIFIs met the ceiling on December 31, 2023.

❖ Ceiling on total non-operating fixed assets and equity investments

As at December 31, 2023, twenty-three regulated institutions, or 88.5% of this category of institutions, were in compliance with the standard limiting total non-operating fixed assets and investments to 100% of tier one capital (T1), compared with twenty-five, or 89.3%, in 2022.

❖ Ceiling on loans to shareholders, management and staff

Twenty-three national SIFIs, or 88.5% of these regulated entities, were in compliance with the standard, which limits cumulative loans to shareholders, management and staff to 20% of actual equity, compared with twenty-four (85.7%) in 2022.

❖ Coefficient of coverage of medium- and long-term uses with stable resources

At the end of the period under review, fourteen entities, representing 53.8% of those subject to the standard, complied with the requirement to cover at least 50% of fixed assets with stable resources, compared with twenty-two entities, or 78.6%, in 2022.

³⁶ End of the transition period for the prudential framework

❖ **Liquidity ratio**

As at December 31, 2023, sixteen national SIFIs, or 61.5%, met the liquidity ratio, compared with twenty-four institutions, or 85.7%, in 2022.

▶ **Summary of the prudential status of national SIFIs**

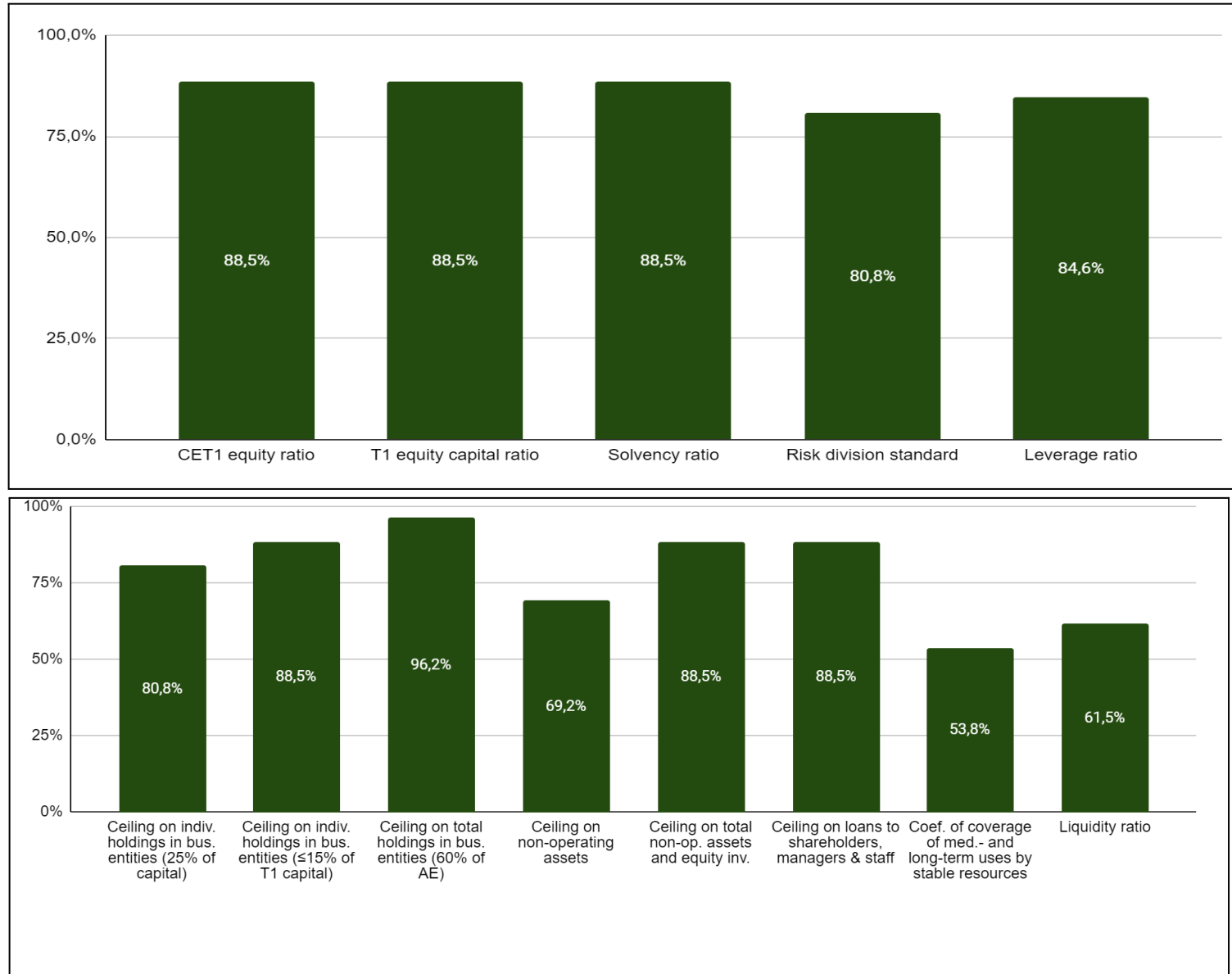
The table and graph below provide an overview of national SIFIs' compliance with prudential requirements at the end of December 2023.

Table 28 : Number of national SIFIs in compliance with prudential requirements as at December 31, 2023

	Minimum share capital represented by T1 core capital	Solvency standards			Risk division standard	Leverage ratio	Other prudential standards							
		Core equity tier one (CET1) ratio	Equity tier one (T1) capital ratio	Total solvency ratio			Ceiling on indiv. holdings in bus. entities (25% of the capital of the business)	Ceiling on individual holdings in business entities (15% of core tier one capital (T1))	Ceiling on total holdings in business entities (60% of actual equity capital)	Ceiling on non-operating assets	Ceiling on total non-operating assets and equity investments	Ceiling on loans to shareholders, management and staff	Coefficient of coverage of medium- and long-term uses with stable resources	Liquidity ratio
Benin (4)	4	4	4	4	3	3	3	4	4	2	4	4	2	3
Burkina Faso (3)	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Cote d'Ivoire (4)	4	4	4	4	3	4	3	4	4	3	4	4	3	3
Guinea-Bissau (2)	2	0	0	0	0	0	0	0	1	0	0	0	0	1
Mali (4)	4	3	3	3	3	3	3	3	3	2	3	3	2	2
Niger (3)	3	3	3	3	3	3	3	3	3	2	3	3	0	0
Senegal (4)	4	3	3	4	3	3	3	3	3	3	3	3	4	4
Togo (4)	4	3	3	4	3	3	3	3	4	3	3	3	0	0
WAMU (28)	28	23	23	25	21	22	21	23	25	18	23	23	14	16

Source : General Secretariat of the WAMU Banking Commission

Graph 31 : Percentage of national SIFIs in compliance with prudential requirements as at December 31, 2023



Source : General Secretariat of the WAMU Banking Commission

5.2.2. Financial companies

5.2.2.1. Financial companies landscape

At the end of 2023, the number of financial companies supervised by the Banking Commission remained at nineteen, the same as in 2022. They were distributed as follows :

Table 29 : Breakdown of financial companies

Country	Financial holding companies	Intermediate financial holding companies	Total
Burkina Faso	2	-	2
Cote d'Ivoire	7	2	9
Senegal	2	2	4
Togo	4	-	4
WAMU	15	4	19

Source : General Secretariat of the WAMU Banking Commission

5.2.2.2. Activities and results of financial companies

At the end of 2023, based on consolidated data, financial companies had total assets of 49,623.3 billion, down 2.3% over the year after a 16.1% rise in 2022.

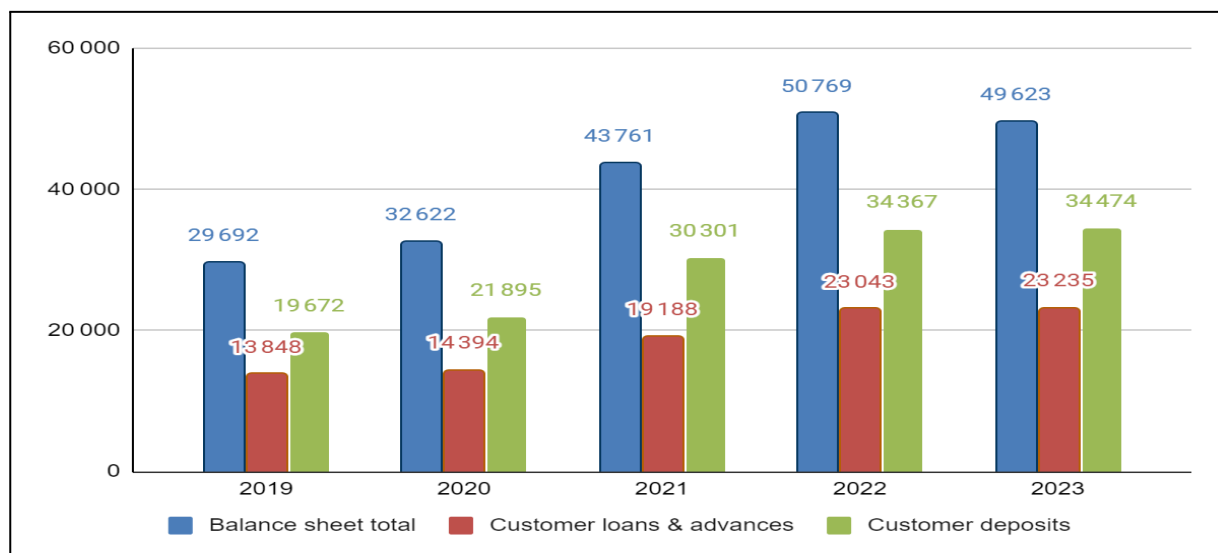
Table 30 : Key financial company indicators at the end of December 2023 (in billions of FCFA)

Country	Balance sheet total	Loans and receivables	Amounts owed to customers	Net Banking Income	Results
Burkina Faso	7,126.5	3,403.0	4,594.1	339.1	114.4
Cote d'Ivoire	14,038.2	7,447.7	9,422.1	711.2	569.6
Senegal	7,598.2	3,801.8	5,099.1	439.2	149.7
Togo	20,860.4	8,582.9	15,358.6	1,489.0	228.1
WAMU	49,623.3	23,235.4	34,473.9	2,978.5	1,061.8

Source : General Secretariat of the WAMU Banking Commission

Loans and advances to customers of these entities stood at 23,235.4 billion on December 31, 2023, up 0.8%, versus 20.1% in 2022. Amounts owed to customers stood at 34,473.9 billion on the same date, up 0.3% compared with 13.4% a year earlier.

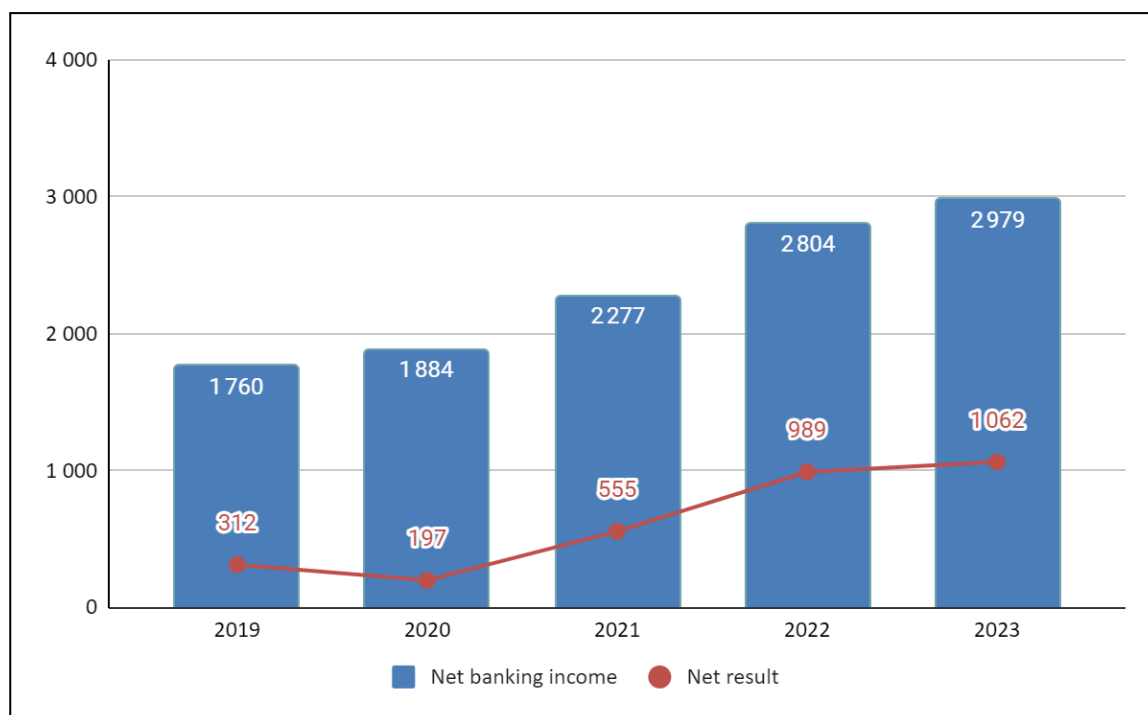
Graph 32 : Trends in financial company activity from 2019 to 2023 (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

Net banking income rose by 6.2% to 2,978.5 billion, following an increase of 23.2% in 2022. Provisional net income for financial companies was up 7.4% to stand at 1,061.8 billion in 2023.

Graph 33 : Net banking income and net income of financial companies (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

5.2.2.3. Activities and results of regional SIFIs

Six of the nineteen financial companies operating in WAMU were on the list of regional SIFIs, as was the case in 2022. These six institutions posted a balance sheet total of 39,681.8 billion at the end of 2023, representing a 4.3% increase compared to the end of 2022. Their share of financial company assets fell from 81.7% in 2022 to 80.0%.

Their customer loans and receivables and customer deposits stood at 18,573.8 billion and 28,176.3 billion respectively, up 1.1% and 2.8% year on year.

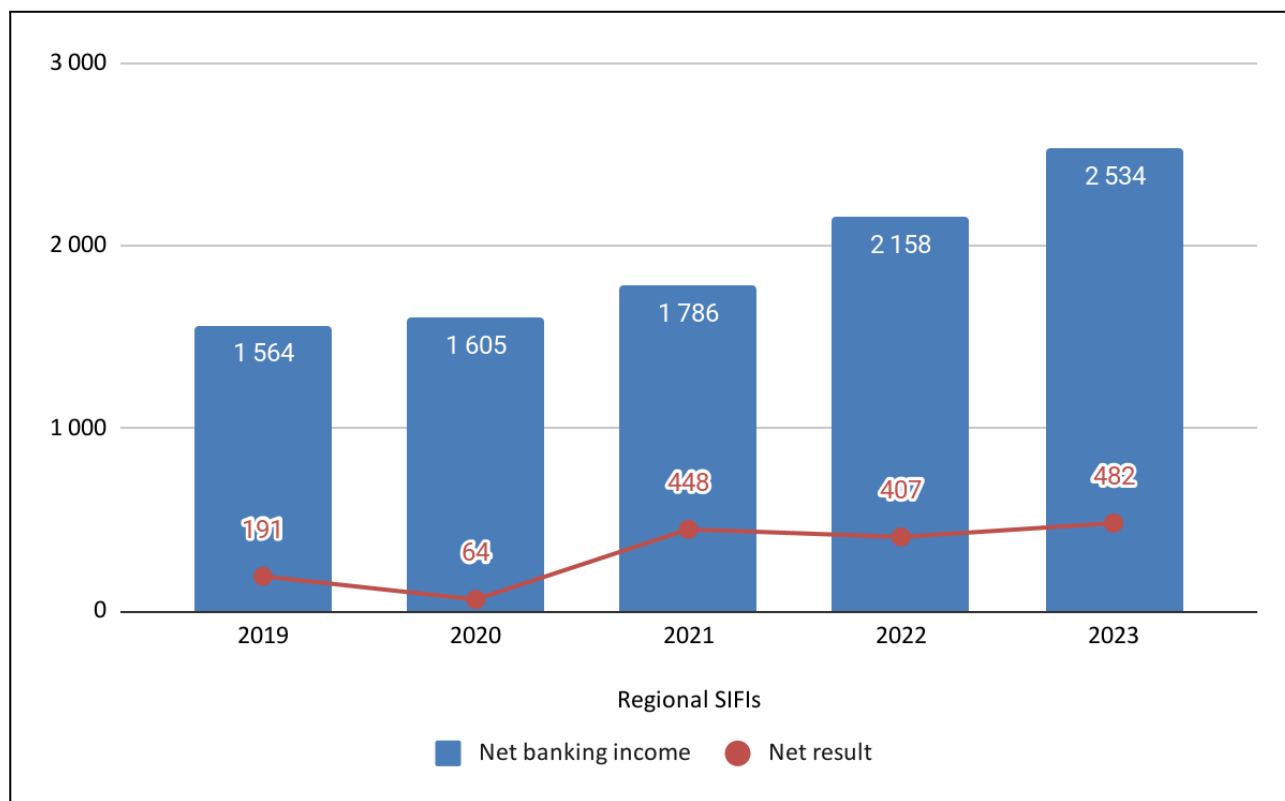
Table 31 : Weight of regional SIFIs in total financial companies

	2019	2020	2021	2022	2023
Balance sheet total	86.8%	81.0%	76.3%	81.7%	80.0%
Loans and advances to customers	83.4%	77.3%	74.5%	81.5%	79.9%
Customer deposits	87.1%	82.7%	78.5%	84.3%	81.7%
Net banking income	88.9%	85.2%	78.4%	84.4%	85.1%
Net result	85.4%	67.6%	80.8%	90.0%	83.9%

Source : General Secretariat of the WAMU Banking Commission

In terms of profitability, regional EBIS reported provisional earnings of 482.4 billion in 2023, up 2.1% year on year. This surplus represented 83.9% of that of all financial companies in 2023, compared with 90.0% in 2022.

Graph 34 : Net banking income and net income of regional SIFIs (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

5.2.2.4. Prudential status of financial companies

Based on the provisional prudential data from 18 regulated financial companies, the prudential situation at the end of December 2023 was as follows.

5.2.2.4.1. Capital adequacy standards

❖ Core Equity Tier 1 (CET1) ratio

Fourteen financial companies met this ratio, as in 2022. They represented 90.3% of assets and 90.9% of risk-weighted assets.

❖ Equity tier one (T1) capitalization ratio

This standard was met by 14 financial companies, compared with 12 in 2022. The compliant entities accounted for 90.3% of assets and 90.9% of risk-weighted assets.

❖ Total solvency ratio

As at December 31, 2023, actual equity and risk-weighted assets for financial companies stood at 3,577.9 billion and 25,267.8 billion respectively, compared with 1,952.2 billion and 16,066.0 billion in 2022.

Table 32 : Breakdown of financial companies by minimum solvency ratio

Range	Number of financial companies	Share of total assets	Share of risk-weighted assets
≥ 11.5%	14	90.3%	90.9%
< 11.5%	4	9.7%	9.1%
TOTAL	18	100%	100%

Source : General Secretariat of the WAMU Banking Commission

Fourteen financial companies met the 11.5% solvency ratio, compared with thirteen in 2022. These entities accounted for 90.3% of banking assets and 90.9% of risk-weighted assets.

On the same date, the total solvency ratio stood at 14.2%, compared with 12.2% in 2022 and 12.8% in 2021.

❖ Risk division standard

The risk division standard, which measures the concentration of major risks, was met by all financial companies, versus 15 in 2022.

❖ Leverage ratio

The leverage ratio, measured as tier one (T1) capital divided by total exposure (balance sheet and off-balance sheet), which was set at a minimum of 3%, was met by thirteen financial companies representing 57.0% of assets and 57.7% of risk-weighted assets, versus twelve in 2022

The total exposure of financial companies was estimated at 34,200.1 billion, resulting in a leverage ratio of 8.7%, compared with 3.5% in 2022.

5.2.2.4.2. Other prudential standards

❖ Individual and total limits on investments in business entities

As at December 31, 2023, seventeen financial companies, representing 86.7% of assets and 88.1% of risk-weighted assets, versus sixteen in 2022, were in compliance with the standard that individually limits holdings in business entities to 25% of corporate capital.

All financial companies, as in 2022, were in compliance with the standard that individually limits holdings in business entities to 15% of the institution's tier one (T1) capital.

As in 2022, ten financial companies were in compliance with the standard limiting overall holdings in business entities to 60% of their actual equity capital. They represented 58.6% of assets and 68.4% of risk-weighted assets.

❖ **Ceiling on non-operating fixed assets**

At the end of 2023, as in 2022, all regulated financial companies were in compliance with the standard limiting non-operating fixed assets to a maximum of 15% of core capital.

❖ **Ceiling on total non-operating fixed assets and equity investments**

As at December 31, 2023, eight regulated institutions, versus all financial companies in 2022, were in compliance with the standard limiting total non-operating fixed assets and participating interests to 100% of tier one (T1) capital.

❖ **Ceiling on loans to shareholders, management and staff**

In 2023, all financial companies, versus sixteen regulated institutions in 2022, were in compliance with the standard limiting total loans to shareholders, management and employees to 20% of actual equity.

5.2.2.4.3. Summary of the prudential status of financial companies

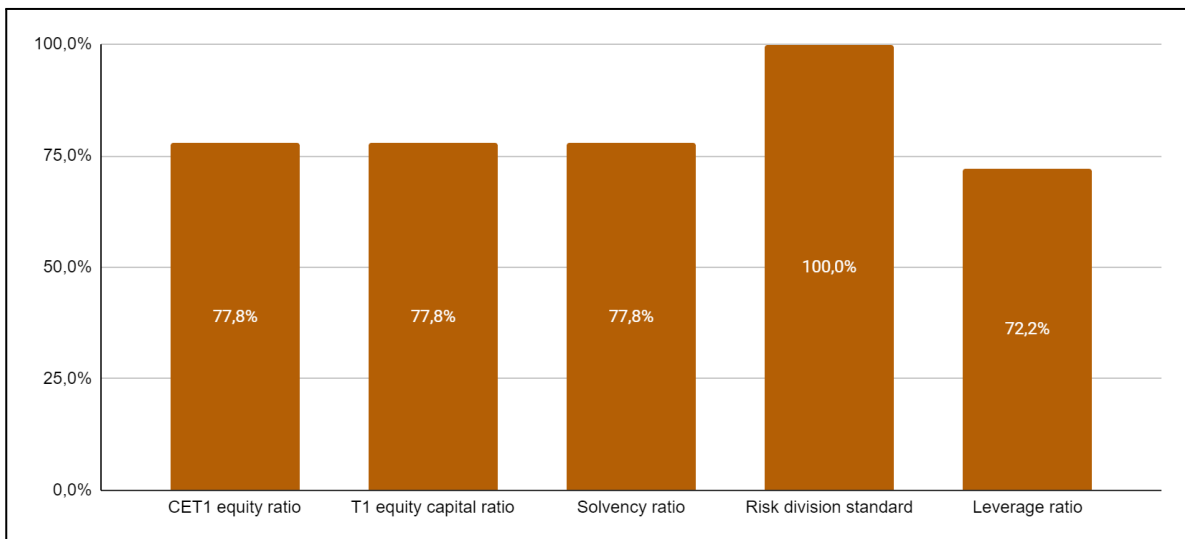
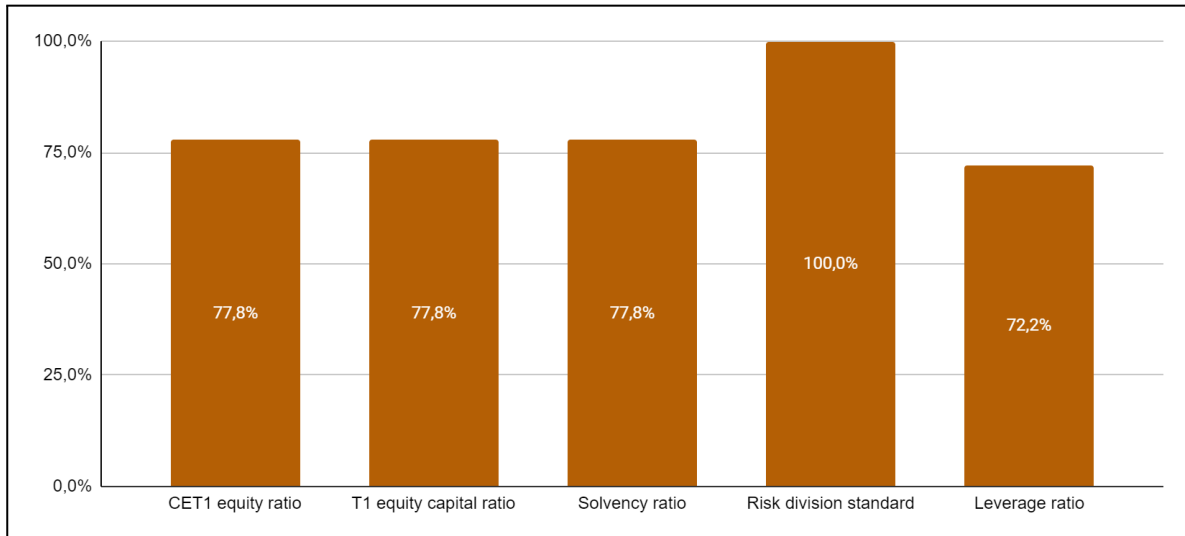
The table and chart below provide an overview of prudential compliance by financial companies operating in the Union at the end of December 2023.

Table 33 : Number of financial companies in compliance with prudential requirements

	Solvency standards			Risk division standard	Leverage ratio	Other prudential standards					
	Core equity tier one (CET1) ratio	Equity tier one (T1) capital ratio	Total solvency ratio			Ceiling on indiv. holdings in bus. entities (25% of the capital of the business)	Individual holdings in business entities (15% of core tier one capital (T1))	Total holdings in business entities (60% of actual equity capital)	Ceiling on non-operating assets	Ceiling on total non-operating assets and equity investments	Ceiling on loans to shareholders, management and staff
Burkina Faso (2)	2	2	2	2	2	1	2	0	2	0	2
Cote d'Ivoire (8)	7	7	7	8	6	8	8	5	8	4	8
Senegal (4)	3	3	3	4	3	4	4	2	4	1	4
Togo (4)	2	2	2	4	2	4	4	3	4	3	4
WAMU (18)	14	14	14	18	13	17	18	10	18	8	18

Source : General Secretariat of the WAMU Banking Commission

Graph 35 : Percentage of financial companies in compliance with prudential regulations



Source : General Secretariat of the WAMU Banking Commission

5.3. MICROFINANCE SECTOR



261 large microfinance institutions (MFIs) subject to Banking Commission supervision in 2023, representing an annual increase of 25 units

Balance sheet total for large MFIs up by 10.9% to stand at 3,903 billion

Loans up by 14.6%, reaching 2,222 billion

Portfolio quality deteriorated by 0.4 percentage point (pp), reflecting a gross deterioration rate of 4.2%

Deposits were up by 4.1%, reaching 2,022 billion

Provisional net income up 78.9% to 46.4 billion

Return on equity improved, reaching 5.8%

Capitalization ratio down 1.3 pp to stand at 14.5%

5.3.1. Microfinance institutions landscape

Microfinance is governed by the Uniform Act regulating microfinance institutions (MFIs) and its implementing instruments.

In accordance with the provisions of Article 44 of the Act and those of BCEAO Instruction No. 007-06-2010 of June 14, 2010, on the modalities of the supervision and sanctioning of MFIs by the Central Bank and the Banking Commission, the BCEAO and the community's banking supervision body shall undertake, after informing the Minister, to supervise all microfinance institutions (MFIs) whose business transactions reach a minimum threshold of two billion in outstanding deposits or loans at the end of two consecutive financial years. The other MFIs that do not reach this minimum threshold are supervised by the Ministries of Finance.

Based on the accounting data submitted for the past two fiscal years, i.e., 2021 and 2022, the number of MFIs falling under Article 44 (known as large MFIs) increased by 25 units to total 261 microfinance institutions at the end of December 2023.

These large MFIs are divided into 116 networks and individual institutions, and 145 basic mutuals affiliated with a network, based in seven of the eight countries of the Union. Networks and individual institutions include companies, associations, networks and unaffiliated Mutual or Cooperative Savings and Credit Institutions (IMCECs).

The breakdown by country of MFIs subject to Article 44 is as follows.

Table 34 : Number of large MFIs

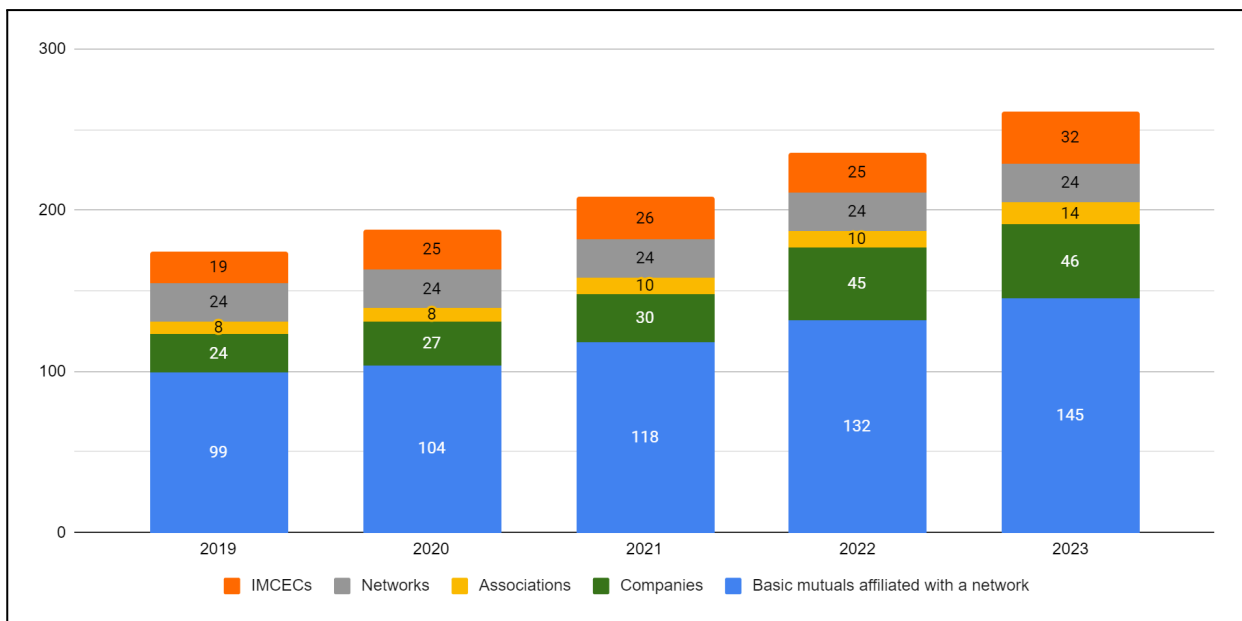
Country	Networks and Individual Institutions					Basic mutuals affiliated with a network (f)	Total (e+f)
	Companies (a)	Associations (b)	Networks (c)	Unaffiliated IMCECs (d)	Total (e=a+b+c+d)		
Benin	6	5	3	2	16	16	32
Burkina Faso	11	2	3	5	21	26	47
Cote d'Ivoire	11	-	3	4	18	23	41
Mali	4	5	5	-	14	10	24

Country	Networks and Individual Institutions					Basic mutuals affiliated with a network (f)	Total (e+f)
	Companies (a)	Associations (b)	Networks (c)	Unaffiliated IMCECs (d)	Total (e=a+b+c+d)		
Niger	4	-	1	-	5	-	5
Senegal	6	-	4	4	14	57	71
Togo	4	2	5	17	28	13	41
WAMU	46	14	24	32	116	145	261

Source : BCEAO

Over the past five years, the trend for large MFIs has been as follows.

Graph 36 : Trend in large MFIs from 2019 to 2023



Source : General Secretariat of the WAMU Banking Commission

5.3.2. Activities and results of MFIs subject to Article 44

Based on the financial and statistical data collected, the large MFIs posted total assets of 3,902.6 billion, up 10.9% on end-2022. This trend was observed across all WAMU countries in which large MFIs are located.

Table 35 : Key statistics trends for large MFIs between 2022 and 2023

Country	Balance sheet total (in billions of FCFA)		Weight in the Union (%)		Number of accounts		Staff	
	2023 Level	Year-on-year change	2023 Level	Year-on-year change	2023 Level	Year-on-year change	2023 Level	Year-on-year change
Benin	567.5	18.4%	14.5%	0.9	1,806,282	-18.3%	3,434	-1.1%
Burkina Faso	644.7	5.1%	16.5%	-0.9	1,415,680	3.1%	4,159	3.3%
Cote d'Ivoire	795.9	10.2%	20.4%	-0.1	3,364,851	3.6%	5,063	7.5%
Mali	170.3	4.3%	4.4%	-0.6	1,301,386	1.7%	2,645	1.8%
Niger	14.7	-	0.4%	-	58,807	-	233	-

Country	Balance sheet total (in billions of FCFA)		Weight in the Union (%)		Number of accounts		Staff	
	2023 Level	Year-on-yea r change	2023 Level	Year-on-yea r change	2023 Level	Year-on-yea r change	2023 Level	Year-on-yea r change
Senegal	1,250.1	10.6%	32.0%	-0.1	3,473,952	5.9%	5,297	2.0%
Togo	459.4	16.6%	11.8%	0.6	2,860,671	9.5%	4,860	8.9%
WAMU	3,902.6	10.9%	100%	-	14,281,629	1.5%	25,691	3.9%

Source : General Secretariat of the WAMU Banking Commission

The business of the regulated institutions remains concentrated in Senegal (32.0%) and Cote d'Ivoire (20.4%), which together account for 52.4% of market share based on total assets. Burkina Faso (16.5%), Benin (14.5%) and Togo (11.8%) follow with 42.8% of assets. Mali (4.4%) and Niger (0.4%) account for less than 5% of the balance sheet total.

As at December 31, 2023, the number of employees in the microfinance sector had risen by 997 units (+3.9%) compared with the end of 2022, reaching 25,691. The proportion of supervisory staff was 11.8% in 2023, compared to 13.0% a year earlier.

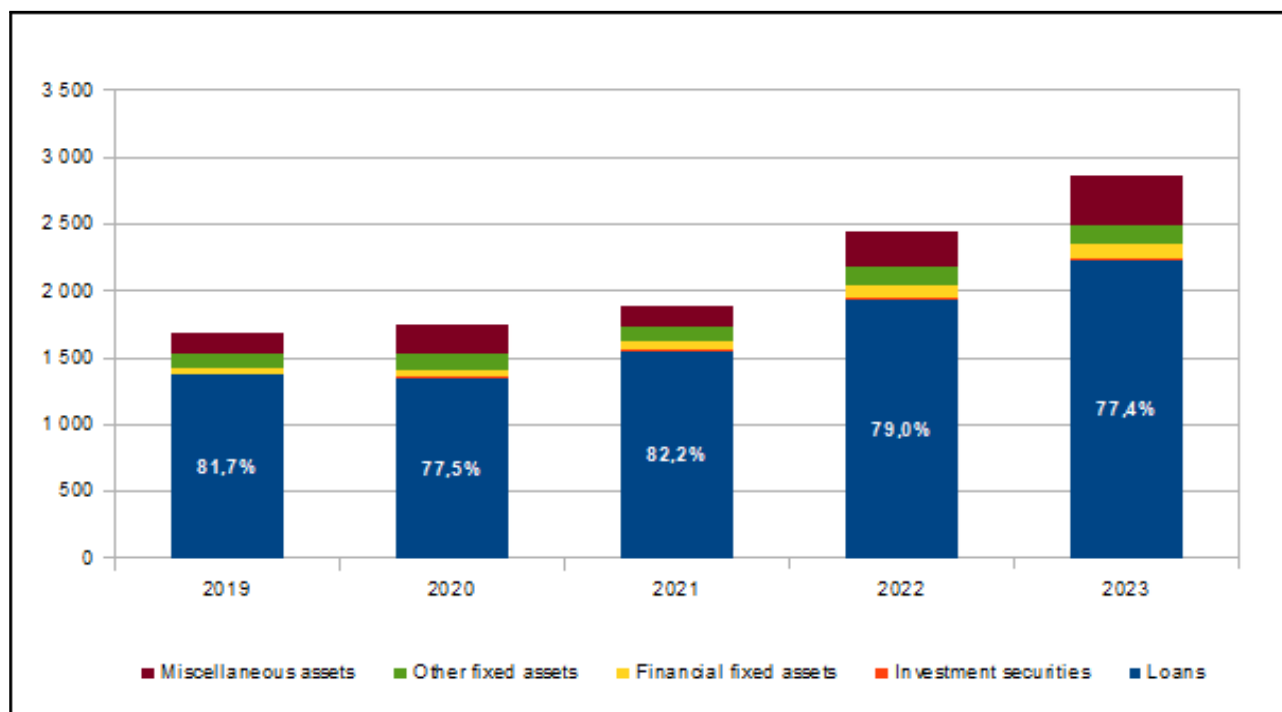
The number of accounts opened by large MFIs rose by 220,312 units (+1.5%) to stand at 14,281,629 at the end of 2023. Individual and corporate accounts rose by 1.3% and 3.7% year on year respectively, to 12,444,795 and 1,836,834.

5.3.2.1. Uses

Uses³⁷ of MFIs subject to Article 44 rose by 16.9% year over year to stand at 2,871.0 billion at the end of 2023. Loans to customers accounted for 77.4% of this figure, compared with 79.0% in 2022.

Financial fixed assets accounted for 3.5% of uses in 2023, versus 3.8% a year earlier. Other assets (investment securities, other fixed assets and miscellaneous assets) accounted for 19.1% of total assets, versus 17.2% in 2022.

Graph 37 : Trends in the structure of uses of large MFIs



Source : General Secretariat of the WAMU Banking Commission

³⁷ Uses consist of loans (short-, medium- and long-term loans, and leasing transactions) and other uses (marketable securities, long-term investments, other fixed assets and sundry)

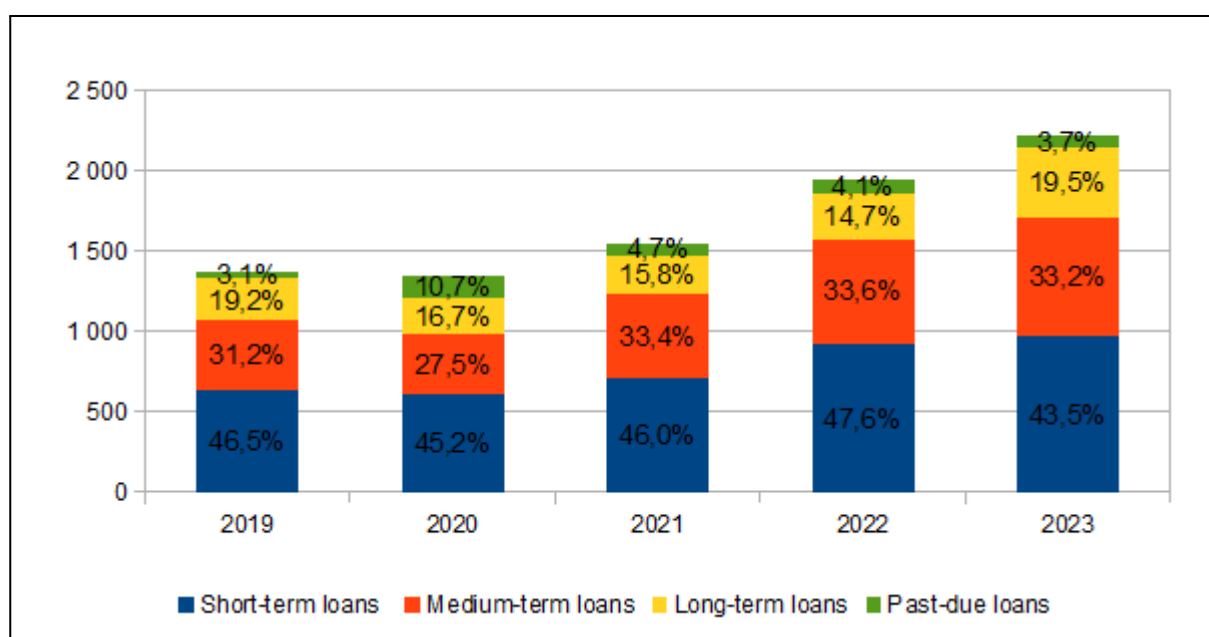
Loans to customers, which represented 77.4% of uses, increased by 14.6%, on an annual basis, to stand at 2,222.4 billion at the end of 2023, compared with 1,939.6 billion in 2022. They included short-term loans³⁸, medium-term loans, long-term loans and past-due and leasing operations loans.

Short-term loans amounted to 966.8 billion (43.5% of total loans), up 4.1% year over year. Medium-term loans, which accounted for 33.2% of overall outstanding loans, stood at 738.7 billion at the end of 2023, up 31.2% year over year. Long-term loans amounted to 434.0 billion at the end of 2023, or 19.5% of total loans. They grew by 13.1% year over year.

Investment securities were valued at 28.7 billion at the end of 2023, compared with 20.7 billion in 2022, up 38.7% over the period. Financial fixed assets rose by 5.7% year over year, reaching 99.9 billion in 2023 versus 94.5 billion in 2022.

Other fixed assets rose by 11.1% year over year to reach 147.9 billion in 2023, compared with 133.1 billion a year earlier. The value of miscellaneous uses (related loans, inventories, sundry debtors, suspense accounts and other accounts, etc.) grew by 38.8% in 2023 to stand at 372.1 billion, versus 268.2 billion in 2022.

Graph 38 : Analysis of the credit structure of large MFIs (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

5.3.2.2. Portfolio quality

Gross outstanding loans of MFIs subject to Article 44 rose by 27.4% year over year to stand at 94.7 billion at the end of 2023, compared with 74.3 billion a year earlier.

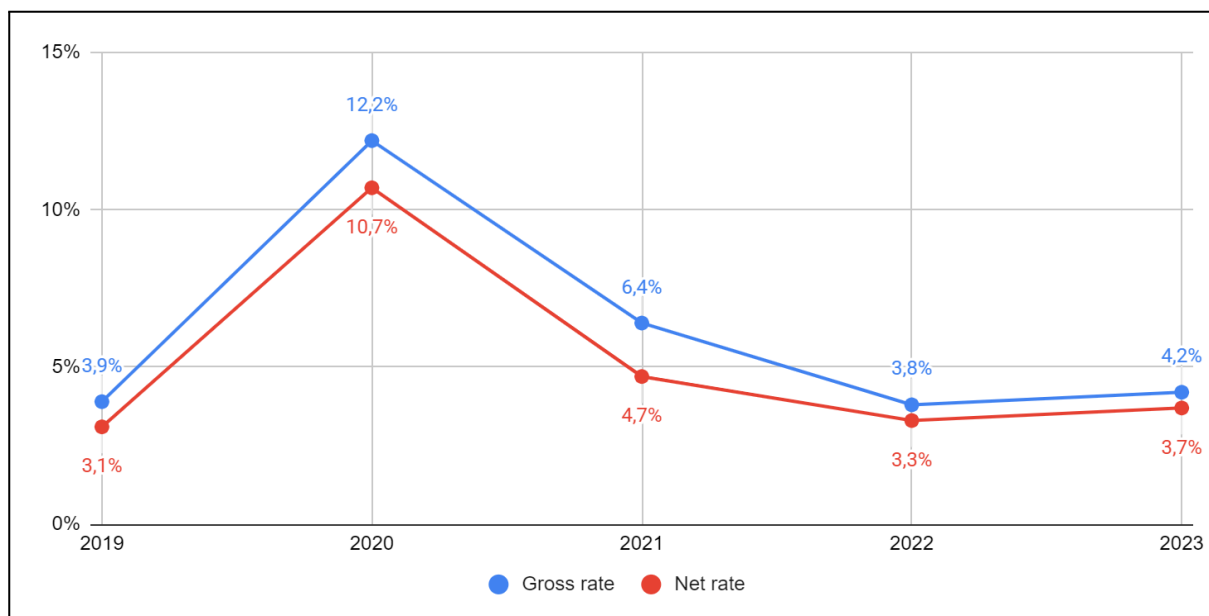
Net past-due loans, which rang in at 82.9 billion versus 64.0 billion a year earlier, showed an increase of 29.6%.

The provisioning rate for past-due loans dropped to 12.4%, compared with its level of 13.9% at the end of fiscal 2022.

The gross and net portfolio deterioration rates stood at 4.2% and 3.7% respectively in 2023, versus 3.8% and 3.3% in 2022.

³⁸ Short-term loans are commitments to MFI customers over a period of 0 to 12 months, medium-term loans cover a period of 1 to 3 years and long-term loans are for a period of more than 3 years.

Graph 39 : Large MFI portfolio deterioration rates



Source : General Secretariat of the WAMU Banking Commission

5.3.2.3. Resources

Resources mobilized³⁹ by large MFIs rose by 9.1% year over year to reach 3,034.2 billion at December 31, 2023. They included deposits and borrowings (66.6% vs. 69.8% in 2022), net equity (20.3% vs. 19.5% in 2022) and other resources (13.1% vs. 10.6% in 2022).

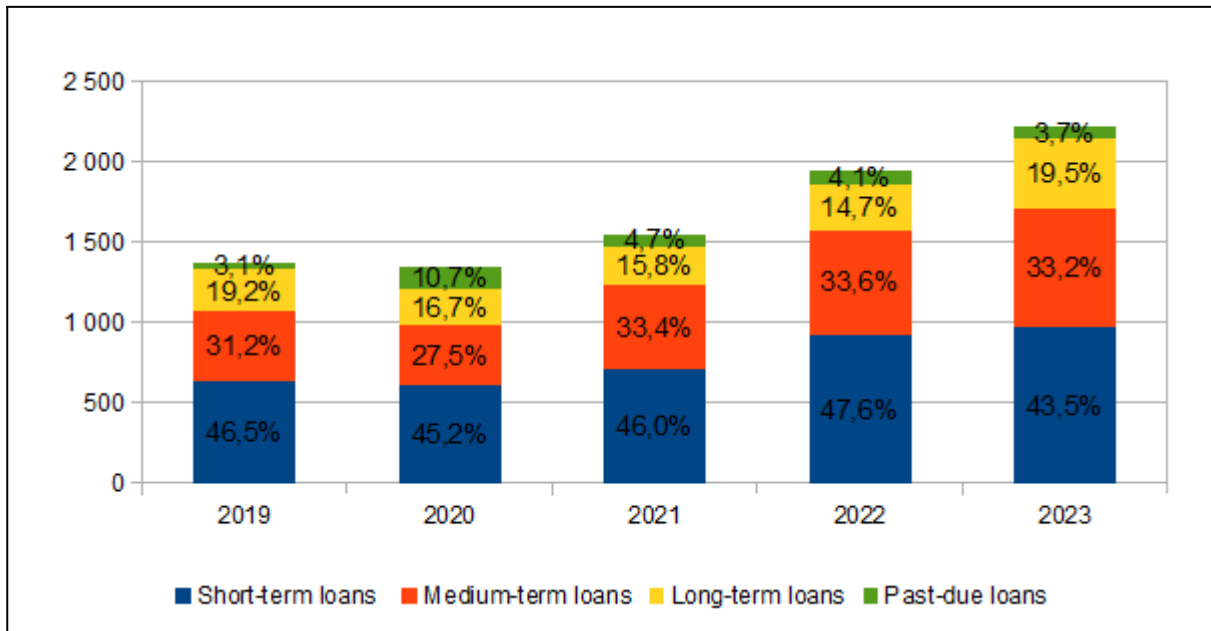
Deposits and borrowings rose by 4.1% year over year to 2,022.2 billion at the end of 2023. They consist of sight and term deposits, in proportions of 51.0% and 49.0% respectively, compared with 50.8% and 49.2% in 2022.

Net equity increased by 13.3% year over year to 615.3 billion, compared with 542.9 billion at the end of 2022.

Other resources (related payables, payments on securities and financial fixed assets, accruals and miscellaneous accounts, and provisions for liabilities and charges) rose by 34.2% over the year to stand at 396.7 billion at the end of December 2023.

³⁹ These resources consist of deposits and borrowings (sight and term) and shareholders' equity and similar resources (capital, endowments and reserves).

Graph 40 : Trends in the structure of the resources of large MFIs

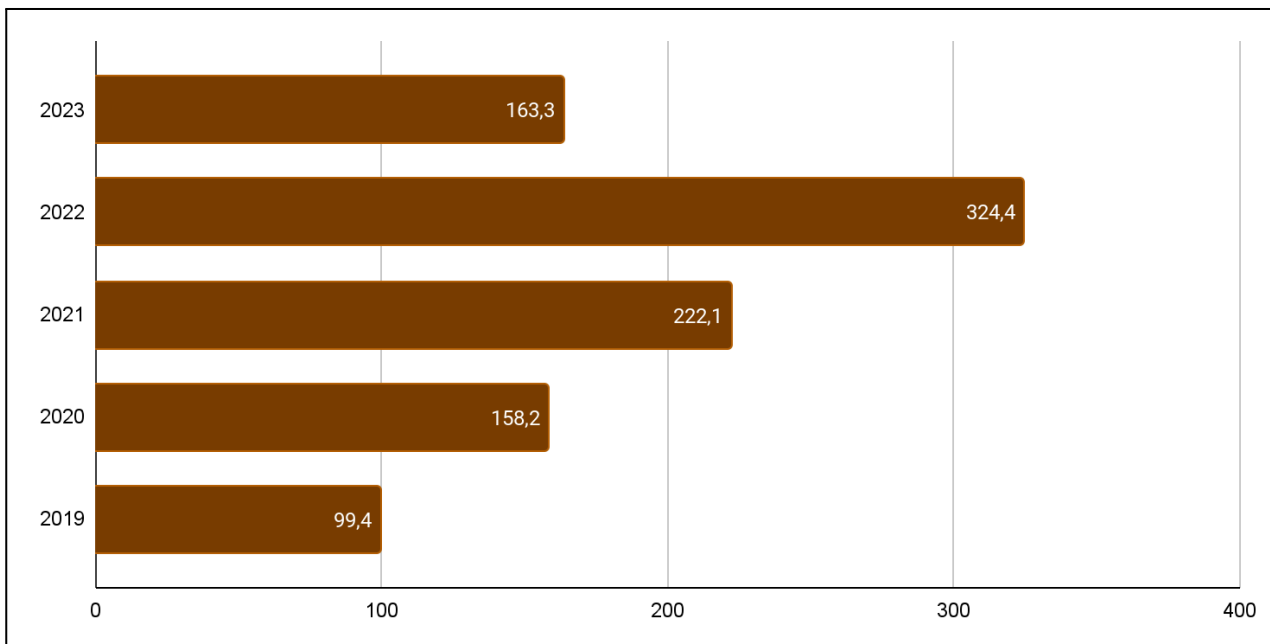


Source : General Secretariat of the WAMU Banking Commission

5.3.2.4. Cash position

The cash position of MFIs subject to Article 44 had been in surplus for several years but contracted by 49.7% to 163.3 billion at the end of 2023, compared with 324.4 billion a year earlier. This trend was linked to a greater increase in uses (414.9 billion ; +16.9%) compared to resources (253.7 billion ; +9.1%).

Graph 41 : Cash flow trends for large MFIs (in billions of FCFA)

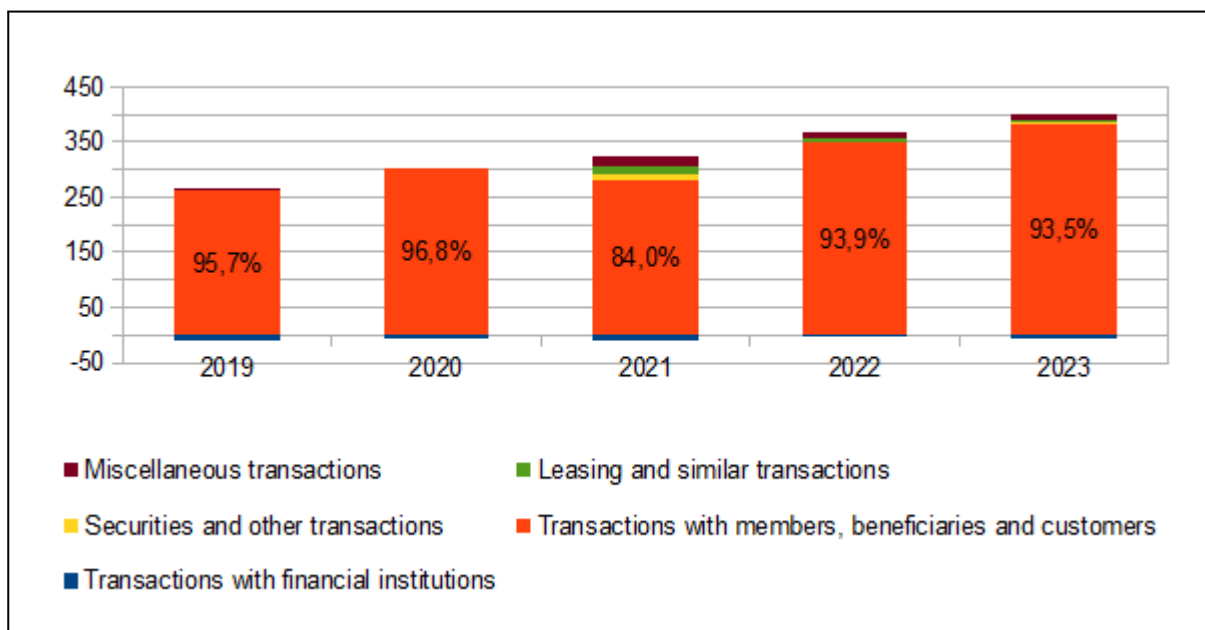


Source : General Secretariat of the WAMU Banking Commission

5.3.2.5. Financial results

As at December 31, 2023, the net financial income (NFI) of MFIs subject to Article 44 stood at 393.7 billion, up 11.7% year over year. Transactions with beneficiaries or customers accounted for 93.5% of the total, compared with 93.9% a year earlier.

Graph 42 : Trend in net financial income of large MFIs (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

The increase in NFI led to a 10.9% annual rise in total operating income, estimated at 431.3 billion in 2023, compared with 388.9 billion a year earlier.

Gross operating income, at 125.2 billion, also rose by 22.2%, in line with the increase in NFI, partially offset by a 7.1% change in overhead, which reached 287.7 billion.

Taking into account net risk provisions of 89.5 billion, operating income stood at 35.7 billion at the end of fiscal 2023, compared with 15.6 billion a year earlier.

In 2023, exceptional income was 16.3 billion, including 12.4 billion from the recovery of written-off receivables. Net income rose by 78.9% to 46.4 billion, compared with an actual figure of 26.0 billion at the end of the 2022.

One hundred and seventy-two large MFIs, representing 65.9% of the population, recorded positive net income at the end of December 2023, compared with 171 a year earlier.

5.3.2.6. Key financial ratios

Operating expenses as a percentage of the credit portfolio fell by 2.3 percentage points year over year, to stand at 24.7% in 2023, versus 27.0% in 2022, for a maximum standard of 35%.

The ratio of overhead to the loan portfolio contracted from 13.9% in 2022 to 13.0% in 2023, as compared with a ceiling of 15% for direct credit institutions and 20% for savings and loan institutions.

The personnel expense ratio also fell by 0.6 percentage points year on year to 6.2% in 2023, compared with a ceiling of 5% for direct credit institutions and 10% for savings and loan institutions.

Return on equity stood at 5.8% in 2023, compared with 2.8% at the end of 2022, as compared to a minimum standard of 15%. ROE is calculated by dividing operating income excluding subsidies by average shareholders' equity over the period.

Return on assets rose from 0.6% in 2022 to 0.9% at the end of 2023, for a minimum standard of 3%.

Operational self-sufficiency increased by 5.1 percentage points year over year to stand at 95.4% in 2023, up from 90.3% in 2022, compared with a minimum standard of 130%.

The profit margin, which measures the percentage of operating income generated out of total operating revenues, rose by 3.5 pps between 2022 and 2023, from 3.3% to 6.8%, as compared to the minimum standard of 20%.

The cost/income ratio, which indicates the level of absorption of NFI by overhead costs, improved slightly year over year, from 76.3% to 73.1% in 2023, as compared with a ceiling of 40% for direct credit institutions and 60% for savings and loan institutions.

The rate of return on assets stood at 14.6% in 2023, compared with 14.1% a year earlier, increasing by 0.5 percentage point, as against a minimum standard of 15%. This ratio compares the amount of interest and commissions earned on productive assets over the period.

The asset liquidity ratio fell by 4.1 percentage points, year over year, to stand at 25.2% in 2023, as compared with a minimum standard of 2% for direct lending institutions and 5% for savings and loan institutions.

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Table 36 : Overview of the business activities of large MFIs*(In millions of FCFA)*

USES - RESOURCES	12/31/2021	12/30/2022	12/31/2023	Variation
			(*)	2023-2022
NET USES (1+2)	1,884,411	2,456,088	2,870,961	16.9%
1. LOANS (a+b+c+d+e)	1,548,437	1,939,620	2,222,409	14.6%
a) Short-term loans	712,495	928,710	966,797	4.1%
b) Medium-term loans	517,324	563,072	738,670	31.2%
c) Long-term loans	245,152	383,829	433,993	13.1%
d) Leasing transactions	12	4	3	-36.1%
e) Past-due loans	73,454	64,005	82,947	29.6%
. Fixed assets	29,550	12,889	19,432	50.8%
. Loans overdue by up to 6 months	26,079	29,864	39,197	31.3%
. Overdue by 6 to 12 months	12,448	11,118	13,033	17.2%
. Overdue by 12 to 24 months	5,378	10,133	11,285	11.4%
(provisions)	27,076	10,308	11,750	14.0%
2. OTHER USES (a+b+c+d)	335,974	516,468	648,552	25.6%
a) Investment securities	13,141	20,660	28,664	38.7%
b) Long-term investments	63,092	94,520	99,910	5.7%
c) Other fixed assets	113,367	133,130	147,884	11.1%
d) Miscellaneous	146,374	268,158	372,094	38.8%
RESOURCES (1+2+3)	2,106,484	2,780,532	3,034,221	9.1%
1. DEPOSITS AND BORROWINGS (a+b)	1,499,342	1,942,173	2,022,238	4.1%
a) Demand deposits	821,030	987,393	1,032,102	4.5%
b) Term deposits	678,313	954,779	990,136	3.7%
term deposits and savings bonds	281,086	356,723	381,967	7.1%
special savings accounts	174,859	326,942	336,109	2.8%
other	222,368	271,114	272,060	0.3%
2. NET EQUITY (a+b)	477,684	542,862	615,312	13.3%
a) Capital, endowments, reserves, retained earnings, etc.	299,090	339,650	400,685	18.0%
including 15% of profit (if positive)	5,388	0	9,391	-
b) Other	178,594	203,211	214,627	5.6%
3. OTHER RESOURCES	129,458	295,498	396,671	34.2%
CASH POSITION : RESOURCES-USES	222,073	324,444	163,260	-49.7%

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

Table 37 : Earnings of large MFIs*(In millions of FCFA)*

RESULTS	12/31/2021	12/30/2022	12/31/2023	Variation
			(*)	2023-2022
Financial income	343,829	421,430	470,616	11.7%
Financial expenses	69,640	69,061	76,946	11.4%
1. Net financial income	274,189	352,369	393,670	11.7%
Net Incidental Income	36,156	36,626	37,652	2.8%
2. Total operating income	310,345	388,994	431,322	10.9%
Overhead costs	226,037	268,739	287,704	7.1%
Net depreciation and provisions on fixed assets	19,793	17,809	18,423	3.4%
3. Gross operating income	64,515	102,446	125,195	22.2%
Net provisions for contingencies	48,743	86,842	89,533	3.1%
4. Operating income	15,772	15,604	35,661	128.5%
Net extraordinary income	9,289	14,972	16,275	8.7%
Net income from previous years	123	-665	-356	-46.4%
Income tax	2,112	3,943	5,136	30.3%
5. Net result	23,072	25,968	46,444	78.9%

() Preliminary figures**Source : General Secretariat of the WAMU Banking Commission***Table 38 : Financial indicators of large MFIs**

FINANCIAL INDICATORS	12/30/2021	12/30/2022	31/12/2023 (*)	Variation 2023-2022
GROSS PORTFOLIO DETERIORATION RATE <i>Gross past-due loans / Total gross loans</i>	6.4%	3.8%	4.2%	0.4
NET PORTFOLIO DETERIORATION RATE <i>Net past-due loans / Total net loans</i>	4.7%	3.3%	3.7%	0.4
PROVISIONING RATE FOR PAST-DUE LOANS <i>Provisions / Gross past-due loans</i>	26.9%	13.9%	12.4%	-1.5
OPERATING EXPENSES AS A PERCENTAGE OF THE LOAN PORTFOLIO <i>Operating expenses / Gross loans outstanding</i>	28.6%	27.0%	24.7%	-2.3
RATIO OF OVERHEAD TO THE LOAN PORTFOLIO <i>Overhead costs / Gross loans outstanding</i>	14.8%	13.9%	13.0%	-0.9
RATIO OF PERSONNEL EXPENSES TO THE LOAN PORTFOLIO <i>Personnel expenses / Gross loans outstanding</i>	6.8%	6.8%	6.2%	-0.6
RETURN ON EQUITY (> 15%) <i>Operating income excluding grants / Equity capital</i>	3.2%	2.8%	5.8%	3
RETURN ON ASSETS <i>Operating income excluding subsidies / Total assets</i>	0.6%	0.6%	0.9%	0.5
OPERATIONAL SELF-SUFFICIENCY <i>Operating income / Operating expenses</i>	88.5%	90.3%	95.4%	5.1
PROFIT MARGIN (> 20%) <i>Operating income / Operating revenue</i>	4.0%	3.3%	6.8%	3.5

FINANCIAL INDICATORS	12/30/2021	12/30/2022	31/12/2023 (*)	Variation 2023-2022
COST-TO-INCOME RATIO (< 40%) <i>Overhead costs / NFI</i>	82.4%	76.3%	73.1%	-3.2
RATE OF RETURN ON ASSETS (> 15%) <i>Interest and fees earned / Productive assets</i>	14.1%	14.1%	14.6%	0.5
ASSET LIQUIDITY RATIO <i>(Cash and ordinary current accounts + short-term securities) / Total assets</i>	32.1%	29.3%	25.2%	-4.1

(*) Preliminary figures

Source : General Secretariat of the WAMU Banking Commission

5.3.3. Prudential status of microfinance institutions

The prudential status presented below is based on the preliminary data for 261 MFIs subject to Article 44.

5.3.3.1. Prudential standards

- Capitalization standard

The capitalization standard, determined by the ratio of equity to balance sheet total, is intended to ensure a minimum level of solvency for the institution, with respect to its commitments. The threshold was set at 15.0%.

The equity capital of MFIs subject to Article 44 stood at 565.9 billion at the end of 2023. The risks borne by these institutions amounted to 2,898.6 billion, while their total assets stood at 3,902.6 billion. As a result, the capitalization standard stood at 14.5%, compared with 15.8% a year earlier.

Table 39 : Breakdown of large MFIs according to the capitalization standard threshold

Range	Number of MFIs	Share of total assets	Share of risks borne
≥ 15%	169	63.3%	69.2%
< 15%	92	36.7%	30.8%
TOTAL	261	100%	100%

Source : General Secretariat of the WAMU Banking Commission

By country, the capitalization ratio was as follows :

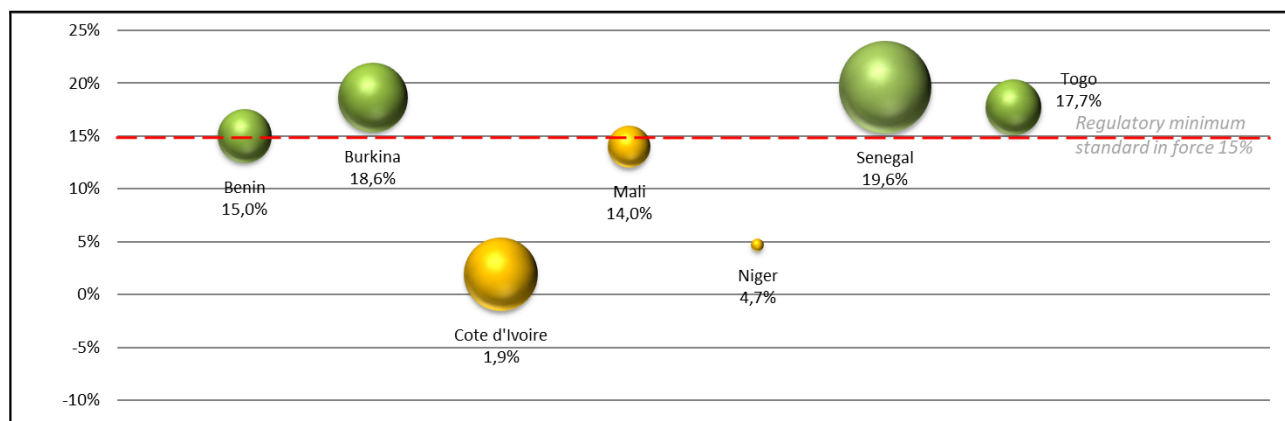
Table 40 : Capitalization ratio of large MFIs

Benin	Burkina Faso	Cote d'Ivoire	Mali	Niger	Senegal	Togo	WAMU
15.0%	18.6%	1.9%	14.0%	4.7%	19.6%	17.7%	14.5%

Source : General Secretariat of the WAMU Banking Commission

In the Union as a whole, one hundred and sixty-nine MFIs subject to Article 44 met this standard, i.e., 64.8% versus 57.5% in 2022. They accounted for 63.3% of banking assets and 69.2% of risks borne in 2023, compared with 65.9% and 53.2% respectively a year earlier.

Graph 43 : Capitalization ratio of large MFIs



The size of the circles reflects the relative volume of the risks carried.

Source : General Secretariat of the WAMU Banking Commission

- **Limitation of risks**

The risks to which a large MFI is exposed may not exceed twice the amount of its internal and external resources. Thus, the standard to be met is a maximum of 200%.

Two hundred and fifty-seven MFIs subject to Article 44, representing 88.1% of assets, met this threshold as at December 31, 2023, compared with two hundred and twenty-six representing 97.3% a year earlier.

- **Coverage of medium- and long-term uses with stable resources**

Large MFIs must finance all of their fixed assets and other medium- and long-term uses with stable resources to prevent excessive transformation of their demand and/or short-term resources into medium- or long-term assets. The minimum standard has been set at 100%.

At the end of the period under review, one hundred and thirty-nine MFIs subject to Article 44, representing 59.5% of assets, complied with this requirement, compared with one hundred and thirty-four MFIs representing 66.6% of the balance sheet total in 2022.

- **Ceilings on loans to management, staff and related parties**

In order to prevent the risk of concentration of loans and commitments by signature among corporate officers and staff of large MFIs, the percentage of resources that can be allocated for the purpose was set, in accordance with the provisions of Article 35 of the Act regulating MFIs, by the ratio of "limitation of loans and commitments by signature to corporate officers and staff", at 10.0% of equity capital.

This ratio also serves to control the use of loans granted to executives, staff and related persons.

The number of institutions subject to Article 44 that were in compliance with the standard stood at one hundred and ninety-seven at the end of December 2023, compared with one hundred and seventy-two in 2022. They accounted for 70.8% of assets, compared with 86.9% in 2022.

- **Limitation of risks taken on a single signature**

Risks taken on a single signature were limited to 10.0% of shareholders' equity. They are defined as outstanding loans granted as well as financing and guarantee commitments to members, beneficiaries and customers.

A single signature shall be understood to mean any natural or legal person acting in their own name and/or on behalf of another organization in which they have, directly or indirectly, a controlling interest, including exclusive or joint control or significant influence, as defined in the specific accounting standards applicable to MFIs.

Two hundred and sixteen MFIs subject to Article 44, representing 78.6% of assets, were in compliance with this requirement, compared with 192 MFIs accounting for 89.2% of assets in 2022.

- **Liquidity ratio**

The liquidity standard measures an institution's ability to meet its current liabilities, i.e., to honor its short-term commitments (3 months maximum) with its short-term resources in the form of realizable and available assets.

In order to determine the liquidity ratio, three cases are to be distinguished :

- for non-affiliated mutual or cooperative savings and loan institutions and other deposit-taking MFIs (associations, limited companies, limited liability companies), the standard to be met was set at a minimum of 100%,
- for affiliated mutual and cooperative savings and credit institutions, the standard was set at a minimum of 80.0%, and
- for other MFIs that do not collect deposits, the minimum standard was 60.0%.

The number of institutions subject to Article 44 meeting this standard under the first category (minimum of 100%) stood at seventy at the end of December 2023, compared with fifty-three in 2022. They accounted for 52.8% of assets, compared with 87.8% a year earlier.

The number of institutions subject to Article 44 that were in compliance with the standard under the second category (minimum of 80.0%) was ninety at the end of December 2023, compared with eighty-four in 2022. They accounted for 63.7% of assets, compared with 63.6% a year earlier.

- **Limitation of operations other than savings and loan activities**

This requirement limits any activity not included in the scope of savings and loan operations as described in paragraphs 1 and 2 of Article 4 of the Act regulating MFIs. The threshold to be respected is a maximum of 5.0% of the institution's total activities.

This ratio was met by two hundred and fifty-seven entities as at December 31, 2023, compared with two hundred and one in 2022, representing 95.7% of assets versus 98.0% a year earlier.

- **Limitation of equity investments**

This standard limits the stakes that large MFIs may acquire in companies to 25.0% of their equity capital.

At the end of 2023, two hundred and fifty-eight entities, compared with two hundred and twelve in 2022, representing 88.1% of assets versus 90.7% in 2022, were in compliance with this requirement.

5.3.3.2. Summary of the prudential status of MFIs subject to Article 44

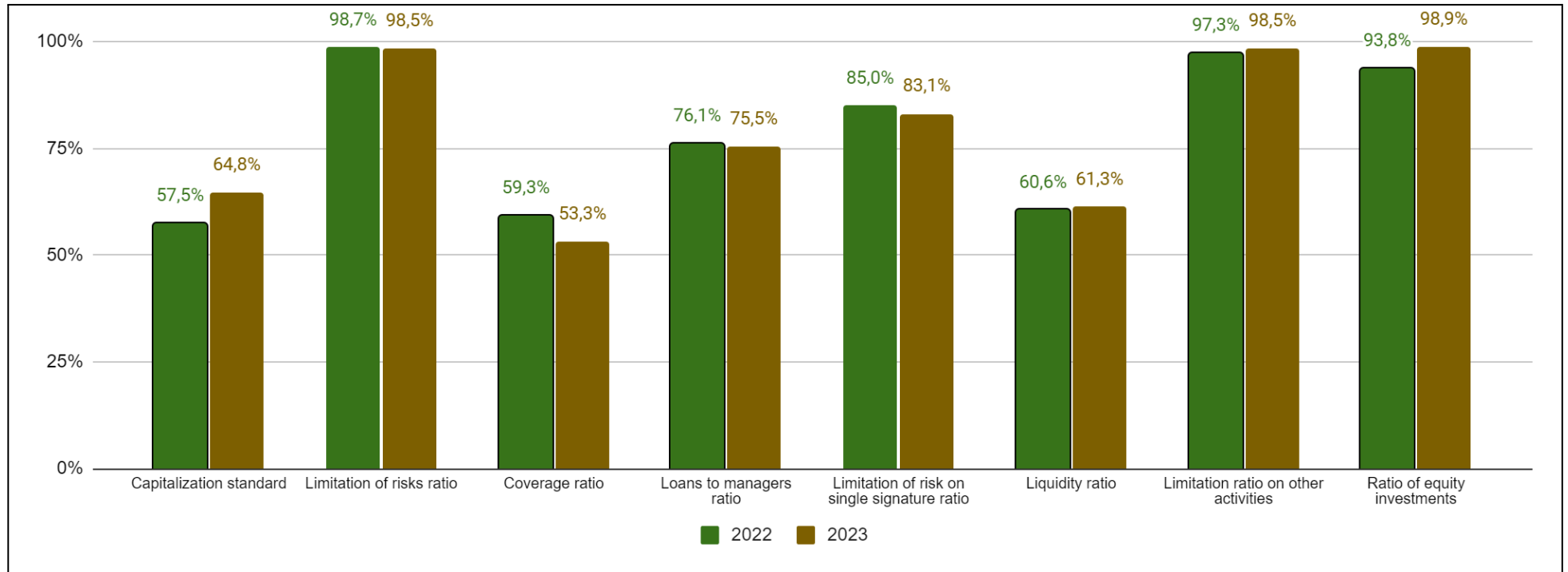
The table and graph below provide an overview of compliance with prudential requirements by MFIs subject to Article 44 at the end of 2023.

Table 41 : Number of large MFIs in compliance with prudential requirements by country as at December 31, 2023

Country (Number of large MFIs)	Capitalization (≥ 15%)	Limitation of risks (≤ 200%)	Coverage of MMLT uses by stable resources (≥ 100%)	Loans to major shareholders and corporate officers (≤ 10% EC)	Signing limits (≤ 10% EC)	Liquidity ratio	Limitation of other activities (≤ 5%)	Limitation of equity investments (≤ 25% EC)
Benin (32)	15	31	24	27	30	17	31	31
Burkina Faso (47)	43	50	45	34	44	49	50	49
Cote d'Ivoire (41)	11	41	15	37	33	19	42	42
Mali (24)	11	15	11	15	11	13	15	14
Niger (5)	3	1	3	2	4	3	0	4
Senegal (71)	55	74	29	48	59	32	74	73
Togo (41)	30	45	12	34	35	27	45	45
Number of large MFIs : 261	169	257	139	197	216	160	257	258

Source : General Secretariat of the WAMU Banking Commission

Graph 44 : Percentage of MFIs in compliance with prudential requirements in 2022 and 2023



Source : General Secretariat of the WAMU Banking Commission

5.4. ELECTRONIC MONEY SECTOR



- Seventeen electronic money institutions (EMIs), twenty-seven banks, one microfinance institution (MFI) and one national treasury issuing electronic money in the WAMU as at December 31, 2023
- Outstanding e-money issued by EMIs rose by 29.6% year over year to 959.3 billion as at December 31, 2023
- The total value of cell phone transactions rose at an annual rate of 170.2% to 171,959.1 billion at the end of 2023
- Transactions included cash top-ups (35.6%), cash withdrawals (20.1%), and bill payments (16.3%)
- EMIs' turnover was up by 45.9% in 2023, after a contraction of 23.6% the previous year, to stand at 252.2 billion
- Provisional EMI net loss of 21.3 billion in fiscal 2023, after a loss of 32.8 billion in 2022.

On December 31, 2023, there were forty-six institutions providing e-money in WAMU, compared with 41 at the end of 2022. These entities were :

- twenty-seven banks, in partnership with telecom operators,
- seventeen electronic money institutions (EMIs),
- one microfinance institution (MFI), and
- one National Treasury Department.

Under the terms of its remit, the Banking Commission supervises EMIs with a view to protecting customer funds and promoting financial inclusion.

5.4.1. Landscape of electronic money institutions

On December 31, 2023, there were seventeen licensed EMIs, compared with 15 a year earlier, an increase of two units resulting from the licensing of Finances Mobiles Bissau and SAMA Money Mali. The breakdown by country is as follows.

Table 42 : Number of licensed EMIs in 2022 and 2023

Country	2022	2023
Benin	3	3
Burkina Faso	1	1
Cote d'Ivoire	6	6
Guinea-Bissau	-	1
Mali	1	2
Niger	1	1
Senegal	3	3
Total	15	17

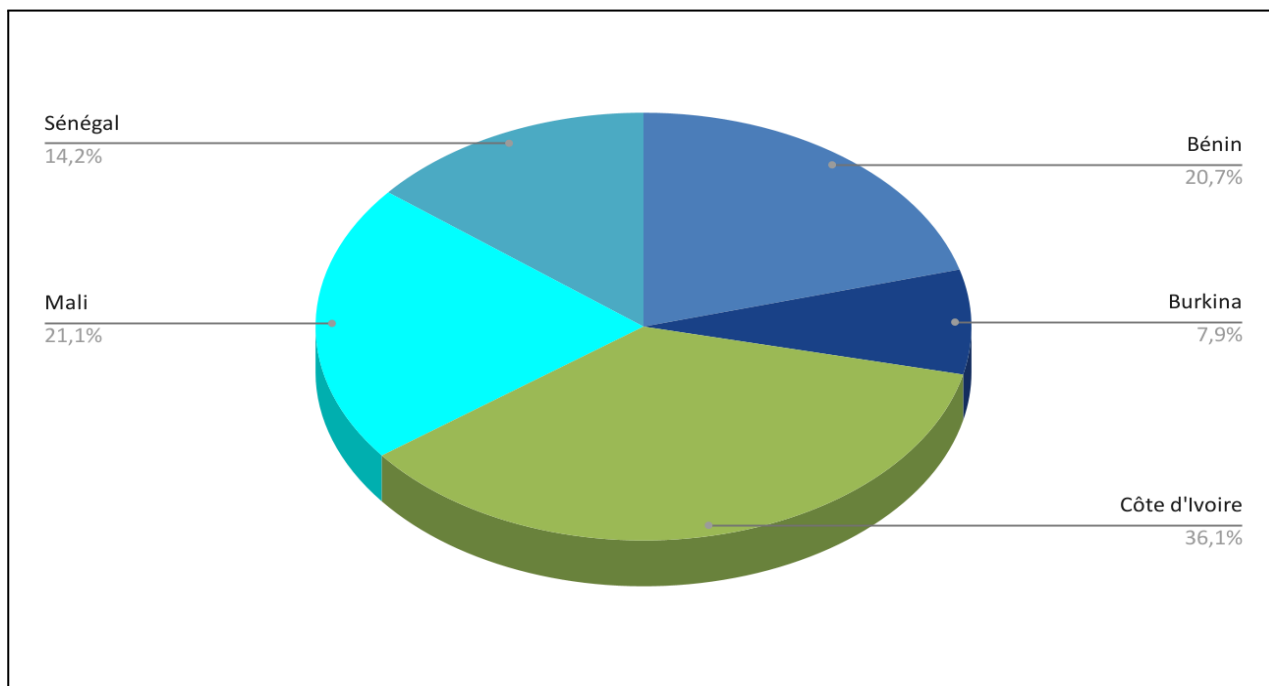
Source : General Secretariat of the WAMU Banking Commission

5.4.2. EMI activities

The provisional statistical data analyzed applied to 14 active EMIs.⁴⁰

EMIs' turnover grew by 79.3 billion (+45.9%) in 2023 to stand at 252.2 billion, after dropping by 65.7 billion (-23.6%) a year earlier. The increase is due in particular to higher transaction volumes, mainly attributable to the start-up of two EMIs, namely Wave Digital Finance in Senegal and SAMA Money Mali, and to the performance of EMIs already in operation. These new entities have taken over electronic money issuing activities previously carried out in partnership with banks.

Graph 45 : Weight of countries in terms of turnover in the EMI sector

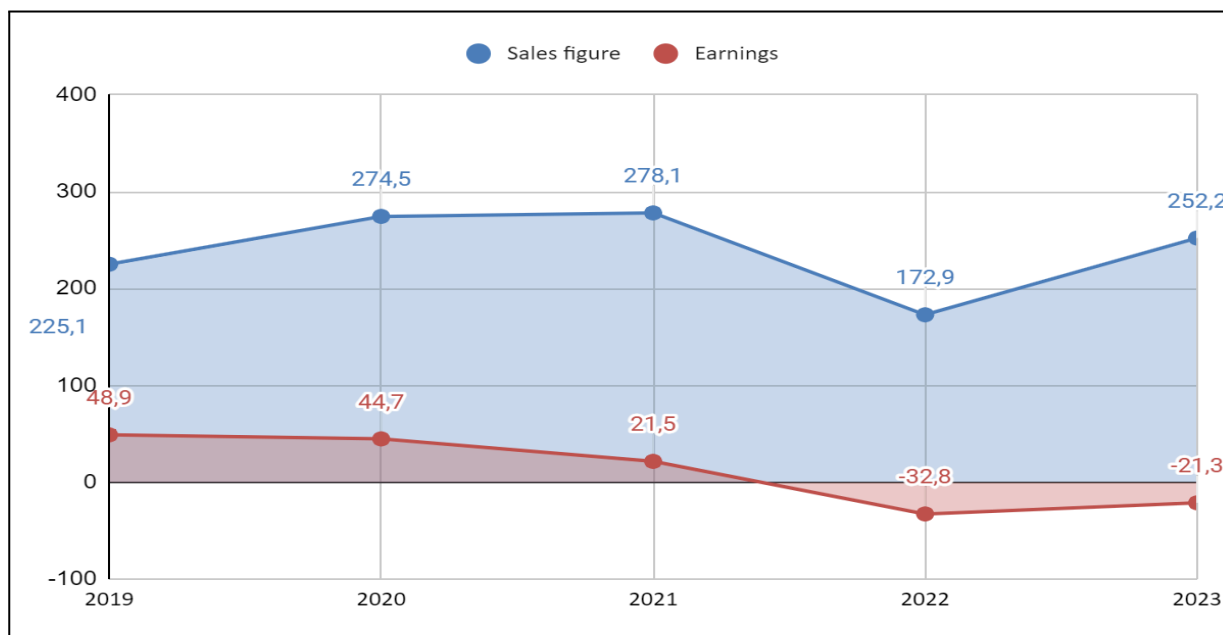


Source : General Secretariat of the WAMU Banking Commission

In terms of profitability, preliminary net income recorded by EMIs showed a loss of 21.3 billion in 2023, after a loss of 32.8 billion a year earlier. This overall loss was mainly due to losses recorded by six institutions, with a combined market share of 55.2% in terms of electronic money outstanding.

⁴⁰ Finances Mobiles Bissau, newly licensed, had not started operations at the end of December 2023. In addition, data from two (2) EMIs were not available.

Graph 46 : Trends in EMIs' turnover and earnings from 2019 to 2023 (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

Outstanding e-money issued by EMIs rose by 29.6% to 959.3 billion, compared with 740.0 billion in 2022. Outstanding e-money was mainly held by EMIs in Cote d'Ivoire (35.1%), Senegal (27.5%), Burkina Faso (24.7%), Benin (12.3%) and Mali (0.4%). It is covered by funds held in accounts opened in banks in the Union.

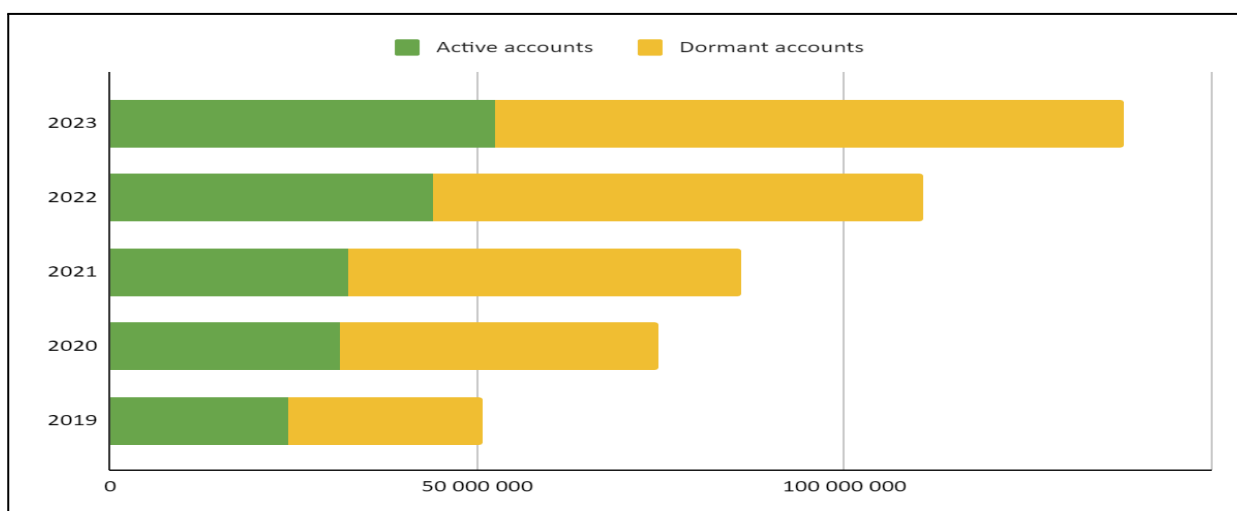
5.4.2.1. Volume indicators

The number of e-money accounts opened with EMIs rose to 138.1 million by the end of December 2023 from 112.0 million at the end of 2022, with a year-on-year increase of 23.3% compared with 42.8% the year before.

Active accounts⁴¹, numbering 52.3 million, accounted for 37.9% of accounts opened by the end of 2023, compared with 46.2 million or 41.3% of the total in 2022. They grew by 13.3% in 2023 versus 42.1% the year before. The number of inactive accounts reached 85.8 million, representing 62.1% of all accounts opened, compared to 65.8 million for a proportion of 58.7% in 2022.

⁴¹ Accounts that have seen a transaction in the last 90 days.

Graph 47 : Number of accounts opened by EMIs as at December 2023

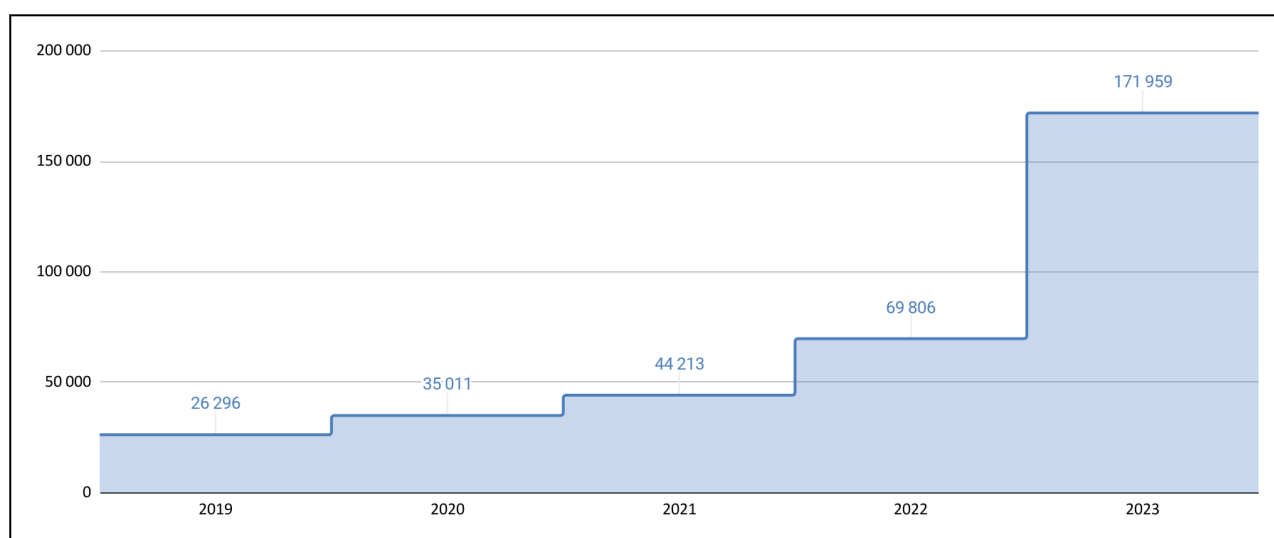


Source : General Secretariat of the WAMU Banking Commission

The number of transactions carried out via EMIs rose year on year by 56.1% to 8,779 million transactions during the period under review, compared with 5,623 million transactions in 2022.

The amount of cell phone transactions via EMIs increased in value by 146.3% during the period under review, compared with 57.9% in 2022, rising to 171,959.1 billion as at the end of 2023 from 69,806.5 billion a year earlier.

Graph 48 : Trend in transactions carried out by EMIs between 2019 and 2023 (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

5.4.2.2. Distribution indicators

The EMI distribution network consisted of 1,115,805 points of service as at December 31, 2023, up 16.4% from 21.7% a year earlier. It comprises Cash Dispensers (CDs), sub-distributors, distribution staff and Electronic Payment Terminals (EPTs).

Table 43 : EMI distribution network between 2019 and 2023

Networks	2019	2020	2021	2022	2023
EPT (a)	12	12	12	12	20
Sub-distributors (b)	396,698	524,543	678,508	813,196	814,955

Distribution staff (c)	102,492	170,579	109,028	145,423	300,746
CD (d)	76	78	78	84	84
Total service points (a+b+c+d)	499,278	695,212	787,626	958,715	1,115,805
Active service points (at least one transaction in the last 90 days)	317,704	474,217	555,590	688,719	737,181

Source : General Secretariat of the WAMU Banking Commission

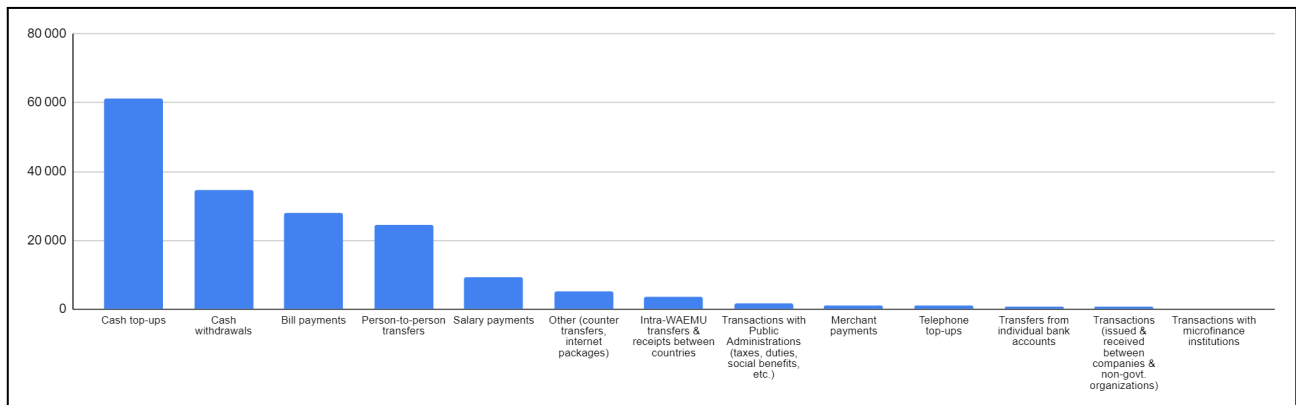
5.4.2.3. Indicators for financial services by cell phone

Transactions involving electronic wallet top-ups⁴² (cash top-ups, cash withdrawals, bill payments) and person-to-person transfers remained predominant. In terms of volume and value, they accounted for 75.3% and 86.2% respectively of total transactions in 2023, versus 49.4% and 81.5% the previous year.

During the period under review, payments made from electronic wallets included, in order of decreasing magnitude, the following types of transactions :

- cash top-ups (61,261.2 billion ; 35.6%),
- cash withdrawals (34,608.8 billion ; 20.1%),
- bill payments (28,014.5 billion ; 16.3%),
- person-to-person transfers (24,370.5 billion ; 14.1%),
- salary payments (9,218.0 billion ; 5.4%),
- intra-WAEMU transfers (3,718.7 billion ; 2.2%),
- transactions with government administrations (1,851.2 billion ; 1.1%),
- merchant payments (1,159.5 billion ; 0.7%),
- telephone top-ups (1,046.4 billion ; 0.6%),
- fund transfers from individual bank accounts (798.9 billion ; 0.5%),
- inter-company transfers (672.0 billion ; 0.4%),
- transactions with microfinance institutions (63.5 billion ; 0.04%), and
- other services⁴³ (5,175.9 billion. 3.0%),

Graph 49 : Breakdown of e-wallet payments between 2022 and 2023 (in billions of FCFA)



Source : General Secretariat of the WAMU Banking Commission

5.4.3. Prudential status of EMIs

The prudential situation of active EMIs at the end of December 2023 was as follows.

⁴² Deposit of a sum of money on the electronic wallet.

⁴³ Counter transfers, Internet packages, etc.

5.4.3.1. Prudential standards

Coverage ratio

This ratio requires each EMI to have at least 3.0% of outstanding e-money covered with its own capital. The ratio stood at 8.3% and the standard was met by nine of the fourteen active EMIs.

Hedge ratio

The hedge ratio is the ratio of the value of financial investments associated with e-money and demand deposits to outstanding e-money. This indicator, for which the minimum standard is 100%, stood at 93.1% in 2023. Seven of the fourteen EMIs were in compliance with the standard.

Investment ratio

This standard limits the value of financial investments linked to e-money to 25% of outstanding e-money. Nine of the fourteen EMIs met this threshold.

5.4.3.2. Summary of prudential status

The table below presents an overview of compliance of active EMIs with prudential requirements as at December 31, 2023.

Table 44 : Prudential status of EMIs as at December 31, 2023

Country	Number of EMIs in compliance with the standard		
	Coverage ratio ($\geq 3\%$)	Hedge ratio ($\geq 100\%$)	Investment ratio ($\leq 25\%$)
Benin (3)	1	1	1
Burkina Faso (1)	1	0	1
Cote d'Ivoire (5)	4	3	3
Mali (2)	1	1	1
Senegal (3)	2	2	3
Total (14)	9	7	9
Percentage (%)	64.3%	50.0%	64.3%

Source : General Secretariat of the WAMU Banking Commission

APPENDICES