

NEWSLETTER

JANUARY 2025



BOAD

BANQUE OUEST AFRICAINE
DE DEVELOPPEMENT

President's Editorial

Dear investors of BOAD,

As we close the year 2024, I am proud to reflect on the remarkable strides by the West African Development Bank (BOAD).

As a matter of fact, this year was marked by a significant milestone in our strategic transformation, thereby reinforcing our role as a catalyst for sustainable development within the West African Economic and Monetary Union (WAEMU) region.

One of the year's highlights was the 2nd edition of BOAD Investor's Day, held on the sidelines of the IMF-World Bank Group's Annual Meetings in Washington, D.C. A successful event to showcase our financial innovations and reaffirm our position as a key player in international financial cooperation, while consolidating as well key partnerships and mobilizing resources to support the region's structuring projects.

Partnering with our clients, investors and stakeholders from around the world reflects the strength and dynamics of Africa's development, in building strong partnerships, transcending borders and unlocking the potential and resources for a prosperous and sustainable future.

Indeed, global cooperation resonated throughout the year, with our participation in COP 29, thereby strengthening the Bank's leadership in climate action within the WAEMU region.

Climate resilience remains at the cornerstone of our strategic vision, yet leveraging new financing mechanisms to drive impactful and sustainable change. Our commitments at COP 29, alongside global finance leaders and players, outlined the urgency of addressing the climate crisis and the pressing need for collective action, thereby securing a liveable planet for the generations to come.

Hence, this year marked a significant milestone in the implementation of the disaster adapted loan program (PACAN), which embodies our unwavering commitment to empowering communities and tackling the multifaceted challenges related to climate change.

BOAD's strategic vision lies upon the recognition of international financial cooperation as a tool and disruptive trend towards change and transformation.

Our partnerships with multilateral development banks, the private sector, and governments have enabled us to mobilize and scale up resources, in order to efficiently deploy them where they are mostly needed.

Looking ahead to 2025, our vision remains sound and clear: harnessing the power of collaboration, innovation, and sustainability towards a resilient future for Africa.

Challenges are huge, but our faith is stronger than ever.

As this year comes to an end, I wish to extend my deepest gratitude to our investors, stakeholders, and the Bank staff for their unwavering support and belief in our mission.

Let us march into the year to come, with renewed energy, optimism, and shared determination to shaping a brighter future for our region.



Serge Ekué

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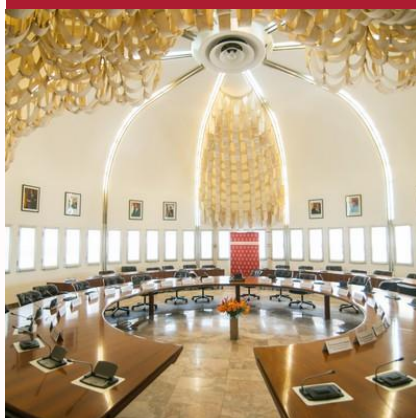
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Key developments (1/3)

3rd December

On 3rd December 2024, the Multilateral Investment Guarantee Agency (MIGA) issued a EUR 506 mn (USD 535 mn) guarantee to Société Générale of France and HSBC Bank Plc UK for their loans to BOAD. The guarantee covers the risk of unfulfilling of financial obligation for up to 15 years. BOAD has committed to deploying 50% of the loan to eligible climate finance projects, of which 30% will be directed towards climate adaptation financing, within the first five years of the 15-year MIGA guaranteed period. The project's climate action plan includes a procedure for screening and reporting climate finance, as well as enhanced internal processes for identifying and addressing physical climate risks under the Paris agreement.



18th December

On 17th December 2024, the Board of Directors of BOAD convened for its 144th ordinary session under the chairmanship of the President of BOAD, Mr. Serge Ekué. The Board closed the interim accounts as of 30th September, 2024, approved the 2025-2029 financial outlook update and the 2025-2027 draft program budget. In addition, the Board of Directors approved 9 new operations for a total amount of XOF 171.363 bn, bringing to XOF 932.631 bn the total amount of commitments for the year 2024, and to XOF 9,079.3 bn the total commitments of BOAD since commencement of its operations in 1976.

10th December

BOAD Titrisation has been honored with the prestigious Fund of the Year award at the AFIS Awards 2024. BOAD Titrisation recently closed the Doli-P 2024-2031 deal, aimed at securitizing a portfolio of non-sovereign debts held by BOAD. This deal made it possible to mobilize XOF 160 bn, attracting regional and international investors. Its success reflects the growing interest in innovative and sustainable financing solutions, contributing to the strengthening of the economic resilience of the WAEMU countries.



20th November



From 18th to 20th November, 2024, BOAD organized in collaboration with its broker COFARCO, the first edition of the Insurers' Days in Lomé. The objective of the event was to strengthen ties with the pool of insurers collaborating with BOAD since 2021. This strategy of using the credit insurance market is in line with the Plan Djoliba's innovative approach « originate to distribute », and helps preserve the Bank's investment grade rating.

Key developments (2/3)

23th October



In October 2024, BOAD's « Disaster Adapted Loan (PACAN) » program was triggered for the first time, following the heavy floods and rainfalls that hit several areas of Togo. As a partner of the PACAN initiative, the African Risk Capacity Limited (ARC Ltd) will pay an indemnity of EUR 6.6 mn to BOAD which will help cover the next two loan repayments included in Togo's PACAN portfolio. This innovative mechanism was launched in August 2024 and offers loans on advantageous terms in order to finance climate change adaptation projects, combined with parametric insurance, which activates automatically in the event of a disaster. The success of this first trigger in Togo lies upon the collaboration between BOAD, KfW, the Frankfurt School of Finance and Management, Munich Re, and ARC Ltd.

25th October

On 25th October 2024, BOAD proudly hosted the second BOAD Investor Day on the sidelines of the IMF-World Bank Group's Annual Meetings in Washington, D.C. The event convened leading financial institutions, investment funds, and banks, underscoring BOAD's dedication to fostering strategic partnerships and mobilizing resources for the sustainable development of the WAEMU region. The program featured a presentation highlighting BOAD's strategic vision, investment opportunities, and its measurable impact on key development indicators. This was followed by a dynamic discussion on strategic initiatives aimed at bolstering sustainable development across the WAEMU member countries.



23th October



On 23rd October, the Green Climate Fund approved BOAD's LOCAL Plus Regional Program (LOCAL+) for West Africa in Burkina Faso, Côte d'Ivoire, Mali and Niger. It aimed at facilitating access to climate action financing for local authorities and the private sector in these countries, through technical and financial support.

The program, worth a total of XOF 35 bn (EUR 52.82 mn) over a five-year implementation period, will benefit from a Green Climate Fund grant of XOF 29 bn (EUR 44.02 mn). After an initial accreditation in April 2017, the Green Climate Fund re-accredited BOAD in 2023, with an upgrade in the environmental and social categorization of its projects from "B/I 1" to "A/I 1".

Key developments (3/3)

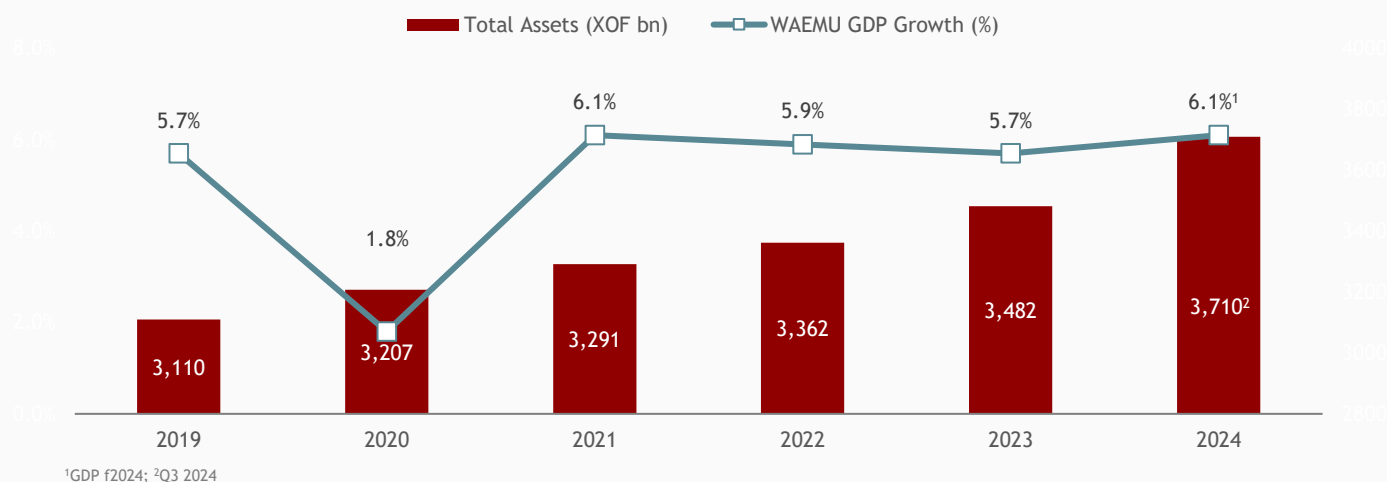
9th October

BOAD's President, Mr. Serge Ekué, took part in the high-level economic summit in support of the World Bank's 21st replenishment of the International Development Association (IDA 21) co-organized by Bridgewater Associates and Global Citizen, in partnership with the Government of Côte d'Ivoire, from 9th to 10th October in Abidjan. Mr. Serge Ekué intervened in the panel entitled "Transforming lives: the impact of IDA-financed projects in providing access to sustainable energy and high -quality infrastructure in sub-Saharan Africa, and their contribution to accelerating economic growth and job creation across the continent. The President's speech focused on the impact projects that BOAD has been able to finance with IDA resources since 1980.



Cardboard factory, Mali

BOAD Assets vs. WAEMU GDP Growth



BOAD Financials

XOF Million	2020	2021	2022	Q3 2023	2023	Q3 2024
Loans and Advances to Customers	2,166,679	2,368,457	2,439,926	2,371,818	2,461,992	2,362,937
Total Equity	903,074	951,049	1,104,641	1,150,112	1,236,032	1,373,614
Total Assets	3,207,265	3,291,286	3,362,279	3,381,450	3,482,022	3,710,172
Net Interest Income	52,131	60,160	72,627	64,175	89,274	61,861
Net Income	29,302	30,824	33,682	29,852	36,453	35,960
Return on Average Equity	3.38%	3.32%	3.28%	2.67%	3.11%	2.85%
Return on Average Assets	0.93%	0.95%	1.01%	0.87%	1.07%	1.01%
Capital Adequacy Ratio (Basel II)	23.90%	23.40%	26.50%	27.29%	27.46%	27.22%
Net Interest Margin	2.41%	2.54%	2.98%	2.71%	3.63%	2.62%
NPLs/Gross Outstanding Loans	2.71%	2.90%	2.92%	2.57%	2.64%	2.38%

- The Loans and Advances to Customers decreased by 4.0% in Q3 2024 to XOF 2,362.9 bn from XOF 2,461.9 bn in 2023.
- BOAD recorded a Net Income of XOF 35.9 bn in Q3 2024 i.e. a 20.5% increase compared to Q3 2023 (XOF 29.9 bn).
- BOAD continues to benefit from a good capitalization and has currently one of the strongest capital ratios (Basel II) among its peers in the region. As at 30th September 2024, the Capital Adequacy ratio is at 27.22%, well above internal target of 15%.
- NPL ratio stands at 2.38% as at 30th September 2024.

Recent projects and achievements (1/3)

BOAD TITRISATION

BOAD has participated for XOF 800 mn in the capital increase of BOAD TITRISATION. This transaction will strengthen the entity's capital, enabling it to comply with the legal minimum capital requirements set by OHADA and the *Autorité des Marchés Financiers de l'UEMOA (AMF-UMOA)*, and to support BOAD TITRISATION's activities through the implementation of its 2022-2027 strategic plan.



XOF 800 mn



BOAD has acquired a XOF 2.3 bn stake in the share capital of BOAD Market Solutions, Côte d'Ivoire. The aim is to create a multi-purpose financial services entity offering innovative financing alternatives and advisory services to financial players in the sub-region. The creation of this entity will also promote a market for derivatives and other structured products within the WAEMU region.



XOF 2.3 bn



BOAD has contributed for XOF 4.763 bn in Air Côte d'Ivoire's capital increase. BOAD's participation in Air Côte d'Ivoire's fourth capital increase is aimed at strengthening the company's stable resources, enabling it to finance its investments and regularize its shareholders' equity.



XOF 4.763 bn



BOAD has lent XOF 29 bn for an emergency project to replenish food security stocks and strengthen local rice processing in Niger. This project aims to improve the availability of local white rice and reduce imports, promote the development of the national rice industry and contribute to reducing imbalances on the domestic cereals market. It is expected to strengthen the resilience of at least 1.5 mn vulnerable people, contribute to the harvest and processing of 74,000 tonnes of paddy rice and 14,000 of local cereals, as well as the creation of 1,000 direct jobs.



XOF 29 bn

Recent projects and achievements (2/3)




BOAD has lent XOF 30 bn for the development of 175 ha of natural flooding lowlands and 2,020 ha of irrigated perimeters under total water control for the production of rice, maize and market crops in Burkina Faso. This project is expected to benefit 300,000 households, contributing to the production of 25,000 additional tonnes of paddy rice, double the average household incomes, and creating 1,100 indirect and 200 direct jobs, of which 50% for women and 40% for young people.

  XOF 30 bn




BOAD has lent XOF 4.5 bn for the construction and operation of an integrated animal feed production unit by EHUA Industries SA, in the Glo-Djigbé Industrial zone in Benin. This soybean crushing and animal feed production unit is expected to produce 150,000 tonnes of animal feed and create around 2,500 direct, indirect and induced jobs under the project.

  XOF 4.5 bn



BOAD has lent XOF 30 bn for the densification of the video surveillance network in Dakar and its extension to the outlying communes through the deployment of 26 new secondary operation sites, including two in district command posts and 24 in urban police stations or commune police stations, will contribute to reinforcing security in urban areas. The project is expected to increase crime prevention rate in the city to 80%, and to at least 70% of sensitive areas, and generate as well around 540 direct, indirect and induced jobs.

  XOF 30 bn



BOAD has lent XOF 30 bn for the partial funding of the operating needs of Société Nationale Burkinabé d'Hydrocarbures (SONABHY) in Burkina Faso. The short-term credit facility will help finance the import and marketing of hydrocarbons at a domestic level, and strengthen SONABHY's short-term financial resources to partially meet the needs of its customers through the import of around 250,000 m³ of liquified and gaseous hydrocarbons.

  XOF 30 bn

Recent projects and achievements (3/3)



BOAD has lent XOF 40 bn for the construction of 4,300 social and low-cost housing units in Côte d'Ivoire, under the Phase II of Abidjan PK24. This project will help improve living conditions and reduce poverty in Abidjan. More specifically, it will provide decent housing for vulnerable populations at affordable costs, and promote new ways of accessing housing for low-income households. The project is also expected to create 1,100 direct, indirect and induced jobs.

  XOF 40 bn



BOAD has rescheduled the terms of its loan for the partial funding of the *Azalai Hôtel Indépendance* renovation and extension project in Ougadoudou, Burkina Faso by Société Burkinabé de Protection Hôtelière (SBPH SA).

  XOF 8.269 bn



2024 Annual Meetings of the World Bank Group and IMF: Building strategic partnerships in the United States of America



The President of BOAD, Mr. Serge Ekué, participated in the high-level roundtable entitled “Catalyzing innovative financing for digital infrastructure in Africa” organized by the US Chamber of Commerce’s US-Africa Business Center on 25 October 2024. The event brought together Ministers from WAEMU countries, World Bank representatives, international financial groups as well as senior officials from US government agencies such as Prosper Africa, US EXIM and US International Development Finance Corporation (DFC). The President’s keynote speech introduced the role of the BOAD in the region and its priority sectors, with special emphasis on the Bank’s global approach to financing the digitalization sector in the WAEMU region. The discussions that followed provided an opportunity to identify innovative financing solutions and opportunities for collaboration between African countries and American financial institutions, particularly in the digital transformation sector.

On 24th October 2024, BOAD participated in bilateral meetings with two American agencies, US Exim and USTDA on the sidelines of the World Bank and IMF Annual Meetings. The meetings with the two agencies were part of the ongoing efforts to establish mutually beneficial partnerships with US government agencies operating in Africa in sectors of interest to the Bank, including renewable energy, digital infrastructure, smart cities, and social development (health, education). These partnerships will enable partnerships will enable American know-how to be exported to French-speaking Africa, while promoting social development in the WAEMU region through the financing of structuring projects.



Signing ceremony of AfDB USD 24 mn subscription to BOAD's capital increase



On the sidelines of the Africa Investment Forum Market Days 2024, Mr. Solomon Quaynor, Vice President in charge of Private Sector, Infrastructure and Industrialization at the African Development Bank (AfDB), and Mr. Serge Ekué, President of the Banque Ouest Africaine de Développement (BOAD), formalized the African Development Bank’s USD 24 mn subscription agreement to BOAD’s capital increase. The investment underscores the strong partnership between the two development institutions, which share strategic objectives. By

increasing its shareholding, AfDB will enhance its presence on BOAD’s Board of Directors, supporting the expansion of development initiatives across the region. The capital injection will reinforce BOAD’s investment-grade rating and improve its capacity to access financial markets at competitive rates, benefitting the states within the WAEMU member states and private sector.

Securing financing from key partners to develop the WAEMU region



BOAD has obtained a XOF 65.595 bn (EUR 100 mn) credit facility from KfW to finance Micro, Small and Medium-sized Enterprises (MSMEs). This facility will be used to grant refinancing lines to WAEMU's credit institutions, such as banks, banking type financial institutions and microfinance institutions, to enable them to grant loans to MSMEs. BOAD has also obtained XOF 8.855bn (EUR 13.5 mn) in the form of a loan and grant from KfW to set up the second phase of the West African Digital Transformation Fund (FTD). This will enable BOAD to respond in a significant way to the problems associated with financing digital transformation in the WAEMU region.

BOAD has received a XOF 131.19 bn (EUR 200 mn) joint funding from the Japan International Cooperation Agency (JICA) and a consortium of commercial banks. This loan will be used to finance projects in key sectors including infrastructure, energy and agriculture.



Henri Konan Bédié Bridge, Côte d'Ivoire

Trading Eurobonds Performance

Financing Development Differently

BOAD bonds performance on the secondary market

BOAD USD-denominated bonds



Source: Bloomberg, as of 30 December 2024

BOAD EUR-denominated bond



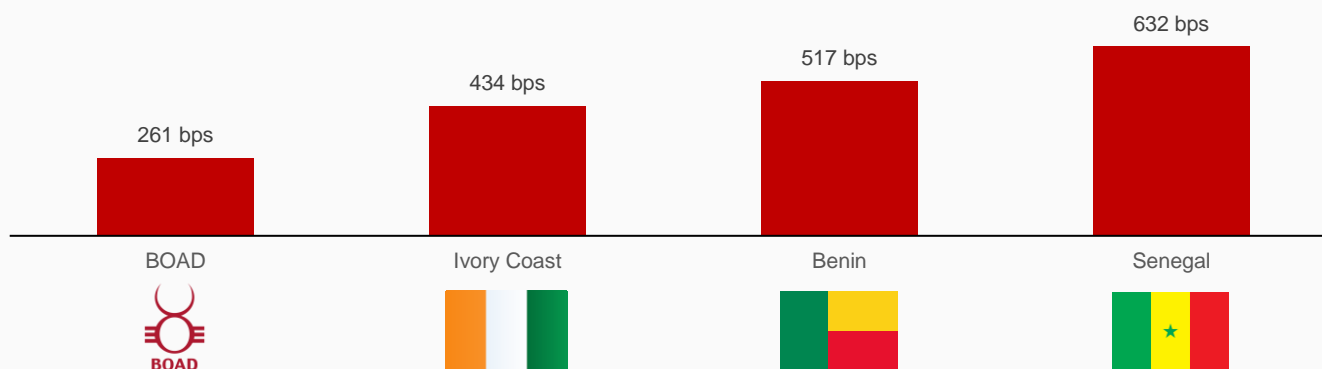
Source: Bloomberg, as of 30 December 2024

Issuer	Issue Date	M's	S&P	Fitch	Amount	Curr	Maturity	Coupon (%)	Tenor (y)	Price (%)	Yield (%)	Spread (bps)	Δ 1m	Δ 3m	Δ YTD
BOAD	27/07/2017	Baa1	-	BBB	850	USD	27/07/2027	5	2.6	97.36	6.12	209	0	-37	-134
BOAD	22/10/2019	Baa1	-	BBB	830	USD	22/10/2031	4.7	6.8	90.12	6.52	251	-18	-53	-114
BOAD	22/01/2021	Baa1	-	BBB	750	EUR	22/01/2033	2.75	8.1	83.70	5.29	296	-13	-9	-80

Source: Bloomberg, as of 30 December 2024

BOAD and WAEMU issuers performance in the secondary market

Weighted Average(1) Bond Spread



(1) For each issuer, the weighted average spread is based on USD eq. issued amount for each outstanding bond

Source: Bloomberg, as of 30 December 2024

Ratings of BOAD and its peers in the region

Issuer	Moody's	S&P	Fitch
BOAD	Baa1 (Stable)	-	BBB (Negative)
Africa Finance Corporation (AFC)	A3 (Stable)	-	-
African Export-Import Bank (AFREXIM)	Baa1 (Negative)	-	BBB (Stable)
Eastern and Southern African Trade and Development Bank (TDB)	Ba1 (Stable)	-	BB+ (Negative)

Source: Bloomberg, as of 30 December 2024

WAEMU Sovereigns ratings

Issuer	Moody's	S&P	Fitch
Benin	B1 (Stable)	BB- (Stable)	B+ (Stable)
Burkina Faso	-	CCC+ (Stable)	-
Côte d'Ivoire	Ba2 (Stable)	BB (Stable)	BB- (Stable)
Guinea Bissau	-	-	-
Mali	Caa2 (Stable)	-	-
Niger	Caa3 (Stable)	-	-
Senegal	B1 (Negative)	B+ (Negative)	-
Togo	B3 (Stable)	B (Stable)	-

Source: Bloomberg, as of 6 January 2025



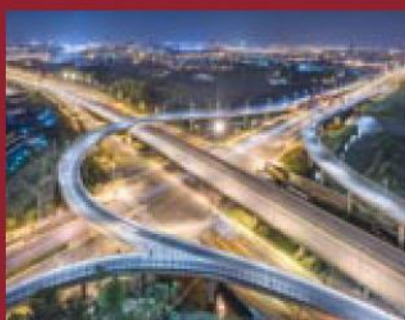
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Happy New Year !



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