PERFORMANCE AUDIT REPORT
CÔTE D'IVOIRE
FINANCIAL SECTOR ADJUSTMENT PROGRAM
(LOAN 3408-IVC, CREDITS 2303-0-IVC AND 2303-1-IVC)

June 9, 1997

Operations Evaluation Department

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Currency Equivalents

Currency Unit: CFA franc (CFAF)

The CFAF is tied to the French Franc (FF) in the ratio of FF 1 to CFAF 100, following the January 12, 1994 devaluation of the CFAF, from a ratio of FF 1 to CFAF 50. The French Franc is currently floating. As of end of year, the exchange rates were the following:

1990 US$1.00 CFAF 256.45
1991 US$1.00 CFAF 259.00
1992 US$1.00 CFAF 275.33
1993 US$1.00 CFAF 294.78
1994 US$1.00 CFAF 534.60
1995 US$1.00 CFAF 490.00

Weights and Measures - Metric System

Abbreviations and Acronyms

ADB African Development Bank
BCEAO Banque Centrale des Etats de l’Afrique de l’Ouest
BIAO-CI Banque Internationale pour l’Afrique Occidentale - Côte d’Ivoire
BICICI Banque Internationale pour le Commerce et l’Industrie de la Côte d’Ivoire
BICT Banque Ivoirienne de Construction et de Travaux publics
BID Banque Ivoirienne de Développement Industriel
BNDA Banque Nationale de Développement Agricole
BNEC Banque Nationale pour l’Epargne et le Crédit
BVA Bourse des Valeurs d’Abidjan
CAA Caisse Autonome d’Amortissement
CAR Capital Adequacy Ratio
CB Commission Bancaire
CCF Crédit Commercial de France
CCI Crédit de la Côte d’Ivoire
CFD Caisse Française de Développement
CIDA Canadian International Development Association
CIMA Conférence Interafricaine des Marchés d’Assurance
CREP Coopérative Rurale d’Epargne et de Prêt
EU European Union
FSAP Financial Sector Adjustment Program
IMF International Monetary Fund
MEF Ministère de l’Economie et des Finances
MTF Medium-Term Framework for Economic and Financial Policies
SECAI/C Sector Adjustment Loan/Credit
SGBCI Société Générale de Banques en Côte d’Ivoire
SIB Société Ivoirienne de Banque
SONARECI Société Nationale de Recouvrement de Côte d’Ivoire
UEMOA Union Economique et Monétaire Ouest Africaine (since January 10, 1994)
UMOA Union Monétaire Ouest Africaine (until January 10, 1994)

Fiscal Year - January 1 - December 31

Director-General, Operations Evaluation Department : Mr. Robert Picciotto
Director, Operations Evaluation Department : Mr. Roger Slade for Ms. Elizabeth McAllister
Acting Division Chief : Mr. Rene Vandendries
Task Manager : Mr. Nicolas Mathieu
MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT

SUBJECT: Performance Audit Report on Côte d'Ivoire
Financial Sector Adjustment Program
(Loans 3408-IVC, Credits 2303-0-IVC and 2303-1-IVC)

Attached is the Performance Audit Report (PAR) on the Financial Sector Adjustment Program (Loan 3408-IVC, Credits 2303-0-IVC and 2303-1-IVC) prepared by the Operations Evaluation Department. A loan in the amount of US$150 million and a Credit of SDR 37.6 million were approved in FY92. The second tranche of the loan (US$ 100 million) was canceled in FY 94 and replaced by a supplemental credit of SDR 72.4 million. Total disbursement from Bank and IDA funds amounted to US$ 203 million equivalent. Parallel financing for the project was provided by Caisse Française de Développement and African Development Bank for an approximate amount of US$ 132.5 million equivalent.

The main objectives of the program were to: (i) improve the policy and regulatory environment of the financial sector, (ii) restructure commercial banks, and (iii) develop the insurance sector and capital markets. All these major objectives were reached. Financial legislation was amended to simplify and expedite legal procedures. Bank supervision was strengthened. New instruments of monetary control were adopted. Commercial banks were recapitalized and their loan losses written off. Non viable financial institutions were liquidated. The insurance business was rationalized and the stock exchange was reorganized.

The devaluation of the Franc CFA in 1994 substantially improved the growth prospects of Côte d'Ivoire. A healthier financial system helped cushion the negative effects of the devaluation and in return benefited from the devaluation: interest rates declined faster and excess liquidity was quickly absorbed.

The outcome of the adjustment program is rated as satisfactory. Its sustainability is rated as likely, because all four major Ivorian banks, the core of the adjustment program, are likely to remain viable entities. Institutional development impact is rated as substantial, since the organizational and managerial restructuring of the main banks is well advanced.

The main lesson emerging from project experience is that transnational financial arrangements (UEMOA in this case) create an unusual situation where country policy decision making processes are constrained. In this situation, project conditionalities which implicitly involve a timely adoption of transnational measures (devaluation of Franc CFA) that trigger financial sector adjustment measures in a country are not well suited to the situation. On the other hand, project sustainability could be enhanced through the good use of transnational financial arrangements.

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Nicolas Mathieu (Task Manager) acknowledges with thanks the contributions of: Ivan Christin (Consultant) who prepared the audit; and Jasmine Mason-Anderson and Eneshi Irene K. Davis who provided administrative assistance.
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Preface

1. This is the Performance Audit Report (PAR) on the Côte d'Ivoire’s Financial Sector Adjustment Program (FSAP, Loan 3408-IVC, Credits 2303-0-IVC and 2303-1-IVC). The FSAP was approved on October 1st, 1991, in the amount of US$ 150 million (Loan 3408-IVC) and SDR 37.6 million (Credit 2303-0-IVC). It became effective on December 13, 1991. A supplemental credit of SDR 72.4 million, (Credit 2303-1-IVC) was approved on February 8, 1994.

2. Credit 2303-0-IVC was fully disbursed on February 28, 1992 and closed, as planned, on September 30, 1993. Loan 3408-IVC was closed on June 30, 1994, nine months after the original closing date. The first tranche of US$ 50 million was fully disbursed on January 12, 1992. Given that Côte d’Ivoire was no longer creditworthy to borrow at IBRD terms, the second tranche (US$ 100 million) was canceled on January 15, 1994, upon the request of the Government and replaced on February 8, 1994 by Credit 2303-1-IVC. Final disbursement of Credit 2303-1-IVC occurred on March 3, 1994 and the Credit was closed on June 30, 1994. Caisse Française de Développement (CFD) provided parallel financing for an amount of CFAF 18 billion (U.S. 65 million), and African Development Bank also provided parallel financing for an amount of 50 million of accounting units (U.S. 68 million).

3. The PAR was prepared by the Operations Evaluation Department (OED). It is based on the President’s report, the loan documents, sector and economic reports, the program files, discussions with Bank staff and the Implementation Completion Report (ICR) prepared by the Africa Regional Office. An OED mission visited Côte d’Ivoire in July 1996, collected additional information, and discussed the effectiveness of the Bank’s assistance with Government officials, representatives of the Central Bank, representatives of the banking community involved in the program. Their kind cooperation and invaluable assistance during the mission is gratefully acknowledged.

4. The ICR (Report No. 15314) was prepared by the staff of the Country Operations Division, Central-Western Africa Department (Preface, Evaluation Summary, Parts I and II, Appendix A), and by the Borrower (Appendix B). The PAR supplements the ICR by examining more closely each component of the program. It includes information on latest developments collected by the audit mission and uses it to provide an in-depth analysis on the program’s relevance, outcome, and sustainability, and to derive lessons of experience.

5. The draft PAR was sent to Borrower for comments. No comments were received.
Basic Data Sheet

FINANCIAL SECTOR ADJUSTMENT PROGRAM (LOAN 3408-IVC, CREDITS 2303-0-IVC AND 2303-1-IVC)

Key Program Data (amounts in US$ million)

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<th>Actual as % of appraisal estimate</th>
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<td>Cancellation</td>
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<td>Economic rate of return</td>
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<td>Institutional performance</td>
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<td>n.a.</td>
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</table>

1 There was no cofinancing for this program. However, the Caisse Francaise de Developpement and the African Development Bank supported the program with approximately US$132.5 million equivalent in parallel financing.

Cumulative Estimated and Actual Disbursements

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Dates of final disbursements of:

- Loan 3408-IVC: January 12, 1992
- Credit 2303-0-IVC: February 28, 1992
- Credit 2303-1-IVC: March 3, 1994

Program Dates

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### Staff Inputs (staff weeks)

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<tr>
<td>Total</td>
<td>1.8</td>
<td>59.7</td>
<td>37.7</td>
<td>15.1</td>
<td>7.5</td>
<td>9.3</td>
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### Mission Data

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<td>20</td>
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<td>Banking, financial analysis</td>
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### Other Program Data

Borrower/Executing Agency: Government of Côte d'Ivoire

### Follow-on Operations

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<th>Credit no.</th>
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<tbody>
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</table>
Evaluation Summary

Background

1. Banking on the strength of a boom in major export products prices (coffee, cocoa) in the mid-1970s, Côte d'Ivoire launched ambitious development programs. Unfortunately, the trend was short-lived and the programs were revealed as excessively ambitious by the early 1980s. The country's economy faced huge imbalances in many areas (public finance, balance of payments, external debt). Government's failure to address the basic economic issues translated in a further deterioration of the economy throughout the 1980s. By the end of the 1980s, GDP had declined in real terms. Numerous distortions were introduced in the economy through a complicated set of taxes, subsidies and administrative regulations in an attempt to achieve internal adjustment without exchange rate realignment. One consequence of this process was the progressive decay of some basic economic structures. The financial system was one of them.

2. Towards the end of the 1980s the Ivorian financial system was already quite diversified and sophisticated. It comprised an extensive set of commercial banks dominated by affiliates of major French commercial banks, multi-purpose public financial institutions, non-bank financial intermediaries, numerous insurance companies and a stock exchange. The whole system was badly affected by several factors: poor economic performance, clients' defaults (amongst which the Government, a major banks' debtor) market distortions, lax or non existent supervision, and mismanagement. Commercial banks progressively became illiquid, non profitable, and insolvent. Public financial institutions accumulated huge portfolios of non-performing loans which, ultimately led to their de facto failure. Mismanaged non-bank lending institutions had to be liquidated. Insurance companies also became illiquid, non profitable and insolvent and the Stock exchange became an inefficient institution. The situation was further aggravated by the fact that business disputes (of which the number was increasing due to the deteriorated economy) were not properly settled by the judiciary system.

3. The West Africa Economic and Monetary Union (UEMOA)\textsuperscript{1} to which Côte d'Ivoire belongs, as well as the Government of Côte d'Ivoire had realized during the late 1980s that, with the observed trends in the structure and macrofinancial aggregates characterizing the financial system, the situation was becoming untenable. In September 1986, UMOA's authorities had set up a three-fold plan aimed at restoring a healthier banking sector in all UMOA's member states. This plan invited the Governments to settle public arrears vis-à-vis local banks, the common central bank (BCEAO) to revitalize the activity of banking supervision commissions, and the banks to restore a sounder management, and strengthen their long-term resource base.

4. Results were disappointing, especially in Côte d'Ivoire which, given its relative weight, is determinant for UMOA's overall situation. Like in Senegal, its distressed financial system required external assistance. The World Bank stressed that bringing fresh money into any national financial system made sense only if regional monetary and financial policies were substantially amended to avoid the recurrence of similar crisis in the future.

\textsuperscript{1} The West Africa Monetary Union (UMOA) became West Africa Economic and Monetary Union (UEMOA) on January 10, 1994.
5. Under the pressure of several major partners, the UMOA’s Council of Ministers undertook the complex task of reconsidering the common monetary and financial policy framework. Basic decisions were taken by the Council of Ministers on October 18, 1989, concerning the instruments of monetary policy and the operational role of BCEAO. The new policies included a more efficient credit ceiling policy, a revised interest rates policy, the dismantling of sectoral credit allocations, and more stringent rules for Central Bank refinancing.

6. Once these changes were decided, the Bank was faced with much better conditions to proceed further with an operational reform program at each country level. In Senegal, a Financial Sector Adjustment Credit (FSECAL) was approved in December 1989 and, nearly two years later, the Financial Sector Adjustment Program (FSAP) for Côte d’Ivoire was approved.

The Program

7. **Program objectives.** The basic objective of the FSAP, which was approved in October 1991, was to rehabilitate the viable elements of the system. The financial system’s core component (the four main commercial banks, all affiliates of French banks) was targeted: restoring banks’ liquidity, solvency and profitability was considered essential for providing the economy with efficient financial services. Insurance companies were also targeted in the same spirit. In addition, a renewed capital market would have also provided the economy with the needed long-term funding by investors (both local and foreign). Non viable elements would be liquidated (mostly specialized development banks). Finally, the policy and regulatory environment of the financial system would be modernized, adjusted to the real needs, and revitalized.

8. **Program design.** The Project’s design was largely in keeping with the general pattern of the government’s policy described in a “Medium-Term Framework for Economic and Financial Policies, 1991-1995,” prepared in September 1991 by the Ivorian authorities. It was also based upon extensive preliminary sector work. It contained measures aimed at restoring the system’s liquidity (settlement or arrears, collection of bad debts), solvency (loan provisioning and subsequent recapitalizations), and profitability (Reduction of overheads, staff cuts, tightened management, etc.). In addition, it contained innovative features (securitization of arrears with provisions for their refinancing). It organized an orderly liquidation of the non viable institutions. In addition to the introduction of modern instruments for monetary management, it included institutional development components. Related plans with appropriate time schedules would facilitate the follow-up and avoid unnecessary delays. A well built and clear policy matrix summarized actions to be undertaken and conditions for tranche release.

Program Implementation, Outcome and Assessment

Program Implementation Experience

9. **Policy and regulatory component.** All agreed measures were implemented. Measures concerning the monetary instruments and the establishment of a strong banks’ supervisory body were adopted well before Board approval of the Program. Legislation was amended as agreed to streamline, simplify and expedite legal procedures. Macroeconomic conditions, however, continued to be unsettled because of the delays in the devaluation of the CFA franc which,
although not mentioned specifically in the loan documents, was expected to occur early on, and was an implicit condition of second tranche release. In the event, the CFA member countries were unable to agree on the devaluation until January 1994, and release of the second tranche was postponed. Following the devaluation of the CFA franc, the second tranche of the loan was canceled and replaced by a supplemental Credit (C2303-IVC), which was disbursed in March 1994, nine months after the original schedule for second tranche release.

10. **Financial sector restructuring stricto sensu.** Government arrears to financial intermediaries (bank and non-bank) were settled either through cash payments (initial payments plus planned quarterly installments) or through a securitization scheme backed-up by refinancing provisions. The process developed mostly over 1992-1993 with minor slippage and/or catching up (which were due to the discovery of claims unaccounted for in preliminary estimates). The banks’ shareholders (including the Government) agreed on a schedule for writing-off losses and recapitalizing the banks. This process took place in 1992-1993, with further complements later on in 1994 and 1995 due to the seriousness of the initial situation, and to unforeseen difficulties in privatizing one bank. Third, basic measures aimed at reducing banks’ operating expenses were taken in 1992-1993. Fourth, loan recovery increased rapidly in banks and systematized for other financial institutions through the establishment, in 1992, of a central recovery unit. Fifth, the *Bourse* was reorganized through the adoption of several measures during the 1992-1994 period.

**Program Outcome**

11. New instruments of monetary control allowed the Central Bank to monitor more closely the monetary developments and to promote efficient adjustments of interest rates, especially during the hectic post-devaluation period (1994-1995). The banks’ supervisory body [*Commission Bancaire, (CB)*] has thoroughly audited and screened all Ivorian banks, several times during the 1991-1995 period. It made appropriate recommendations aimed at policing the banks in their compliance with the new set of prudential ratios. It similarly imposed required sanctions. By 1995, the *Commission Bancaire* was able to focus more on *ex ante* preventive measures than on *ex post* punitive measures.

12. It was not expected that individual bank restructuring would occur overnight. It has been a time consuming process. However, as of end 1995, the four major Ivorian commercial banks which were targeted for restructuring, have been successfully rehabilitated. With the exception of the liquidity ratio, not easily complied with, all other prudential ratios are adequately complied with by banks. Their capital base has been restored, loan-loss provisions have been adequately written and paid-up capital increased. Individual banks efficiency indicators (such as Net Interest Margin, Net Banking Income to Total Assets, etc.) are now well above the generally accepted industry’s standards, demonstrating that profitability is good.

13. Non viable institutions have been liquidated and the central recovery unit (SONARECI) has effectively undertaken to manage the remnants, mostly by a difficult activity of claims recovery. Even though in relative terms SONARECI’s performance is disappointing (about 2% of total assets recovered), the nominal value of CAF 6.25 billion recovered in 1994-95 is not negligible, given the difficult initial situation which it inherited. CAA’s reorganization was implemented as scheduled, although it appears that the institution needs further downsizing. However, the new role of this financial institution is not yet well defined.
14. The insurance sector was rationalized as a result of a market process that involved closures and liquidations. Within the insurance market, supply of insurance services is now commensurate with related demand and the remaining companies are on a good trend to definitely resume with profitability. While automobile and life insurance businesses are now fully profitable, deficiencies still characterize other segments of the business (shipping and other transportation).

15. The Abidjan Stock Exchange (BVA) was revitalized. Issues in the primary market (as a result of privatization and/or arrival of new companies or new issues in the bond market) have been successfully subscribed. The secondary market has been buoyant over 1994 and 1995: market capitalization has been multiplied by 3.8 since 1993. Yet the market is still insufficiently liquid.

Program Assessment and Sustainability

16. All major policy and institutional objectives related to the program were met, with the important exception of the strengthening of the judiciary system. Even though additional progress could be further expected: (i) monetary authorities are currently endowed with efficient monitoring instruments; (ii) CB has fully succeeded in disciplining the commercial banks and even in instilling a behavior of self-discipline within the business; and (iii) follow-up and supervision of insurance companies is on firm grounds. Fundamental deficiencies still characterize the judiciary system. In the light of experience, the scope (and the scale as well) of the task to be undertaken in this area has been seriously underestimated. Restoring an acceptable judiciary system would, at least, require as much effort in terms of political, financial, advisory, technical, and human resources as has been spent for the rehabilitation of the whole financial system.

17. The objective of restoring a healthier commercial banking sector has been fully met. However, last minute (and sometimes questionable) arrangements, aimed at resolving issues which were still pending, have somewhat disfigured a global picture which would otherwise be bright. The Government was unable to stick to its own commitment to restrict its holdings in individual banks to below 20% (it currently holds 49% of SIB, Crédit Lyonnais’ affiliate, and 30% of BIAO-CI). BIAO-CI’s privatization scheme is still fragile.

18. Normal competitive conditions now characterize the insurance sector. Financially healthier insurance companies are on their own and monitor their profitability by market driven forces. A new encouraging step towards a really competitive market was made with the decision (effective on February 1995) to regionalize the market and to monitor and supervise it through a new multi-national body.

19. The program was also successful in its attempt to revitalize the stock exchange. In this area too, further progress is expected (involving the seven UEMOA members) to change BVA into a trans-national market. The new market should begin operations in early 1997, provided important technicalities are agreed on. It is intended to facilitate the national privatization programs, tie up national investors and thereby encourage a much needed regional economic integration, and attract international investors. A new regional supervisory body would discipline the market and increase transparency, an important feature which is still missing at BVA’s level.
20. **Sustainability.** From an institutional standpoint sustainability is likely as far as reforms involving trans-national decision makers have been completed (e.g. those related to BCEAO and CB). It is also likely when similar reforms are currently only contemplated (e.g. those related to the setting up of regional insurance market and capital market). Reforms leading to the establishment of SONARECI also appear sustainable. On the other hand, measures adopted in the area of the judiciary system are insufficient to deal with the problems in the sector and do not appear sustainable. Operationally speaking, banks are now strong enough to hedge against usual market risks by counting on their own forces. From this standpoint, sustainability is also likely. All four major Ivorian banks are, technically, viable entities. However, the fate of two of them is highly dependent upon the fate of their core shareholding (which is still fuzzy in BIAO-CI’s case, and shaky in SIB’s case).

**Bank and Borrower Performance**

21. Bank performance was satisfactory throughout the stages of this Project’s cycle. The design of the program was done very carefully: it integrated useful insights, introduced in the very design the spirit of a global multi-institutional team, synchronized well with the phases of an external on-going process. Intense supervision characterized the implementation stage, allowing the program to remain on track. Bank staff’s concern for follow-up operations focusing on financial deepening was also present by completion time.

22. Borrower performance was satisfactory. It was characterized by good program ownership and by a strong commitment to implement reforms. However, the borrower was responsible for slippages, delays and deviations that occurred during program implementation.

**Conclusions and Lessons of Experience**

23. The devaluation of 1994 has substantially improved the growth prospects of Côte d’Ivoire. The country’s engines of growth (exports, investments) may now run in normal economic conditions. The healthier financial system helped to cushion the effects of turbulences resulting from the devaluation. The financial calm has been crucial in accelerating the return to more stability. Interactions between a healthy financial system and the consequences of the devaluation were positive: interest rates have been reduced faster than expected since the banks were strong enough to lend on competitive terms; overliquidity has been swiftly absorbed through the sale of new securities issued, during the adjustment programs, to absorb government’s arrears.

24. From this program, several basic lessons may be derived:

   (a) Program ownership by the Government is confirmed as being a key condition for successful adjustment.

   (b) Close supervision remains essential and is all the more facilitated if objectives, measures and conditionalities are well-focused.

   (c) In turn, an efficient supervision requires the strengthening of staff involvement and the application by staff of a «managed flexibility». 
(d) The chances of success of an adjustment program are further increased when a solid climate of partnership has been established between all involved parties.

(e) Trans-national institutional arrangements (UEMOA is a typical case) create unusual situations, with policy decision making processes much more constrained. These processes are tremendously time consuming and resulting decisions are less subject to further quick re-appraisal. At the same time, decisions taken at a trans-nation level are more binding on national member-governments than decisions taken by national governments themselves.
1. Background

General Background

Major Historical Trends, 1975-1990

1.1 The Republic of Côte d’Ivoire (RCI) is a lower middle income country. In 1994, its population amounted to about 13.5 million people and its GNP per capita to US$ 550 (down from US$ 630 in 1993 after a devaluation of the CFAF that occurred in January 1994). The economy is predominantly agricultural: about 2/3 of the country’s active population is engaged in farming, forestry and fishing; the agricultural sector (including forestry and agro-industries) accounts for about 40% of GDP and generates 70% of total export revenues. Major exports consist of cocoa (34% of total exports in 1995), coffee (11% of total exports in 1995), and timber (13% of total exports in 1995). Manufactured products represent about 26% of total exports.

1.2 The country experienced a cocoa and coffee price boom in 1975-1976. Deluded by what was considered a lasting process, the Ivorian government undertook ambitious spending programs. Public expenditures grew at tremendous rates (about 35% p.a. in nominal terms over 1976-1980), with investment expenditures increasing from about CFAF 71 billion in 1976 to about CFAF 300 billion in 1980. Financing such expenditures required high levels of external funding. External debt rapidly increased during the second half of the 1970s. With poor management of the public sector (including public enterprises), macroeconomic imbalances reached unsustainable levels at the beginning of the 1980s. The budget deficit was about 10% of GDP, the current account deficit was about 17% of GDP, and the country started to encounter serious debt servicing problems. In 1980, total external debt stock of Côte d’Ivoire reached US$ 7,445 million (up from US$ 4,755 million in 1979), total debt service paid more than doubled (from US$ 662 million in 1979 to US$ 1,407 million in 1980) thus reaching 39% of exports of goods and services.

1.3 During the 1980s, despite brief recoveries, cocoa and coffee prices continued their decline on international commodity markets. Inadequate macroeconomic policies did not address the fundamental problems facing Côte d’Ivoire, and very specifically, the downward rigidity of expenditure. Major distortions in the economy included: a highly protected trade regime characterized by high tariffs and numerous non-tariff barriers, a decline in domestic savings and an inadequacy of the banking system to deal with it, a strong level of public intervention in the agricultural sector (more precisely in the areas of pricing and marketing), an insufficient attention paid to economic diversification, and an omnipresent and inefficient public sector. Ivorian authorities mainly relied on palliative internal adjustment measures in order to restore international competitiveness and growth.

1.4 As a result, the overall state of the economy continued deteriorating. The budget showed alarming deficits after few years of modest equilibrium. The current account deficit sharply deteriorated in 1987 (US$ 968 million, or about 10% of GDP), 1988 (US$ 1,239 million, about 13% of GDP) and 1989 (US$ 955 million, about 11% of GDP). In 1989, total external debt stock amounted to US$ 14,056 million (or 1.7 year of GNP) and total debt service paid was still absorbing one third of exports of goods and services. Such developments were all the more
alarming as they occurred in the context of a declining nominal GDP. Nominal GDP never stopped declining since 1987. After reaching CFAF 3,244 billion in 1986, it amounted to CFAF 2,988 billion in 1989 and to CFAF 2,691 billion in 1990. In real terms, the GDP continuously declined by about 1.6% p.a. between 1986 and 1990.

1.5 Until the early 1980s Bank lending to Côte d’Ivoire was project-oriented. Paralleling the deterioration of the economic situation, Bank lending progressively shifted toward support to structural adjustment. Three structural adjustment loans (SALs) were approved, in November 1981, July 1983 and June 1986 for a total amount of US$ 600 million. All these efforts were unable to overcome a major constraint: the rigidity of the exchange rate within the “Union Monétaire Ouest Africaine” (UMOA, i.e. West Africa Monetary Union) which includes six other countries. UMOA is a multinational arrangement operationally managed by a Central Bank: the “Banque Centrale des Etats de l’Afrique de l’Ouest” (BCEAO). The BCEAO issues the common currency in the seven member states: the CFA Franc (CFAF). The CFAF is pegged to the French franc at a fixed rate which, since 1948 and until 1994, was set at CFAF 1 = F 0.02.

1.6 The fixed parity regime was aimed at securing the member countries with a convertible currency as well as at imposing budgetary and monetary discipline. Inflation in the member countries was indeed limited and, at least until the mid-1980s, their GDP real growth rate was higher than in most Sub-Saharan African countries. Over the period 1980-1984, the strong appreciation of the US$ limited the negative effects of the deterioration in the terms of trade. But, the depreciation of the US$, which started in early 1985, sharply aggravated the country’s terms of trade deterioration. As a result, Côte d’Ivoire’s economy was destabilized and the Government adjustment policies were abandoned. The ensuing deterioration of the economic situation caused interruption of Bank lending to Côte d’Ivoire for two years (1987-1989).

1.7 In mid-1989, the Government and the IMF reached an agreement on a new stand-by arrangement. On this basis the Bank resumed its lending to the country with the approval of three Sector Adjustment Loans/Credits (SECALs/Cs). In 1991, the Government decided to deepen its structural reform program and drafted a Policy Framework Paper (PFP) entitled “MEDIUM-TERM FRAMEWORK FOR ECONOMIC AND FINANCIAL POLICIES, 1991-1995”. The suggested strategy still relied on internal adjustment measures in order to restore international

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2 Bénin, Burkina Faso, Mali, Niger, Sénégal and Togo.

3 The BCEAO exercises this privilege in the capacity of a supranational public institution (since its creation on November 1st 1962) and in pursuance of (i) the Treaty of November 14, 1973, creating the UMOA, (ii) the Cooperation Agreement of December 4, 1973 between the French Republic and the UMOA’s member states, further amended in May 29, 1984, (iii) the Articles of Agreement of the BCEAO (annexed to the Treaty of November 14, 1973), the Convention de Compte d’opérations [Operations Account Agreement] of December 4, 1973, between the French Republic and the BCEAO.

4 In addition to being the currency of the seven UMOA member states, the CFAF is also the currency of seven other countries whose bank of issue is linked with the French Treasury by an Operations Account: (i) Comoros (with the Comorian Franc issued by the Central Bank of Comoros), and (ii) another group of six states (Cameroon, Central African Republic, Chad, Congo, Gabon and Equatorial Guinea) operating under the monetary control of “Banque Centrale des Etats de l’Afrique Centrale” [BEAC].

5 With the collaboration of the staff of the World Bank. This document is reproduced in Annex XIII of the President’s Report for the FSAP (pp. 57-73).
competitiveness and enhance growth. While noting that the loss of competitiveness was a major cause of the macroeconomic deterioration, the MTF did not address the issue of devaluation. This was, however, a highly complex matter. Notwithstanding this difficulty, MTF also enabled the Bank to resume its policy-based lending in order to support the Government’s objectives. Three new SECALs were approved in the areas of competitiveness and regulatory reform, human resources development and finance. This last operation (Financial Sector Adjustment Program, Loan 3408-IVC, Credits 2303-0-IVC and 2303-1-IVC) is the subject matter of the current evaluation report.

*Macroeconomic Developments 1990-1995*

1.8 From 1990 to 1993, the overall economic activity remained depressed: the GDP growth rate averaged 0.3% p.a. The ratio of investment to GDP stagnated at a low 8.3% p.a. on average. The ratio of external trade balance (exports of G&S minus imports of G&S) to GDP declined from a low 6.87% in 1990 to about 1.5% only in 1993. Not surprisingly, the general conditions of supply and demand concurred to limit the inflationary pressures to about 1.8% p.a. In the meantime, however, one encouraging signal emerged: government’s efforts to limit the budget deficit to a more manageable percentage of GDP started to bear fruit in 1991 and 1992, with percentages below 10%. In 1993, however, the ratio increased again to about 12%. This was mainly due to the Government’s effort to further liberalize the economy by dismantling part of the tariff barriers.

*Figure 1.1. Trends in Growth and Inflation, 1990-1995*

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6 In the next two paragraphs, except otherwise indicated, all figures are expressed in real terms by using the country’s CPI to deflate the relevant economic aggregates. Data used for the calculations and for the figures are based on those provided in Annex 1, p. 59.
1.9 With the devaluation, 1994 was a major turning point. Investment and exports were boosted by this major decision: the ratios of Gross Fixed Capital Formation to GDP and External Trade surplus to GDP immediately jumped to about 20% and 19% respectively in 1994. Even though the latter stabilized a year later, the former continued to further increase in 1995. The consequence, after two years, has been very encouraging: growth has resumed, with a rate of about 10% p.a. on average. Moreover, persevering Government’s efforts to reduce the budget deficit relative to GDP materialized, with a ratio of only 3.6% at end 1995. As a result, inflationary pressures which are a normal by-product of strong currency realignments, started to decline as soon as 1995. Preliminary figures for 1996 indicate that this trend continued.

Sector Background

A Description of the Financial System of Côte d’Ivoire in 1990

1.10 A weak banking system. As of end December 1990, the Ivorian banking sector had a dominant weight within the overall UMOA banking sector: total Ivorian banks’ assets accounted for 47.2% of total banks assets UMOA-wide. The Ivorian banking situation was very worrying: the coverage ratio of banks’ credits by deposits with banks amounted to only 57.9%, i.e. the lowest ratio within the zone. This was the combined consequence of: (i) a deposit ratio (relative to total banks’ liabilities) weaker than the zone-wide ratio: 39.02% against 46.19% and (ii) a total banks’ credit ratio (relative to total banks’ assets) much higher than the zone-wide ratio: 67.4% against 58.9%. The banks’ cash position was on a deteriorating trend due to accumulating non performing loans and the banks had to rely more heavily on Central Bank’s credits than other UMOA’s banks (about 30% against 22.4%). Therefore, the bank’s reserve ratio amounted to a low 3.7% as compared with a similar UMOA ratio of 18.9%. 
Figure 1.3. Selected Banking Ratios, 1990: Côte d'Ivoire and UMOA

(a) = Total deposits with banks / Total banks' liabilities.
(b) = Total banks' claims on private sector / Total banks' assets.
(c) = Total banks' credits / Total banks' assets.
(d) = BCEAO credits to banks / Total banks' assets.
(e) = Coverage ratio of banks' credits by deposits with banks.

Sources: Based on figures provided in Annex 1, pp 47 and 48.

1.11 Commercial banks. In 1990, 14 commercial banks\(^7\) stricto sensu\(^8\) were operating, with some 152 branches. The banking sector consisted of 4 large banks and 10 smaller institutions. The four large banks were: BIAO-CI, BICICI, SGBCI and SIB. All of them were affiliates of major French banks: BIAO Paris\(^9\) had a 65% stake in BIAO-CI, BICICI was an affiliate of Banque Nationale de Paris which held 21%, SGBCI was an affiliate of Société Générale which held 37%, and SIB an affiliate of Crédit Lyonnais which had 41%. These banks accounted for

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\(^7\) Banque Atlantique de Côte d'Ivoire (BACI), Bank of Commerce and Credit International (BCCI), Banque Internationale pour l'Afrique Occidentale (BIAO-CI), Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire (BICICI), Banque Real de Côte d'Ivoire (BRCI), Barclays Bank P.L.C (BBPLC), Citibank N.A., Compagnie Financière de la Côte d'Ivoire (COFINCI), ECOBANK Côte d'Ivoire, Paribas Côte d'Ivoire, Société Générale de Banques en Côte d'Ivoire (SGBCI), Société Générale de Financement et de Participation en Côte d'Ivoire (SOGEFINANCE), Société Ivoirienne de Banque (SIB), Union de Banques en Côte d'Ivoire (BANAFRIQUE).

\(^8\) We introduce this proviso because the BCEAO includes two other institutions in the consolidated accounts of the Ivorian banks: (i) Banque Nationale de Développement Agricole (BNDA) which was an hybrid bank (commercial and development bank), and (ii) Caisse Autonome d'Amortissement (CAA), a public administrative institution which was listed as a bank with special statutes (privileges). BNDA was liquidated on October 1st, 1991.

\(^9\) BIAO SA Paris collapsed in 1990. BIAO-CI was then taken over by the Government and therefore became a state-owned bank.
the bulk of the banking business: over 90% of loans, 89% of deposits, and 95% of Central Bank refinancing. The other ten much smaller banks operated mostly as merchant banks or term lenders and had managed to find appropriate market niches.

1.12 Hybrid banking institutions. Two major hybrid financial intermediaries also characterized the financial landscape in 1990.

(a) The Banque Nationale pour le Développement Agricole (BNDA), was functioning both as a commercial bank and a development bank. With total assets of CFAF 94 billion, a network of 32 local and regional branches, 11 rural offices and 44 occasional point of sales, BNDA mobilized sight, time and saving deposits in rural areas. It also participated in the financing of crops, agricultural projects, provided bridge loans to farmers and managed donors lines of credit. BNDA was listed as a bank in Central Bank registers.

(b) The Caisse Autonome d’Amortissement (CAA), was also registered, with the BCEAO, as a bank under special statute, although partially subject to the banking legislation. CAA’s mandates centered around managing the public debt and providing banking services to public sector companies. Since 1960 Government departments and public sector enterprises had to deposit their liquidity with CAA which in turn extended loans to these various bodies. In BCEAO’s statistical tables, CAA was standing, in 1990, as the fifth largest Ivorian bank, with total assets of CFAF 95.7 billion, deposits from public bodies of CFAF 54.4 billion and loans to various public bodies of CFAF 67.3 billion.

1.13 Other financial intermediaries. Seven non-bank lending institutions, provided leasing, hire purchase services and term finance. Altogether, these institutions had total assets amounting to CFAF 38,885 million. Also, a network of 78 Rural Financial Cooperatives (“Cooperatives Rurales d’Epargne et de Prêt” (CREPS)), set up in 1976 to provide basic financial intermediation services to rural communities, operated under a mutualistic system. About 17,000 members deposited some CFAF 644 million in 1990. Most liquid assets of CREPS (CFAF 362 million) were deposited with BNDA.

1.14 Insurance companies. The insurance business comprised 38 companies, ten of which specialized in life insurance. Sixteen companies were registered as national companies and the other 22 operated as local branches of foreign companies. In 1989 total premiums collected by general insurance companies amounted to CFAF 48 billion whereas life insurance companies collected CFAF 5.8 billion.

10 Prior to 1990, four specialized lending institutions had been operating: Crédit de la Côte d’Ivoire (CCI); Banque Ivoirienne de Développement Industriel (BIDI); Banque Nationale pour l’Epargne et le Crédit (BNEC); Banque Ivoirienne de Construction et de Travaux Publics (BICT). Two of them (BNEC and BICT) were placed in liquidation in 1988, and the other two, in 1989 (CCI and BIDI).

11 Afribail de Côte d’Ivoire (AFRIBAIL-CI) a subsidiary of Afritrust International; Bicibail de Côte d’Ivoire (BICIBAIL) a subsidiary of BICICI; Compagnie Ivoirienne de Financement de l’Immobilier (CIFIM) a joint subsidiary of SGBCI (55%), BIAO (35%) and SIB (10%); Société Africaine de Crédit Automobile (SAFCA); Société Africaine de Crédit-Bail (SAFBAI); Société Générale de Financement par le crédit-bail en Côte d’Ivoire (SOGEFIBAIL) a joint subsidiary of SOGEFINANCE (35%), SGBCI (25%) and GENEFITEC (35%); and Société Ivoirienne de Financement (SIF).
1.15 Stock Exchange. The “Bourse des Valeurs d’Abidjan” (BVA) had been set up in 1974 as a public institution (“Etablissement public à caractère financier”), and started operating in 1976. It was staffed by 47 people, and had an annual budget of about CFAF 490 million. Six commercial banks (BIAO-CI, BICICI, SGBCI, SIB, Citibank and Ecobank) had been designated by decree to act as brokers, with SGBCI accounting for about 75% of the transactions. Only 23 companies were listed, without any new listing since 1983. Out of these 23 stocks, only 10 were traded during the one-hour, bi-weekly sessions. Market capitalization had remained very weak (below 5% of GDP) and transactions were below 1% of market capitalization. The Bourse had been operating with large deficits, requiring government subsidies to continue operations (subsidies amounted to about CFAF 175 million p.a. over the previous five years preceding 1990).

Major Issues in the Financial System

1.16 Issues in commercial banking. All commercial banks, and more specifically the four larger ones, have been adversely affected by a substantial decline in deposits which reflected both the decline of GDP\(^{12}\) (and the subsequent reduction of savings\(^{13}\)), as well as capital flight. Parent foreign banks, alarmed by the deterioration of the Ivorian economy, reduced short-term lines of credit to their local affiliates. As a result, commercial banks’ liquidity declined substantially. Banks offset this decline by a costly and rapid increase in their recourse to BCEAO’s refinancing\(^{14}\).

1.17 Bank assets also suffered. First, overall banks credits to the economy were on a stagnating trend\(^{15}\). Second, the quality of commercial banks’ assets sharply deteriorated in two ways:

(a) The level of non-performing loans increased dramatically. For the four large commercial banks as a whole, non-performing loans amounted to CFAF 450 billion (approximately half of their total credit outstanding, with individual ratios ranging from 36% to 76%) in 1990.

(b) Public sector arrears to the banks accumulated to reach about CFAF 303 billion (about CFAF 300 billion due to the four large banks and CFAF 3 billion due to the smaller banks) in mid-1991. Out of the CFAF 300 billion, about 41% were directly owed by the State, about 26% were owed by public sector enterprises, and

\(^{12}\) Assuming that the income velocity for money is constant, a GDP decline is «mechanically» followed by a decline in monetary and quasi-monetary holdings. This was approximately the case in Côte d’Ivoire where Money supply (M1) declined from CFAF 620.2 billion in 1985 to CFAF 526.4 billion in 1990 and M2 (Money plus Quasi-Money) declined from CFAF 940 billion to CFAF 846.4 billion. In the same period GDP declined from 3,134 billion CFAF to 2,691 billion.

\(^{13}\) Gross Domestic Savings steadily fell from CFAF 808 billion in 1985 to CFAF 394 billion in 1990.

\(^{14}\) BCEAO’s claims on banks evolved from CFAF 392.2 billion (end 1985) to CFAF 523.8 billion (end 1990). The bank’s recourse to BCEAO refinancing was costly because it was frequently done at penalty rates (taux d’enfer).

\(^{15}\) Total banks credit to the economy amounted to CFAF 1,075.1 billion in December 1985 and to CFAF 1,083.3 billion in December 1990, after peaking shortly at CFAF 1,187.9 billion only in December 1987.
about 33% were indirect arrears of Caisstabl\textsuperscript{16} related to unpaid subsidies to exporters of coffee and cocoa.

1.18 Therefore, it was not only commercial banks’ profitability but also their solvency which was seriously jeopardized. Poor assets management (aggravated by lax banking supervision) also contributed to worsen the overall picture. Adequate provisioning of the private sector non-performing portfolio of the four major commercial banks would have required, in 1990, additional provisions of about CFAF 63 billion. This situation was unbearable since banks’ profits were already at a very low level (sometimes negative) and on a declining trend. The ultimate result was that cleaning the four major banks’ balance sheet through additional provisions would have more than wiped out their capital base. It has been calculated that the four large banks had a capital deficiency of about CFAF 40 billion\textsuperscript{17}. Even though the smaller banks were in better financial conditions, many of them suffered also from capital deficiency.

1.19 \textit{BNDA and CAA related issues.} The two hybrid banking institutions were also in bad shape.

(a) \textbf{BNDA} had succeeded in attracting rural deposits. However, the institution had been plagued by very high operating costs and the accumulation of large non-performing loans. The overall result had been a continuous deterioration of its financial situation since the mid-1980s. A rehabilitation plan was set up in 1987. The main features of the plan included: (i) the consolidation of public sector deposits and of overdrafts with BCEAO; (ii) the assumption of BNDA’s external debt by CAA; (iii) a Government contribution to fill the remaining financing gap; and (iv) a reorganization of the bank into a two window-system\textsuperscript{18}. This plan did not succeed because the Government failed to provide its financial contribution and because the two window-system was never implemented. As a result, with its permanently high operating costs and huge amount of non-performing loans (90% of its loan portfolio), the bank recorded accumulating losses. Desperately seeking to reduce its cost structure, BNDA abruptly closed six agencies in 1990. This behavior prompted substantial withdrawal of deposits, thus accelerating the bank’s decline. Despite huge BCEAO’s financial support to BNDA\textsuperscript{19}, the institution was, at end 1990, paralyzed by a liquidity crisis, preventing it from both meeting deposit withdrawal requests and paying salaries and suppliers.

\textsuperscript{16} Caisse de Stabilisation et de Soutien des Prix des Produits Agricoles.

\textsuperscript{17} «Report and Recommendation of the President of the IBRD and the IDA to the Executive Directors on a Proposed loan and Credit to the Republic of Côte d’Ivoire for a Financial Sector Adjustment Program»; Washington, the World Bank, Report No. P-5632-IVC, September 11, 1991, 87 pages. The estimate is on page 5. This document will be further referred to as: FSAP-PR.

\textsuperscript{18} A first window for regular commercial risks funded by the bank’s deposits, and a second window for higher risks lending financed by government grants or donor’s lines of credit, with the lending risk assumed by the Government.

\textsuperscript{19} BCEAO opened special overdraft facilities to BNDA. They grew from CFAF 800 million in August 1990 to CFAF 14 billion in November 1990.
(b) **CAA** basically suffered from diseases similar to those affecting other banks. Its resource base shrank (by 60% over 1989-1990) because public entities’ revenues either decreased thus affecting their deposits with CAA, and/or could be more efficiently placed with commercial banks. Most of CAA’s loan portfolio was in arrears. The gap between performing assets and liabilities was assumed to be about CFAF 30 billion. With high operating costs and overstaffing, CAA was unable to avoid operating losses amounting to about CFAF 1 billion in 1991.

1.20 **Other financial intermediaries.** Non-bank lending institutions were similarly plagued by the deterioration in the macroeconomic situation as well as by mismanagement. The liquidation of specialized lenders created a vacuum in the financial system of Côte d’Ivoire, since it was left without specific financing processes for both housing and SMEs. CREPs’ loan portfolio quality deteriorated as well. In 1990, it was estimated that 80% of their portfolio was non performing. The combined effects of dwindling interest revenues and huge provisioning needs resulted in mounting losses. In addition, BNDA’s difficulties also combined with CREPs difficulties: CREPs deposits with BNDA were frozen as a result of BNDA’s poor financial situation.

1.21 **Major issues in the insurance business.** Insurance companies’ liquidity and solvency had reached critical levels. With increasing losses (amounting to CFAF 11 billion, i.e. about 20% of their annual revenues) and unmet needs in technical provisions and in capital, the sub-sector’s future was seriously jeopardized. This situation was partly due to a deteriorating macroeconomic situation, but also to other factors such as poor management (sometimes aggravated by frauds) and important deficiencies in the regulatory framework.

1.22 **A costly and stagnating financial market.** The Stock Exchange was also facing several major deficiencies: (i) excessive operating costs resulted in equally excessive fees discouraging investors from entering (or participating into) the financial market; (ii) within this very small market for share capital, even the quotation system failed to efficiently match supply and demand; (iii) no effort was made to develop new financial instruments suited to attract small investors; (iv) the supply of brokerage services remained a subordinate concern for the banks; (v) complicated regulations discouraged investors, and more specifically foreign investors; (vi) BVA’s accountability was limited and not properly enforced by a supervisory body.

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20 Which resulted in a drop in demand for insurance services, an accumulation of arrears in premiums (about CFAF 39 billion in 1989, or 56% of premiums issued; these figures include public arrears: CFAF 8 billion), a substantial decrease of the return on assets (especially real estate investments) held by the companies and Government’s arrears on interest payments related to Government securities.

21 These were identified as follows: (i) excessive settlements due to the absence of guidelines and inefficiencies in judicial processes, (ii) excessive length of the statute of limitation (30 years), (iii) absence of a regulatory framework for insurance broker’s business, (iv) rigidities in the pricing of insurance premiums (the level of premiums has not been revised since 1979) and (v) poor supervision of the insurance industry.

22 Amongst other things, the Bourse was overstaffed (47 people) and its annual operating budget of CFAF 489 million amounted to 25% of annual transactions.
Deficiencies in the Policy Framework

1.23 The policy framework remained inappropriate in several areas and contributed to the worsening of some specific problems encountered by the financial system. The most relevant difficulties concerned:

(a) **The monetary policy.** Credit and monetary policies (shared with the other six countries) generated systemic inefficiencies. Rigid interest rates structures, subsidized refinancing for selective lending, sectoral credit allocation processes, and the unanimity rule required to modify the parity of the currency, created major distortions.

(b) **The banks' regulatory and supervisory framework.** Inadequate banking regulations did not help to identify, prevent and further correct the numerous deficiencies which crippled the banking system.

(i) Externally, bank supervision was poorly organized. First, the responsibility was split up between the government and the BCEAO. The Banking Control Commission under the authority of the Minister of Finance was responsible at the national level. Numerous biases in imposing prudential requirements were therefore introduced because the Government too frequently interfered in banking operations in favor of public enterprises or state-supported projects, or granted special waivers. Second, the BCEAO was operating in an uncertain legal environment which failed to specify its jurisdiction and responsibilities. As a result, Ivorian banks faced increasing difficulties in abiding by prudential requirements. Under-reporting and under-provisioning of doubtful loans became a frequent practice, not constrained by appropriate detection and sanctions imposed by the Central Bank.

(ii) Internally, the banks’ management systems did not contribute to improve the situation. In publicly-owned institutions, fraud and loans to influential individuals became a too frequent practice. Private banks were also under Government’s pressure to extend politically biased loans to public enterprises or to Government’s sponsored projects. In addition, high operating costs affected all institutions as a result of generous staffing policies and of acquisition of ostentatious premises. Internal control systems were either non-existent in public financial institutions, or inadequate in private commercial banks. Loans documentation was lax, with, for instance, contracts not signed by borrowers and/or collateral not adequately registered.

(c) **The judicial system.** Even if the financial regulatory system had functioned properly, it would have been hampered by widespread inefficiencies in the judicial system. Although it was one of the best in Francophone West Africa, the Côte d’Ivoire’s judicial system was unable to provide the financial system (banks and other financial businesses) with suitable means to enforce their rights and recover bad debts. The reasons of this general failure were included:

(i) The system was slow and inefficient. Courts were overburdened by the number of cases, and the delays between initiation and legal settlement
increased excessively (sometimes up to three years). This, in turn, was mainly due to several factors: the shortage of magistrates\textsuperscript{23}, their lack of training in financial and banking matters, the excess of opportunities in the laws for dilatory actions, the lack of provisions for interim judgments\textsuperscript{24}, for placing defaulters' assets in escrow accounts pending resolution of the case, etc. In addition, the Office of the Clerk of the Court was poorly organized and equipped to handle and expedite legal decisions.

(ii) The system was costly. High judicial fees\textsuperscript{25} discouraged sometimes financial institutions from initiating court proceedings.

(iii) Alternative procedures for the settlement of legal disputes, such as arbitration, were not recognized by the Civil Code.

(iv) The lack of a functioning cadastral register further complicated recovery efforts and hindered the effectiveness of collateral.

\textsuperscript{23} The population per magistrate was about 62,000 people in Côte d'Ivoire compared to about 19,200 in Cameroon.

\textsuperscript{24} In cases where some parts of the claims were not contested.

\textsuperscript{25} Lawyers and clerks' fees ranged between CFA 150,000 and 1,300,000 per case. A non-refundable fee of 5\% of the claim was required to initiate legal procedures.
2. Program Objectives, Design and Relevance

Objectives and Design: The Process

2.1 The UMOA’s monetary authorities as well as the Government of Côte d’Ivoire had realized during the late 1980s that, with the observed trends in the structure and macrofinancial aggregates characterizing the financial system, the situation was becoming unbearable. In September 1986, UMOA’s authorities had set up a three-fold plan aimed at restoring a healthier banking sector in all UMOA’s member states. This plan invited: (i) the Governments to settle public arrears vis-à-vis local banks, reorient public deposits towards distressed banks, improve the capital structure of local development banks while increasing their autonomy, guarantee the banks’ negative balances and/or frozen claims within the framework of a consolidation scheme; (ii) the BCEAO to revitalize the activity of banking supervision commissions, reinforce off-site surveillance and follow-up procedures, consolidate the banks’ negative balances and/or frozen claims; (iii) the banks to restore a sounder management, expedite the recovery of bad debts, abide more closely by the provisions of the existing banking regulation, and strengthen their long-term resource base.

2.2 Results had been disappointing, especially in Côte d’Ivoire which, given its relative weight, is determinant for UMOA’s overall situation. In early 1988, Ivorian authorities had just approved the request for consolidation of BNDA’s negative balance, and liquidated BICT and BNEC. During the same year, the Government requested the Bank’s advice in the formulation of a comprehensive rehabilitation plan and its financial support for implementation. Côte d’Ivoire was not the only UMOA country with a distressed financial system that required Bank assistance. Under these circumstances, the World Bank stressed that bringing fresh money into any national financial system made sense only if regional monetary and financial policies were substantially amended to avoid the recurrence of similar crisis in the future.

2.3 Under the pressure of several major financial (and political) partners, UMOA’s Council of Ministers undertook the complex task of reconsidering the common monetary and financial policy framework. Basic decisions were made by the Council of Ministers on October 18, 1989, concerning the instruments of monetary policy and the operational role of BCEAO. The new policies concerned:

(a) A renewed credit ceiling policy designed to include under the ceiling crop credits and banks credits to Governments. This policy component was however considered as an interim measure: the ultimate objective was to replace the credit ceiling policy by a mechanism of mandatory reserves as soon as the liquidity position of commercial banks would become more uniform.

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26 Senegal, the second most important UMOA country, also requested Bank assistance for the rehabilitation of its financial system. The Senegal FSECAL (Credit 2077-SE) was approved on December 18, 1989, nearly two years earlier than the Côte d’Ivoire FSAP. The Senegal FSECAL was audited by OED in 1995 (Report No. 14818 of June 30, 1995).
(b) A revised policy in the areas of interest rates. A new BCEAO’s rediscount rate (TES) was set up\textsuperscript{27}, at a level above the money market interest rate. Banks were therefore incited to tap the money market first\textsuperscript{28}, and the Central Bank was more apt to play its main role of lender of last resort, thus minimizing the access to reserve money.

(c) The liberalization of «autorisations préalables» (prior authorizations) for credits and the dismantling of sectoral credit allocations. Instead, with the view of further setting up a generalized loan classification system, financial criteria were defined\textsuperscript{29} and National Credit Committees were urged to base their ( exceptional) prior authorization upon these criteria. In addition a new regional supervisory body, fully independent from Governments and with precise and considerable powers\textsuperscript{30}, was created to begin operations in 1990: the “Commission Bancaire” (CB). CB was endowed with the powers and means to implement on-site and off-site inspections as well as with those to severely sanction the contravening banks and financial institutions\textsuperscript{31}.

(d) Revised rules for Central Bank refinancing. These new rules were designed in such a way that they would: (i) improve the quality of BCEAO’s portfolio, (ii) simplify and streamline the procedures, (iii) constrain the amounts of refinancing and more specifically the monetary financing of Public Treasuries and the refinancing of crop credits.

2.4 Once these changes were decided, the Bank was faced with much better conditions to proceed further with an operational reform program. Preparatory missions started in 1989 in order to precisely identify the weaknesses of Côte d’Ivoire’s financial system, find their causes, and propose appropriate remedies. A synthetic view of these subjects was provided in an unofficial Bank report: «Côte d’Ivoire: Financial Sector Strategy Paper »\textsuperscript{32}. It enabled the Bank to maintain and even deepen its dialogue with the Government. A final comprehensive program was agreed between the Bank and the Government of Côte d’Ivoire and described in the Bank’s President’s Report\textsuperscript{33}. The objectives set up in this document were summarized in a «Policy Matrix »\textsuperscript{34}. More precisely, five major areas were targeted:

\textsuperscript{27} It replaced the former «Normal rediscount rate» (Taux d’Escompte Normal or TEN) and «Preferential rediscount rate» (Taux d’Escompte Préférrentiel or TEP).

\textsuperscript{28} Where they pool their surplus and deficits in liquidity.

\textsuperscript{29} Basically Risk concentration ratios have been defined to cover both individual loans and the overall loan portfolio of banks. Cf. infra para. 3.5.

\textsuperscript{30} This body would replace the National Banking Control Commissions formerly under the supervision of national Ministers of Finance.

\textsuperscript{31} CB’s mandates included the task of defining a set of modern and efficient prudential regulations.

\textsuperscript{32} This paper, dated February 9, 1990, was drafted and issued without the Bank’s cover page.

\textsuperscript{33} FSAP-PR, «Report and Recommendation of the President of the IBRD and the IDA...»; op. cit., supra, footnote 16.

\textsuperscript{34} FSAP-PR, pp. 51-56.
(a) **The policy and regulatory environment.** (i) The common Central Bank was to continue the process of revising and modernizing its monetary policy towards the development of indirect methods of monetary control. It would set up, as soon as possible, a system of reserve requirements. BCEAO would also tighten its supervision of banks, through, first, auditing all banks in Côte d'Ivoire, and, second, adopting an efficient set of prudential ratios. (ii) The Ivorian Ministry of Economy and Finance (MEF) would tighten its supervision of insurance companies (establishing prudential norms, defining a regulatory framework for the related brokers, amending the legislation to introduce more flexibility and increased opportunities for out of court settlements, participating in the development of a regional and unified system of regulation and supervision). (iii) The Ivorian Ministry of Justice would strengthen the Judiciary apparatus with a view to: improve the access to courts (thanks to a reduction of costs of initiating legal procedures), speed up the judiciary process, and improving the substance of legal codes.

(b) **The commercial banking sector.** Restoring the health of this sector was crucial. Each one of the four most important commercial banks (SIB, BICICI, SGBCI and BIAO-CI) had to be bound by a detailed restructuring plan, including the settlement of the many kinds of arrears due to it, the absorption of its past losses through contributions of concerned parties (Government, private partners) and its recapitalization (including the contribution of similarly concerned parties).

(c) **Other distressed financial intermediaries.** (i) The financial institutions under liquidation (CCI, BIDI, BNEC, BICT) would benefit from more efficient centralized recovery actions. (ii) The MEF would decide to liquidate BNDA and implement a related liquidation plan. (iii) The MEF would similarly analyze the viability of CAA’s banking activities, decide upon an action plan and implement it.

(d) **The insurance sector.** The sector’s financial soundness was to be restored through the implementation of a plan aimed at (i) settling the arrears, (ii) revising the structure of automobile insurance premiums, (iii) financially restructuring the companies with deficiencies in capital and/or technical provisions.

(e) **The capital market.** BVA’s reorganization and revitalization were to be implemented as a result of (i) internally oriented measures aimed at streamlining its functioning (reduction of operating costs, and reform of the quotation system), (ii) externally oriented measures aimed at making the market more accessible (reform of brokerage activities, removal of tax-related obstacles, development of diversified financial instruments and institutions). In addition, an analysis would be developed in order to consider the feasibility of a regional capital market based in Abidjan.

**Objectives and Design: Specific Features**

2.5 One major feature of the program design was its smooth insertion in an historical sequence of events of which it became a quite "natural" component. In other words, the program was neither designed nor considered as an external or exogenous constraint. To a wide extent, it ultimately materialized considerations and reflections that took years to mature in various analyses of Ivorian and/or UMOA’s authorities. In addition, the program was based upon a thorough World Bank analysis, which enabled the Bank’s staff not only to update its
knowledge of the Côte d'Ivoire's financial system, but also to: (i) identify the issues, (ii)
quantify the extent of the system's losses, (iii) consider alternative short-term measures and
long-term strategies, and above all (iv) assess the views of involved decision makers in order to
avoid imposing unwanted measures, thus maintaining an in-depth (but nevertheless frank)
dialogue with the Government.

2.6 The overvaluation of the CFAF introduced substantial difficulties in the design of the
program. On one hand, Bank's guidelines (particularly OD 8.30) contained explicit statements
aimed at preventing consideration of Financial Sector Operations when « the exchange rate was
judged to be significantly overvalued »[35]. Under such circumstances, the related operation was
« likely to be exceedingly risky ». On the other hand, devaluation in the CFAF countries was a
complex political issue involving not only the member countries but also France. The word
« devaluation » was never written in the official documents relating to this operation; instead,
references were made to the need of « restoring international competitiveness »[36], conditioning
to this objective the release of the second tranche of the three World Bank sector loans
considered[37].

2.7 The Bank financing amounted to approximately US$ 200 million[38]. It accounted for 8%
of a total expected cost of the reform and 30% of the budgetary commitments of the Government
with respect to the first two years of the financial sector program. The first tranche (US$ 100
million equivalent consisting in a US$ 50 million portion of the Loan and the SDR 37.6 million
IDA Credit) was expected to be disbursed in October 1991. Conditions for effectiveness were
dependent upon the submission, by the Government, of a satisfactory plan for the restructuring
and recapitalization of the four largest banks, including (i) the settlement of Government arrears,
(ii) the absorption of past losses and recapitalization to prudential norms, (iii) accompanying
measures aimed at reducing operating costs and improving loan recovery and (iv) projections
(over 3 years) showing a return to profitability. The second tranche (the remaining US$ 100
million portion of the IBRD Loan) was expected to be disbursed in Fall 1992, depending upon
satisfactory progress in « carrying out the macroeconomic[39] and financial sector reform
programs ».

2.8 The Bank expected that its financial contribution would be complemented by those of
other donors (specifically the French Government). It also expected that other involved parties
(the Government, the Ivorian banks and their parent companies, the Central Bank) would
contribute to bear the financial cost of the program. Therefore, Bank's leverage would be

[36] FSAP-PR, op. cit., Annex XIII, para. 32, p. 64 (« The Government will monitor the country's international
competitiveness ... (...) ... The Government will restore the competitiveness of the economy in accord with the agreed
indicators before requesting the release of the second tranche ... »), and p. 74: (MTF Policy Matrix) where it is stated
that a major objective is to « restore international competitiveness, (by) implement(ing) macroeconomic and sectoral
policies, before second tranche of three World Bank sector loans ».
[37] The two other SECALs were in the area of competitiveness improvement and human resources development.
[38] One IBRD loan of US$ 150 million, plus one IDA Credit of SDR 37.6 million (US$ 50 million equivalent).
[39] Once again this involved the « restoration of international competitiveness »
optimized, and the Bank could efficiently apply its expertise by providing the Government and other involved parties with appropriate technical solutions.

Program Relevance

2.9 The program was very relevant. The state of disrepair of financial systems in key UMOA countries (Côte d'Ivoire, but also Senegal) had become so obvious to the involved parties\(^{40}\) that postponing required reforms in these crucial countries would have had catastrophic consequences. In Côte d'Ivoire, a consensus emerged progressively in which the Bank took part in a timely manner. As a result, the issue of program ownership was never raised. The program was both comprehensive and well focused. No significant component of the Ivorian financial system was neglected (in addition to the banking sector, non-bank financial intermediaries, and financial markets were reviewed, scrutinized, were accurately placed within their more general policy context) while the program correctly considered the reform of the banking sector as the centerpiece of the exercise. The diagnosis of the system's diseases was appropriate and it was complemented by suitable corrective measures.

2.10 Debates arose, however, within the Bank, when it came to launch the operation. Several Bank staff opposed it on the grounds that, in the absence of a prior parity adjustment, the chance of implementing successfully the program would be negligible; in the words of the Bank's guideline statement OD 8.30\(^{41}\), the program would be exceedingly risky. The Region's staff supported the program, emphasizing that the parity adjustment would necessarily occur (although it was not possible to make a precise forecast concerning the date), that a healthier and streamlined Ivorian financial system would help to smooth over difficulties which would anyway result from an expected parity change and, finally, that it was highly desirable to avoid a major crisis (resulting for instance from bank runs, accelerated capital flight, etc.) not only affecting Côte d'Ivoire, but very likely spreading over the whole UMOA zone, thus potentially leading to a break up of the zone. The Bank had therefore to choose between two different risky outcomes. The choice to go ahead with the program was supported by additional evidence that the Government of Côte d'Ivoire was strongly committed to reforms while the option of waiting until the occurrence of a parity change was dependent upon a difficult consensus to be reached by fifteen heads of state\(^{42}\).

\(^{40}\) UMOA monetary authorities, member Governments, the French Treasury (acting as manager of the Compte d'Opérations), multilateral institutions partners of the national Governments (amongst which the Bank and the IMF).

\(^{41}\) Cf. supra, footnote 34.

\(^{42}\) Thirteen heads of state involved in the UMOA & BEAC zones, plus the President of Comoros, and the President of the French Republic.
3. Program Implementation, Outcome, and Assessment

Disbursements and Related Events

3.1 The FSAP was presented to the Bank’s Board on October 1, 1991. It was signed on October 4, 1991, became effective on December 13, 1991 after Côte d’Ivoire had submitted to the Bank a detailed plan with precise calendar for the recapitalization and restructuring of SIB, BICICI, SGBCI, and BIAO-CI. The first tranche (US$ equivalent 100 million) was disbursed the same day. Second tranche release was to wait for the fulfillment of 11 conditions attached to key components of the 5 groups of objectives targeted by the program, and the restoration of «international competitiveness».

Internal Conditions for Second Tranche Release

3.2 The Government effectively amended, as agreed, the legislation concerning the Policy and Regulatory environment, with provisions that: (i) reduced to 5 years the prescription period concerning the insurance-related claims (1992), (ii) established arbitration procedures (1993), (iii) reduced the cost of initiating legal procedures (1992-1993, Annex to budget law), (iv) reorganized the Office of Clerk of the Court (1993), (v) simplified the recovery of commercial claims and modernized Civil, Commercial and Administrative Procedures Code (1992-1993). Very substantial (and therefore acceptable) progress concerning the banking sector was recorded over the Program’s period. The program to restructure banks translated into: (i) the settlement of government arrears (mostly in 1992-1993), (ii) the contribution of Government and private partners to the write-off of losses and recapitalization (mostly in 1992-1993), (iii) measures to improve loan recovery and to cut banks’ operating expenses (mostly in 1992-1993). As agreed, a centralized recovery unit, SONARECI was established on Sept. 15, 1992. BNDA was placed in liquidation, and a liquidator appointed. A restructuring plan covering CAA’s banking activities was accepted by the Bank and began to be implemented. And finally, the Bourse was reorganized (1992-1994), through measures which included staff reduction, reform of the brokerage functions and of the quotation system.

The Realignment of the Exchange Rate

3.3 The issue of devaluation was much more difficult to tackle. When riots, in Côte d’Ivoire, followed the 1989 program aimed at cutting costs and wages, African leaders became increasingly cautious in making decisions that would undermine their popularity. However, internal and external pressures became too important to avoid crucial decisions. A consensus seemed to emerge in 1991. A head of states’ meeting was organized in Dakar with the objective

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43 In the Government’s view these measures translate its commitment to judiciary reforms. Practises, however, did not literally adjust to the laws. See para. 3.23, para. 4.8 and footnote 96.

44 “Société Nationale de Recouvrement de Côte d’Ivoire”.

45 A decree, dated July 1, 1992, reorganized the institution; another decree, dated August 19, 1993, established Investment Funds, later on, a MEF order, dated June 16, 1994, ratified the BVA’s in-laws (“Règlement Général”).
of convincing one President still reluctant to devalue. Unfortunately, things did not go well. The President of Côte d'Ivoire, in poor health, was unable to play his expected role. Another African President was, at the very last moment, unable to attend to the meeting. Therefore, substantial disagreements developed. A solution was sought through a mediation of the French President. But, faced with the opposition of the Ministry of Finance, and the contradictory positions, the French President choose not to intervene. Things were brought to a standstill.

3.4 In 1992, the Ivorian Prime Minister refused to cut wages in spite of a large fiscal deficit. This position triggered the IMF decision to stop its financings and the Bank decision to suspend disbursements. The country’s financial position vis-à-vis the Bank deteriorated sharply: Côte d’Ivoire’s net transfers on debt (due to the Bank) which were near zero in 1990, became strongly negative (by US$ 105 million in 1991, US$ 140 million in 1992 and US$ 314 million in 1993). The Government's domestic debt also deteriorated from about CFAF 980 billion at end 1991 to about CFAF 1,200 billion at end 1993, with arrears (mostly due to non-bank sectors) amounting to about CFAF 290 billion. Ultimately, the continued pressure from multilateral institutions and a different group of officials both in Côte d’Ivoire and in France, contributed to disentangle the situation: on January 12, 1994, the decision was finally made to devalue the CFAF by 50% vis-à-vis the French Franc. The country was in position to request the disbursement of the second tranche because all other covenants had been complied with. However, Côte d'Ivoire was no longer creditworthy to borrow on IBRD terms. The second tranche of Loan 3408-IVC was consequently canceled and replaced by Credit 2303-1-IVC in the amount of SDR 72.4 million (US$ 100 million equivalent), which was disbursed on March 3, 1994.

Program Outcome

Policy and Regulatory Environment

3.5 Prudential Ratios. In addition to the measures taken prior to the launching of the Bank's program, the BCEAO’s “Commission Bancaire” introduced, in 1991, a revised and strict set of prudential and supervisory ratios. These are currently:

(i) A risk-weighted capital assets ratio of 4 percent. In order to comply with international standards, the ratio should be raised to 8 percent in the future.

(ii) A maximum ratio of 100 percent of fixed assets and participation relative to the capital base.

(iii) Two risk concentration ratios:

- a maximum ratio of 100 percent of loans and commitments to a single borrower relative to the capital base;

46 Source: The World Bank, World Debt Tables, 1994-1995, Volume 2, p. 120. These figures consolidate IBRD and IDA related figures.

47 Since Government debt to the banking system was almost fully restructured as a result of the ongoing restructuring program.

48 Cf. supra, para. 2.3.
• a maximum ratio of 10 times the capital base for the overall amount of loans and commitments which, individually, amount to 25% of the capital base;

(iv) A minimum liquidity ratio of (currently) 60 percent\(^{49}\), defined as the quotient of liquid assets to short-term liabilities.

(v) A 75 percent minimum ratio of long-term bank resources to long-term bank credit. This ratio is intended to constrain an exceedingly risky «transformation».

(vi) A (currently) minimum 60 percent ratio of bank’s portfolio quality, defined as the quotient of bank’s credits rated by BCEAO as admissible to its refinancing to total gross credit granted by the bank.

(vii) A maximum ratio of 35 percent of bank’s refinancing by BCEAO, defined by the quotient of BCEAO’s effective refinancing to total credits granted by the bank.

(viii) A maximum ratio of 20 percent of loans to bank’s board members, auditors, managers, staff and employees relative to the capital base.

(ix) A maximum ratio of 15 percent of bank’s participation in companies outside the financial sector\(^{50}\) relative to the capital base.

3.6 Developments in Implementation. The “Commission Bancaire” has set up and implemented a policy aimed at carrying out an in-depth examination of individual banks at least once a year and possibly twice every 18 months. All Ivorian banks have thus been thoroughly screened. The screening process was carried out in accordance with the best professional standards. The style of the supervisory process has evolved over time: in a first stage, the supervision was mostly aimed at policing the banking sector and restoring the necessary discipline in the banking business; once this has been achieved, in a second stage (which began in 1995-1996), the Commission Bancaire’s activity was oriented towards some kind of partnership and advisory function while remaining very strict concerning compliance with the rules. Recently, the Commission Bancaire has been mandated to inspect also SONARECI. In addition, new banks’ accounting standards have been defined by the BCEAO on April 9, 1994, and a centralized data base for banks’ financial statements has been set up. As a result, banks’ supervision should become progressively better enforced.

3.7 Monetary Policy instruments. Concerning the monetary policy instruments, the move to indirect instruments has been progressively implemented. Money market auctions (Dutch style) are about to be organized. However, minimum reserve requirements remain to be implemented.

\(^{49}\) This ratio should be raised, in the future, to 100%.

\(^{50}\) That is, companies others than banks, financial institutions and real estate related companies.
Outcome in Regulation and Supervision of Insurance Companies

3.8 The FSAP and the ensuing measures adopted by the Government in this area have been successful and have been adopted by other countries. The measures include reduction of the prescription period from 30 to 5 years (1992), introduction of new regulations concerning the business of insurance broker (1992), departmental orders concerning the calculation of technical provisions (1991) and regulating the investments of insurance companies (1991). On July 12, 1992, 13 African governments signed the «CIMA» treaty, which, largely taking the recent Ivorian experience as model, resulted in the adoption of a new Code. This last legal document, which substantially modernizes and upgrades the business standards, became effective in February 1995, and fully operational since spring 1996.

Major Outcomes in the Financial Sector

A Successful Rehabilitation of Commercial Banks

3.9 The Government was prompt to fulfill its commitments towards the banking sector. Arrears had to be settled quickly in order to provide immediate relief to the banks. As soon as 1992, the government made a CFAF 13 billion cash payment, complemented by a 3-years cash payments schedule (for an amount of CFAF 22 billion), and by the securitization of the balance (CFAF 166 billion) over 15 years (at 3%) with 3 years of grace and with a refinancing guarantee provided by the BCEAO. This was equivalent to removing 90 percent of the securitized debt from the banks' balance sheet and allowed the banks to replace expensive refinancing (at rates comprised between 11% and 18%) by much cheaper refinancing (3%). Additional securitization schemes covered several other arrears assumed by the state: EECI's debt, Caisstab arrears indirectly due to banks. BCEAO's cooperation was also effective in solving the bank's problems: it consolidated (over 15 years) CFAF 80 billion of crop credits not repaid and about CFAF 12 billion of miscellaneous public liabilities. Once these operations have been done, individual bank's shareholders and managers had to play their own part.

3.10 BICICI was initially in the best financial position. Since 1991, the bank has never experienced any difficulty in complying with the 4% capital adequacy ratio: its capital base steadily increased over the reviewed period from CFAF 13.8 billion (1991) to CFAF 20.8 billion (1995). From 1991 to 1994, the bank's capital adequacy ratio (CAR) remained at a high level (8.2% on average), well above the minimum (4%) required by the regulation; in 1995 (the year following the devaluation), the bank's CAR dropped to 5.8%, which indicates that the bank was able to resume aggressive lending after years of caution. The bank's liquidity, however, remains tight because, with the exceptions of 1992 and 1994, it stayed below the minimum prescribed by the supervisory authorities. From 1991 to 1993, the bank's profitability, while positive and well above that of the three other major banks, remained below 1% (return on assets) and 15% (return on equity). In 1994, for the banks, there was a major turning point, with both profitability indicators substantially increasing. The bank's operating efficiency also improved over the

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52 BICICI's detailed financial statements and related prudential ratios are in Annex 2.
53 Percentages which may be considered as standards for the industry.
period: both indicators remained marginally satisfactory (i.e. close to the [4.5%/6.5%] although still within the industry’s standards\(^{54}\)) from 1991 until 1994. The decrease in the bank’s prime rate\(^{55}\) ("taux de base bancaire") which followed the liberalization of lending rates (1993) did not hamper the core earning capacity of the bank; BICICI has demonstrated a good ability to reduce and further stabilize the amount of interest paid while substantially increasing the amount of interest received. BICICI did reduce its staff by about 12% during 1991-1995, thus contributing to improve efficiency indicators.

### Table 3.1. BICICI: Selected Performance Indicators (as percent)

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<td><strong>Profitability</strong></td>
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<tr>
<td>Return on assets(^{(a)})</td>
<td>0.65</td>
<td>0.42</td>
<td>0.45</td>
<td>1.54</td>
<td>2.49</td>
<td>1.0</td>
<td>2.51</td>
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<tr>
<td>Return on Equity(^{(b)})</td>
<td>13.48</td>
<td>8.04</td>
<td>7.51</td>
<td>21.55</td>
<td>37.1</td>
<td>15.0</td>
<td>45.57</td>
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<td><strong>Operating efficiency</strong></td>
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<tr>
<td>Net Interest Margin(^{(c)})</td>
<td>3.46</td>
<td>4.17</td>
<td>4.75</td>
<td>4.76</td>
<td>10.93</td>
<td>4.5</td>
<td>5.88</td>
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<tr>
<td>Net Banking Income to Tot. Assets(^{(d)})</td>
<td>3.80</td>
<td>4.69</td>
<td>5.31</td>
<td>6.96</td>
<td>12.16</td>
<td>6.5</td>
<td>8.01</td>
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<td><strong>Staffing efficiency</strong></td>
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<tr>
<td>Net Income per Staff(^{(e)}) (FCFA million)</td>
<td>2.10</td>
<td>1.34</td>
<td>1.39</td>
<td>4.48</td>
<td>9.32</td>
<td></td>
<td>11.69</td>
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<tr>
<td>Net Income to Staff Expense(^{(f)})</td>
<td>0.331</td>
<td>0.220</td>
<td>0.220</td>
<td>0.637</td>
<td>0.850</td>
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**Notes:**
(a) calculated as: [Net Income after tax/ Average total assets] * 100.
(b) calculated as: [Net Income after tax/ Average equity capital] * 100.
(c) calculated as: [Interest differential Income / Average total assets] * 100.
(d) calculated as: [Net banking income/ Average total assets] * 100.
(e) calculated as indicated: [Net income after tax/ Number of staff].
(f) calculated as indicated: [Net income after tax/ Staff expense].

**Sources:** Based on data provided by the "Commission Bancaire" [Cf. Annex 2, pp. 69 to 72].

3.11 SGBCI's capital base\(^{56}\) went through ups and downs over the period 1991-1995. The initial situation (1991) was very bad since the bank’s capital base was strongly negative (- FCFA 24.3 billion) as a result of huge needs to provision. The bank’s position improved in 1992, following an increase in its paid-up capital and the reduction in its portfolio of non performing loans. Continued efforts aimed at further cleaning the bank’s portfolio revealed necessary in 1993 and 1994. As a result, the bank’s capital base returned to negative values. In 1995 the bank achieved an acceptable capital adequacy ratio (4.8%). The bank’s liquidity position was initially weak (28.4%). Despite the improvement recorded in 1992, liquidity again deteriorated in 1993 (42.2%) and almost stabilized at this level until 1995, leaving the bank unable to comply with the 60% required ratio. However, the good climate which developed after the 1994 devaluation has been helpful for the bank which is now on a good trend to restore its compliance with all prudential ratios. The bank started, although slowly, to improve its profitability in 1992, when it became positive. Restoring an acceptable degree of profitability was, nevertheless,

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\(^{54}\) In 1995, for Ivorian commercial banks as a whole, the Net Interest Margin was 5.9% and the Net Banking Income to total Assets was 8.01%.

\(^{55}\) Ten percent in October 1994, 9.5% in December 1995.

\(^{56}\) SGBCI's detailed financial statements and related prudential ratios are in Annex 2.
complicated by the unfavorable macroeconomic conditions which prevailed until the
devaluation. When the positive effects of the parity change fully materialized and coincided
with the bank’s internal efforts (1995), profitability jumped to high levels, well above the usual
industry’s standards. Operating efficiency indicators stagnated at low levels during 1991-1993,
but the bank’s strategy (moderation of interest paid to depositors, resources diversification, tight
pricing policy and tight control of overhead charges) ultimately translated in good and later on
exceptional related ratios. The bank’s spread amounts to about 3% in 1995. The bank has
stabilized its staff since 1992 and kept control of its staff expenses despite necessary adjustments
linked to the devaluation. Overall, its staff efficiency indicators are now acceptable.

<table>
<thead>
<tr>
<th>Table 3.2. SGBCI : Selected Performance Indicators (as percent)</th>
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</table>
| ![Table 3.2. SGBCI : Selected Performance Indicators (as percent)](image)

Notes: Cf. Table 3.1 [BICICI]

Sources: Based on data provided by the “Commission Bancaire” [Cf. Annex 2, pp. 73 to 76].

3.12 SIB has maintained a positive capital base, after the restructuring of the bank’s capital57,
consistent with the related prudential requirement. Since 1982, the bank has also substantially
cleaned its portfolio of non performing loans. On the liquidity side, SIB has a good record, since
its liquidity ratio always stayed above the 60% requirement since 1982. The bank made every
effort to steadily reduce its “connected-lending” ratio to below the 20% requirement. It was less
successful in complying with the individual risk concentration ratio, as the “Commission
bancaire” pointed to several infringements of the requirements. Concerning SIB’s efficiency,
things have been less easy: SIB’s return to profitability occurred in 1995 only, after years of
disappointing performance materialized by poor return on assets and return on equity. Yet, this
return to profitability is not sufficiently supported by a strong operating efficiency. SIB’s net
interest margin remained very low during the reviewed period and its net banking income ratio
rose only marginally above the industry’s standard. Despite some staff cuts (SIB’s staff
decreased by 7% during 1991-1995), SIB’s staff productivity took a long time to recover. The
future of SIB is still uncertain: Credit Lyonnais, the parent bank, is in trouble; the French
government (the major shareholder of the bank) could decide to sell the Credit Lyonnais’
international network as it has been recommended by an international consultancy firm. In
addition, the last recapitalization of SIB has resulted in a new distribution of the share capital,

57 Three minority shareholders (Deutschebank, Morgan Guarantee and Banca Commerciale Italiana) withdrew, the
Government and the French Credit Lyonnais ultimately agree on sharing 20% and 80% respectively on the bank’s
capital, after settling the cumulated losses.
with the Government holding 49% and the Credit Lyonnais 51%. This situation is obviously not consistent with the Government commitment to hold less than 20% in the banks' share capital.

### Table 3.3. SIB : Selected Performance Indicators (as percent)

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<tbody>
<tr>
<td><strong>Profitability</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Return on assets (a)</td>
<td>-3.45</td>
<td>-0.07</td>
<td>0.22</td>
<td>-0.16</td>
<td>3.1%</td>
<td>1.0%</td>
<td>2.51%</td>
</tr>
<tr>
<td>Return on Equity (b)</td>
<td>-96.9</td>
<td>-2.14</td>
<td>7.35</td>
<td>-4.73</td>
<td>74.62%</td>
<td>15.0%</td>
<td>45.57%</td>
</tr>
<tr>
<td><strong>Operating efficiency</strong></td>
<td></td>
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</tr>
<tr>
<td>Net Interest Margin (c)</td>
<td>0.09</td>
<td>0.12</td>
<td>0.56</td>
<td>1.17</td>
<td>3.51%</td>
<td>4.5%</td>
<td>5.88%</td>
</tr>
<tr>
<td>Net Banking Income to Tot. Assets (d)</td>
<td>1.19</td>
<td>1.31</td>
<td>1.93</td>
<td>3.00</td>
<td>6.79%</td>
<td>6.5%</td>
<td>8.01%</td>
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<tr>
<td><strong>Staffing efficiency</strong></td>
<td></td>
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</tr>
<tr>
<td>Net Income per Staff (e) (FCFA million)</td>
<td>-11.03</td>
<td>-0.22</td>
<td>0.67</td>
<td>-0.51</td>
<td>10.53</td>
<td>11.69</td>
<td></td>
</tr>
<tr>
<td>Net Income to Staff Expense (f)</td>
<td>-2.63</td>
<td>-0.04</td>
<td>0.13</td>
<td>-0.07</td>
<td>1.12</td>
<td>0.88</td>
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</table>

**Notes:** Cf. Table 3.1 [BICICI]

**Sources:** Based on data provided by the "Commission Bancaire" [Cf. Annex 2, pp. 77 to 80].

3.13 **BIAO-CI** became a 100% government-owned bank after the liquidation of the parent bank (1990). The government inherited an institution in very bad shape: arrears owed to the bank, accumulation of bad loans inadequately provisioned, accumulation of losses, and undercapitalization had severe rehabilitation requirements which, when complied with, would facilitate a privatization. The rehabilitation plan was successfully implemented: most arrears (about FCFA 30 billion) have been settled through securitization; the overall provisioning

### Table 3.4. BIAO-CI : Selected Performance Indicators (as percent)

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<tbody>
<tr>
<td><strong>Profitability</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on assets (a)</td>
<td>0.00</td>
<td>0.03</td>
<td>0.06</td>
<td>0.16</td>
<td>1.13</td>
<td>1.0</td>
<td>2.51</td>
<td></td>
</tr>
<tr>
<td>Return on Equity (b)</td>
<td>0.00</td>
<td>0.55</td>
<td>1.18</td>
<td>3.07</td>
<td>22.9</td>
<td>15.0</td>
<td>45.57</td>
<td></td>
</tr>
<tr>
<td><strong>Operating efficiency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Net Interest Margin (c)</td>
<td>1.46</td>
<td>1.80</td>
<td>3.31</td>
<td>4.72</td>
<td>6.37</td>
<td>4.5</td>
<td>5.88</td>
<td></td>
</tr>
<tr>
<td>Net Banking Income to Tot. Assets (d)</td>
<td>2.43</td>
<td>2.78</td>
<td>4.8</td>
<td>6.78</td>
<td>9.2</td>
<td>6.5</td>
<td>8.01</td>
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<tr>
<td><strong>Staffing efficiency</strong></td>
<td></td>
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</tr>
<tr>
<td>Net Income per Staff (e) (FCFA million)</td>
<td>0.00</td>
<td>0.109</td>
<td>0.166</td>
<td>0.431</td>
<td>3.446</td>
<td>11.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income to Staff Expense (f)</td>
<td>0.00</td>
<td>0.024</td>
<td>0.026</td>
<td>0.062</td>
<td>0.355</td>
<td>0.88</td>
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</tr>
</tbody>
</table>

**Notes:** Cf. Table 3.1 [BICICI]

**Sources:** Based on data provided by the "Commission Bancaire" [Cf. Annex 2, pp. 81 to 84].

facilitate a privatization. The rehabilitation plan was successfully implemented: most arrears (about FCFA 30 billion) have been settled through securitization; the overall provisioning

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58 BIAO-CI's financial statements and related prudential ratios are in Annex 2.

59 Out of this total amount, CFAF 10 billion should be settled in 1996.
needs (about CFAF 50 billion) have been ultimately satisfied through diversified devices 60; global losses of about CFAF 19 billion have been absorbed with the bank’s own funds and a Government’s contribution of CFAF 4 billion; and the Government recapitalized the bank to the amount of CFAF 5 billion. All these efforts resulted in restoring the bank’s solvency: compliance with the Commission Bancaire’s solvency ratio was achieved in 1994. The bank’s liquidity ratio however deteriorated since 1993 to levels well below the 60% requirement. BIAO-CI’s profitability has been progressively restored, although slowly, and the performance of 1995 owes very much to a substantially improved macroeconomic situation. Improvements in BIAO-CI’s operating efficiency occurred more progressively: in 1994 the bank was close to reaching acceptable levels for the related indicators 61. A lot remains to be done in the area of staff efficiency: staff cuts have been limited and can hardly be larger without jeopardizing the bank’s functioning. Management needs to find efficient ways to increase staff’s productivity which remains the lowest among the four largest Ivorian banks. Concerning privatization, a preliminary agreement was reached in March 1996: the Government would hold 30% of the bank’s share capital; the remaining 70% would be held, respectively, by: (i) “Crédit Commercial de France” (CCF) which would, simultaneously to its financial support (15%), provide a technical assistance to the bank; (ii) CBAO (ex-BIAO-Senegal) [10%], (iii) private Ivorian investors [20%]; (iv) Ivorian parastatals [10%]; (v) BIAO-CI’s employees [5%]; and (vi) the public, through a 10% float.

3.14 Progress with BIAO-CI’s privatization scheme is far from satisfactory. First, the process has been more slow than planned: as of the mission’s visit on July 1996, it had not yet been finalized. Second, the proposed leading shareholder (CCF) does not seem to be fully committed to manage the bank (it is not committed to participate in a new capital increase and it is not willing to enter into a management contract but into a technical assistance contract). Third, the expected Ivorian private partners do not have banking experience. And fourth, the Government plans to hold more than 20% of the share capital, a position which contradicts the statement made in its own MTF 62.

3.15 Overall, in spite of limited (and sometimes temporary) unsatisfactory performances in some cases, the trend toward improvement is clear: Côte d’Ivoire’s major commercial banks are now solvent, liquid and profitable.

Monetary Equilibrium

3.16 During the program’s implementation period, the banks, the Government and the Bank were keen to see restructuring operations implemented as expected. The Bank devoted considerable efforts to encourage the banks to provide their own contribution to the cleaning effort. Expecting a devaluation, the economic agents mistrusted the value of the money (for instance, capital flight progressively accelerated). As a result, until 1994, the Ivorian monetary

60 That is, through cash payments (about FCFA 25.5 billion), claims cancellation (about FCFA 12.5 billion) and an additional government’s contribution of CFAF 11.6 billion made available to BIAO and discountable to BCEAO.

61 The bank’s prime rate has been maintained at a level marginally higher (9.75%) than that of other Ivorian banks (9.5%).

62 FSAP-PR, Annex XIII, p.66, para. 41: “In line with its divestiture policy, the Government’s share in the total equity would not exceed 20% in each bank; nor would its share be increased if it is currently below this level.”
equilibrium substantially deteriorated. Whereas money supply slightly improved, as evidenced by the progressive reduction in the money multiplier, the demand of money fell rapidly: (M1) income velocity rose from 5.1 in 1990 to 6 in 1993; fortunately, the interest rates liberalization helped to maintain acceptable yields for quasi-monetary assets in such a way that, with regard to M2, this deterioration was less sharp. As soon as the decision to devalue materialized in 1994, the money multiplier further declined to 2.62. And demand for money substantially improved: the income velocity of money with regard to M1 decreased from 6 in 1993 to 5.3 in 1994 and further stabilized at 5.4 in 1994; the momentum of M1 was sufficient to stabilize the income velocity with regard to M2.

Table 3.5. General Conditions of Monetary Equilibrium in Côte d'Ivoire, 1990-1995

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<tbody>
<tr>
<td>Income velocity</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>* w.r. to M1</td>
<td>5.1</td>
<td>5.8</td>
<td>5.9</td>
<td>6.0</td>
<td>5.3</td>
<td>5.4</td>
</tr>
<tr>
<td>* w.r. to M2</td>
<td>3.2</td>
<td>3.5</td>
<td>3.5</td>
<td>3.6</td>
<td>3.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Current money multiplier</td>
<td>2.85</td>
<td>2.77</td>
<td>3.08</td>
<td>2.79</td>
<td>2.62</td>
<td>2.77</td>
</tr>
<tr>
<td>Average interest rate on loans</td>
<td>12.11%</td>
<td>11.10%</td>
<td>9.53%</td>
<td>10.43%</td>
<td>10.51%</td>
<td>10.92%</td>
</tr>
<tr>
<td>Average interest rate on deposits</td>
<td>4.59%</td>
<td>4.63%</td>
<td>5.17%</td>
<td>5.91%</td>
<td>4.25%</td>
<td>3.52%</td>
</tr>
<tr>
<td>Average spread</td>
<td>7.52%</td>
<td>6.47%</td>
<td>4.36%</td>
<td>4.52%</td>
<td>6.26%</td>
<td>7.40%</td>
</tr>
</tbody>
</table>

Sources: Cf. Annex 1, p. 62.

Other Segments of the Financial Network

3.17 SONARECI and the liquidation of development banks. The new recovery unit (SONARECI) inherited a complex and difficult situation. First, total claims to be recovered have been estimated to amount to CFAF 278 billion, but most claims (over 80%) were due by public institutions that were closed down years ago. Second, very frequently, supporting files did not exist or have disappeared so that SONARECI is unable to provide adequate evidence to courts. Third, inventories of physical assets concerning liquidated entities are, most of the time, missing, and accounting documents are weak in substance. SONARECI's action plans are therefore seriously hampered by these difficulties. SONARECI is currently planning an annual average recovery amounting to FCFA 8 billion. Past experience shows that such objectives are optimistic: in 1993-1994 SONARECI recovered CFAF 4.15 billion (out of this amount, 45.1% was from claim recovery stricto sensu, and 54.9% resulted from income from transferred assets); in 1994-1995 amounts recovered totaled CFAF 6.25 billion (85% from claim recovery stricto sensu and 15% from transferred assets). Although it is working with the best will and very methodically, SONARECI's management is faced with additional practical difficulties: court decisions concerning some major files related to important debtors have been delayed due to procedural stratagems, preferential treatments etc.

3.18 CAA's reorganization. After the transfer of the claims due to it to SONARECI, CAA was reorganized into a deposit-management institution: CAA-GDD (Caisse Autonome d'Amortissement - Gestion des Dépôts). The «new» institution was to manage: (i) public debt-related deposits, (ii) deposits of the postal savings bank and social security institutions, and (iii) deposits of special funds. Its organizational chart was streamlined, its staff was reduced by 42%
and its income statement was screened with the objective of cutting expenses and increasing revenues. On the financial side, several important decisions were made. The «new» institution was endowed with a CFAF 5 billion capital (100% government-owned), its non-performing loans have been provisioned for an amount of about CFAF 14 billion, and other arrears due to the former CAA (for an amount of CFAF 32.4 billion) were taken over by the state and further securitized over 15 years with 2 years grace and at 0.75% during the grace period, and 0.5% for the remaining 13 years. The institution is now profitable. Despite these achievements, important issues remain unsolved (or even not tackled) such as: (i) the role of CAA-GDD as a government's financial arm, or a bank with the capacity of extending credits to (public) enterprises? (ii) CAA-GDD functions have been specified from an accountant's standpoint but not from a legal standpoint; (iii) Staff cuts have mostly affected lower-level staff and support staff: however the staff of «cadres» is still excessive (186 «cadres» against 47 employees as of September 1995).

3.19 Insurance companies. The industry has decreased: the number of companies fell from 40 in 1990 to 27 in 1996 as a result of liquidations, bankruptcies or closure decision made by the owners. The decline in premiums collected which was observed from 1987 to 1990 has been stopped. The performance of the companies has been affected in 1994 by the devaluation which has resulted in a doubling of provisions for damages to be paid related to the branch of transportation. However, the companies’ solvency and profitability has been restored, at least within the categories of automobile and life insurance.

3.20 The Stock Exchange. BVA’s trading has increased substantially. First, the number of trading days has doubled since 1993. Second, whereas the average annual number of shares traded (around 100,000 until 1993), it has been multiplied by about six in 1994 (585,000), and further by 1.9 in 1995. BVA’s market capitalization has followed the buoyancy of the market for shares: the decline in market capitalization which was observed over 1991-1993 has been reversed; as of May 1996, it amounts to 3.8 times the value recorded in 1993. In addition, the Bourse was instrumental in the implementation of several privatizations as well as in the launching of regional bond issues. The market is, however, characterized by a low level of liquidity: most stockholders prefer to keep their shares in portfolio, anticipating substantial dividends, instead of seizing the opportunity of realizing capital gains. Therefore, within the secondary market, demand is not matched by an adequate supply, a phenomenon which largely explains the substantial upsurge in shares prices.

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63 In many countries this function is assumed by the public treasury, which is not considered as a bank.
64 Selected indicators for Ivorian insurance companies are in Annex 3.
65 In fact 29 insurance companies are still listed in Côte d'Ivoire. However, two of them are on the verge of closing.
66 Statistical series of indicators related to BVA are provided in Annex 4.
67 A typical case is CIE, the electricity company which currently accounts for 8.8% of total market capitalization.
68 BOAD (Banque Ouest-Africaine de Développement) has successfully issued in 1993, 400,000 bonds (with a face value of CFAF 10,000 each) at 10%, and in 1995, another 500,000 bonds (with a same unit face value) at 6.25%. The 1993 bonds are currently traded well above their face value (close to CFAF 14,000).
Program Assessment

Attainment of Policy and Institutional Objectives

3.21 Most objectives related to UMOA's monetary and regulatory policy instruments have been met. One exception is the minimum reserve requirement which remains to be implemented. A modern banking regulation has been introduced and banks' supervision has improved. When banks experienced serious problems (as it was the case, for instance, for two Ivorian banks in 1995), the "Commission bancaire" placed them upon special observation with an obligation of providing quarterly reports related to their position. Despite these achievements, further improvements in the prudential apparatus could be expected such as: (i) raising the solvency ratio from the current 4% minimum to the international standard of 8% minimum; (ii) substituting to the centralized credit quality rating system ("Accords de classement") set up by the Central Bank, a more decentralized process of portfolio classification analysis including an analysis of the provisioning requirements 69.

Figure 3.1. BVA's Developments, 1991-1996

![BVA's Developments, 1991-1996](chart)

Source: Based on data provided by the Bourse des Valeurs d'Abidjan. Cf Annex 4, p. 87.

69 This process could be a major part of the internal auditing procedure of each bank, as well as a component of the bank's audit by external auditors. Individual Banks' loan classification systems would be submitted for agreement to the Commission Bancaire and individual banks would further be accountable for their implementation. Such a scheme would increase individual bank's responsibility.
The clean up of the insurance sector has been achieved. Government arrears have been settled. With two exceptions, most companies have adequate own funds and their technical provisions meet the industry's standards. Profitability has been restored, at least for automobile and life insurance. Additional progress was achieved with the introduction of the new CIMA Code.

Progress in restoring an adequate judiciary system has been limited. In the opinion of several involved parties, a huge task of modernizing the laws remains to be undertaken. In many legal areas, provisions belonging to old French Codes (sometimes going back to the middle of the XIX\textsuperscript{th} century) still prevail. After independence, Ivorian legal provisions have been added on top, without worrying too much about consistency. This results in situations where claimants can wring substantial amounts of money from opposing parties through excessive claims. When opposing parties are «rich» institutions (banks, large companies), there is great temptation to initiate proceedings, expected to be cumbersome and costly for defendants, that could ultimately be settled, behind the scenes, by bribes. Such a situation is not propitious to attracting foreign investors. It is far from obvious that training programs for judges and reinforcing the inspection of judges will suffice.

**Attainment of Sector-Related Objectives**

The broad objectives of the reform expressed in the «Statement of sector development policy» have been met with one exception (diversification of the system). Currently, the Ivorian financial system is solvent and suited to meet the basic financial needs of economic agents. Post devaluation conditions of supply and demand of money provide a good basis for financing development without «affecting the integrity of funds entrusted to the system by the public». In addition, although no specific targets were set in this area, there are signs of financial deepening within the banking system (see Figure 3.2). The targeted diversification of the financial system has been limited. To some extent, the revival of the Bourse and the prospects opened by the regionalization of the stock exchange have introduced some elements of diversification. However, new financial instruments should be introduced to be traded in the market. In addition, the liquidation of several financial intermediaries has created, as emphasized before, a vacuum. Further financial deepening is needed to ultimately reach the general objective of a «diversified financial system».

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70 Cf. supra, para. 3.8.
72 Cf. supra, para. 3.16.
Figure 3.2. Côte d'Ivoire: Selected Banking Ratios, 1990 and 1995

(a) = Total deposits with banks/Total banks' liabilities.
(b) = Total banks' claims on private sector/Total banks' assets.
(c) = Total banks' credits/Total banks' assets.
(d) = BCEAO credits to banks/Total banks' assets.
(e) = Coverage ratio of bank’s credits by deposits with banks.

Sources: Based on figures provided in Annex 1, pp. 63 and 67.

Attainment of Commercial Banks' Restructuring Objectives

3.25 The objective of restoring a healthier commercial banking business has been fully met. Of course, the process turned out to be less smooth than expected due to unanticipated difficulties which occurred at times, at individual banks' level.

(a) Government arrears vis-à-vis a civil work contractor also involved SIB and its parent bank (Crédit Lyonnais) through refinancing operations. In relation with this unsettled claim, the devaluation resulted in a substantial foreign exchange loss for SIB (FF. 300 million). An agreement between the concerned parties (Government, SIB and Credit Lyonnais) aimed at settling satisfactorily this loss was reached only in 1995. As a result of this agreement, the government’s share in SIB’s capital increased from 20% to 49%, a situation which is in breach of the government’s commitment to restrict its holdings in individual banks to below 20%.

(b) Unaccounted for credits to the government and insufficient provisioning also characterized SGBCI. The related settlement which ultimately occurred in 1995 was implemented through questionable devices. Similarly, the required recapitalization of the bank\(^{73}\) has been achieved in 1995 only, again as a result of complex and

\(^{73}\) In 1993 and 1994, the bank’s capital base was negative. For details see Annex 2.
sometimes questionable dealings involving the Government, SGBCI and the parent bank (Société Générale).

(c) BIAO-CI’s privatization took time to materialize. Moreover, the contemplated privatization does not seem to be fully supported by strong commitments of the involved parties. In addition, the price of the transaction is not commensurate with the bank’s current profits.

3.26 Notwithstanding the assessment of developments which characterized individual banks, the ultimate objective was to restore the soundness of the banking system per se. Considering the four largest banks as a whole, Table 3.6 facilitates a more global assessment.

(a) Until 1994, while the banks recorded a shrinking demand for loans, they also adhered to a wait-and-see policy avoiding risky lending. The reduction in their overall capital base (linked to substantial provisioning requirements) was more than offset by the reduction in their risk-weighted loans. Therefore, the banks’ solvency ratio steadily improved until 1994. The devaluation resulted in substantial changes in the banks’ balance sheet structure: on one hand, as soon as 1994, banks deposits increased in huge proportions; on the other hand, exporting companies recovered a comfortable cash situation, requiring less banks advances and other short term facilities. As a result, the banks’ cash position also improved and Central Bank refinancing decreased accordingly. Continued cautiousness of banks in granting other types of credits resulted in the strong improvement in their capital adequacy ratio. In 1995, the more favorable economic environment and an exceptional crop (requiring increased credits), boosted the credit demand by the private sector (by about 20%). With a very comfortable capital base, the banks were able to respond adequately, without jeopardizing their capital adequacy ratio (which remained at 1.24 point above the required minimum). This first post-devaluation experience therefore indicates that the major banks’ solvency is now on a solid basis.

(b) Return to profitability (when measured by the return on assets) of this major segment of the Ivorian banking business has been slow to materialize, although it has steadily progressed until 1994. Again, the devaluation produced its full effects in 1995. The final outcome (a 2.46% return on assets on average) deserves two comments: (a) it places the four leading banks well above the industry’s standard; however (b), these banks still have to consolidate this achievement.

(c) A steadier progress characterized the banks’ efficiency. Again, in 1995 the good performance already achieved has been strengthened and the leading banks currently

74 Cf. supra, para. 3.14.

75 For all Ivorian banks, demand deposits rose from CFAF 219.2 billion in 1993 (en of year) to CFAF 403.3 billion in 1994 (end of year). Time deposits rose from CFAF 331 billion to CFAF 412 billion. Cf. Annex 1 (Deposit Money Banks).

76 Due to the doubling of export revenues expressed in CFAF.

77 A 7% growth of GDP, a strong reduction of the inflation rate (7.7% against 32% in 1994), a substantial growth of investments (+51%), of exports (+17%), etc.
display indicators that are well above the industry’s standard and above the national average.

Table 3.6. Four Major Banks: Selected Consolidated Performance Indicators

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<tr>
<td><strong>Capital Base (FCFA million)</strong></td>
<td>38 825</td>
<td>20 810</td>
<td>25 662</td>
<td>55 781</td>
<td>n.a.</td>
<td>n.a.</td>
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<tr>
<td>Capital Adequacy Ratio(^{(a)})</td>
<td>5.39%</td>
<td>6.79%</td>
<td>9.65%</td>
<td>5.24%</td>
<td>4.00%(^{(f)})</td>
<td>n.a.</td>
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**Profitability**

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<tr>
<td>Return on assets (^{(b)})</td>
<td>0.19%</td>
<td>0.20%</td>
<td>0.34%</td>
<td>2.46%</td>
<td>1.0%</td>
<td>2.51%</td>
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**Operating efficiency**

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<tr>
<td>Net Interest Margin (^{(c)})</td>
<td>2.85%</td>
<td>3.18%</td>
<td>3.90%</td>
<td>7.38%</td>
<td>4.5%</td>
<td>5.88%</td>
</tr>
<tr>
<td>Net Banking Income to Tot. Assets (^{(d)})</td>
<td>3.64%</td>
<td>4.11%</td>
<td>5.57%</td>
<td>9.51%</td>
<td>6.5%</td>
<td>8.01%</td>
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**Staffing efficiency**

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<tr>
<td>Net Income per Staff (^{(e)}) (FCFA million)</td>
<td>0.66</td>
<td>0.68</td>
<td>1.45</td>
<td>9.22</td>
<td>n.a.</td>
<td>11.69</td>
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</table>

**Notes:**

- \(^{(a)}\) Weighted average based on individual banks' shares in four banks' capital base.
- \(^{(b)}\) Weighted average based on individual banks' shares in four banks' total assets.
- \(^{(c)}\) Idem.
- \(^{(d)}\) Idem.
- \(^{(e)}\) Weighted average based on individual banks' shares in four banks' total staff.
- \(^{(f)}\) Commission Bancaire’s minimum.

**Sources:** Based on data provided by the “Commission Bancaire” [Cf. Annex 2, pp. 69 to 72].

**Other Segments of the Ivorian Financial System**

3.27 In broad lines, the objectives assigned to these segments have been satisfactorily attained. However specific components (sometimes quite important) did not receive the required care.

| (a) | Liquidation of specialized financial intermediaries. SONARECI’s activities developed satisfactorily. The institution has done its best to organize itself in such a way that it could efficiently recover the maximum value from claims transferred to it. Difficulties arose from exogenous factors, some of them introducing irremediable and irreversible obstacles to adequate recovery: loan-related documentation missing, no proper inventory made, in the past, of the assets of liquidated institutions. In addition, persisting deficiencies in the judiciary process have created a difficult environment. At a different level, the development banks’ liquidation has left important activities without adequate financing support, compounding the fact that commercial banks remain very reluctant to commit themselves in medium- and long-term lending. And finally, CAA’s activities remain ambiguous as it has been previously noticed\(^{78}\). |

\(^{78}\) Cf. supra, para. 3.18.
(b) **Insurance companies.** The related objectives have been adequately reached. The current situation of insurance companies shows that the sector has been adequately rehabilitated.

(c) **Stock exchange.** BVA is still characterized by one major shortcoming: «the setting up of an independent supervisory body» was one of the objectives mentioned in the program\(^{79}\). None of the current devices either implemented or suggested to fulfill this objective is satisfactory. First, the existing *Conseil de la Bourse* is not an independent body, it is the top managing authority of the stock exchange\(^{80}\). Second, the proposal aimed at installing a supervisory body within the Department of Insurance at the Ministry of Finance did not meet the requirement of independence. No real effort has been made to set up a regulatory body with functions of protecting the public's savings through adequate information, and guaranteeing the safety of transactions. In addition, such a body should be in charge of initiating appropriate proceedings, establishing the jurisprudence, and imposing sanctions (on a publicly known basis). So far, nobody knows yet how a regional supervisory agency could assume these functions, especially as long as the power to impose sanctions is concerned.

**Program Sustainability**

**Institutional Sustainability**

3.28 The new policy and regulatory framework has modernized the operations in monetary and financial markets.

(a) Reforms implemented at the supra-national level (adoption of new instruments of monetary control, renovation of the bank's supervisory body, related progress in defining well focused prudential ratios and implementation of the power to sanction) have demonstrated that new rules would prevail. This is hardly subject to policy reversal due to the very nature of these supra-national institutions. Therefore these reforms may be considered as sustainable.

(b) Reforms implemented at the national level are, in principle, temporary measures. First, the implementation of a new regional insurance market, with (normally) an ad hoc supervisory body is underway; second, the organization of a new regional stock market (which would commence operations by January 1997) has been agreed, and it would be complemented by an appropriate supervisory body. Assuming that these new (but, for the time being, only potential) supervisory agencies would be designed and operated on the model of the *Commission Bancaire*, with similar enforcement powers and similar rigorous style, one could then rely on the irreversibility of the measure and count on its sustainability. However, little is currently known on these

\(^{79}\) FSAP-PR, op.cit., p.17, para. 67.

\(^{80}\) The decree no 92-379, dated July 1, 1992, which has reorganized the BVA does specify: «La Bourse des Valeurs est administrée par le Conseil de la Bourse.... », (The Bourse des Valeurs is managed by the Conseil de la Bourse).
matters. Therefore one must consider the «national» reforms implemented so far as uncertain.

3.29 Shortcomings recorded in the area of strengthening the judiciary apparatus make the related component of the program obviously not sustainable.

3.30 SONARECI is a well staffed and well managed institution. Its existence is essential in providing some financial oxygen to public finance and it is not questioned. One may then consider its sustainability as likely.

Operational and Strategic Sustainability

3.31 The four largest Ivorian banks are now on a strong footing. Intrinsically their medium-to long-term viability is not questionable: their renewed capital base should allow them to absorb swiftly usual market shocks; further additions (if needed) to their existing capital base are now possible because they are profitable, with a profitability which is currently supported by good efficiency indicators. BICICI, and SGBCI as well, are currently well sheltered from destabilizing decisions originating from their parent banks. At the level of these two individual entities, the program is fully sustainable. This is not the case for SIB and for BIAO-CI. Credit Lyonnais’s existence is in jeopardy: despite major rescue programs implemented by the French government, it has been unable, so far, to restore an equilibrium acceptable to all involved parties; the current good financial health of SIB makes the bank a good asset to be purchased in the event of a possible sale; however, this would also turn the affiliate into the position of a prey, which competing banks would probably find worth fighting for if the macroeconomic situation of Côte d’Ivoire continues to improve. Its fate should therefore be considered uncertain. In the case of BIAO-CI, the bank is viable and it has already started to diversify towards new profitable business lines such as assets management and financial engineering; however, a negative point stems from the fact that the contemplated structure of its shareholding is still fuzzy.

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81 The SIB’s parent bank.

82 That is, acceptable by several involved parties: not only French parties (the Government, the French banking supervisory agency, other French private banks, the French taxpayers) but also and above all, the EU regulators which have to give their approval to rescue plans proposed by the French government. EU regulators consider seriously the dismantling of the Credit Lyonnais’ international network of affiliates and subsidiaries.
4. Bank and Borrower Performance

Bank Performance

4.1 The design of the program was carefully done. First, it was based on extensive work concerning the Ivorian financial system, its basic features, its assets and failures, etc. The related information was systematically compiled in the form of the Financial Sector Strategy Report\(^{83}\), which made the diagnosis at various levels and organized actions plans aimed at rehabilitating the sector. Second, the design adequately focused on the banking sector, correctly identifying its basic defects (undercapitalization, illiquidity, low operating efficiency and lack of profitability) and the underlying external\(^{84}\) and/or internal\(^{85}\) causes. Lateral or connected issues were not neglected: the scope was extended to tackle also (i) the failing specialized banks, (ii) the insurance companies similarly weakened by substantial government's arrears and irresponsible clients, and (iii) the local Bourse which had to be pulled from its drowsy state. Third, the analytical package was integrated into an appropriate analysis of the deteriorating macroeconomic situation. This integration correctly pointed out which segments of the macroeconomy would require reforms which would, in turn, efficiently support the contemplated rehabilitation of the financial system. And fourth, suggested remedies contained several innovative devices (e.g. the securitization of Government's arrears and its following refinancing by the Central Bank). In short, the problem was examined from every angle.

4.2 The quality of the design owes much to Bank staff ability to develop solid relationship with all involved decision makers: (i) a positive dialogue with the Government and its economic management units was established; (ii) steady consultations with the IMF, the CFD, the CIDA, the EU, the ADB, helped in reviewing the Government's program and identifying studies to be carried out; (iii) cooperative work with the BCEAO resulted in a consensus concerning not only the required zone-wide monetary reforms but also the technical features which would support the consolidation of claims, the securitization of arrears, etc.; (iv) a trustworthy and cooperative climate was also prevailing concerning the work with the banking and the business community.

4.3 In addition to its own funding (8% of a total final estimated cost of the program, amounting to CFAF 846.6 billion\(^{86}\)), the Bank has been able to attract parallel financing: Caisse Française de Développement (for an amount of CFAF 18 billion) and African Development Bank (for the same amount), i.e., globally about 4% of the total cost. In addition, BCEAO's contributions have been substantial through various consolidation schemes (about CFAF 197 billion or 23.2% of the total cost). Therefore initial Bank's expectations concerning its leverage did materialize.

\(^{83}\) Cf. supra, footnote 31.

\(^{84}\) That is, defaulting clients (whether the clients were the public sector which accumulated arrears or private borrowers which failed to repay their loans), but also lax banking supervision as well as poor support from judiciary environment, and above all, serious imbalances in the macroeconomic environment.

\(^{85}\) Deficiencies in banks' financial, accounting or staff management, shareholders' inertia, etc.

\(^{86}\) See Annex 5 for details of program cost.
4.4 The Project’s timing was similarly appropriate. To a wide extent, it was "the right program at the right time". The deteriorated state of the country’s financial system was such that further procrastination could have resulted in bank runs, accelerated and irreversible capital flight, etc. Awareness of the need for prompt and efficient action was general and a consensus started to emerge, locally, concerning the solutions. Minds were therefore mature enough not only to undertake the required reforms but also to integrate them into a larger macroeconomic and policy program. Therefore, the Bank’s program became part of an already ongoing process with which it would fit in \(^87\). Once the project’s technicalities were set up, the Bank did not lose time to proceed: only three months were spent between approval by the Loan Committee and approval by the Bank’s Board.

4.5 Bank staff was active during implementation, making sure that the program was kept on track. When deviations occurred or difficulties arose, it was vigilant and imaginative enough to find alternative acceptable solutions. When flexibility was warranted it showed flexibility \(^88\), when strict adherence to loan conditions was required it stuck to the agreed clause \(^89\). Major efforts were devoted to maintain minimal banking activities in a very difficult transitory period. In addition, Bank staff did not neglect to consider developments which would form the basis of possible follow-up operations. Unfortunately, it seems that several suggestions and proposals drafted at program completion have not been echoed by corresponding plans. And solutions to the vacuums resulting from liquidations as well as a new phase of financial deepening must be found. \(^90\)

**Borrower Performance**

4.6 Throughout all the stages of the program, the Government’s performance has been good with commitment to implement reforms. It participated actively in program preparation. It set up a special management unit within the Ministry of Finance to monitor program implementation. This unit did not minimize efforts to secure the success of the program, through active negotiations with involved parties in every program’s component.

4.7 Nevertheless, due to its own difficult situation, the Government was not able to fulfill on time all of its agreed obligations, nor did it resist the temptation of diverting quasi-earmarked financial resources towards different uses. This was the case when (i) the Government delayed (until February 1994) the second cash installment to the four commercial banks, (ii) it decided to

\(^87\) Cf. supra, paras. 2.3 and 2.4.

\(^88\) This was the case when the BCEAO, instead of formally guaranteeing the Government’s payments on its securitized debt, established a special account to be replenished in priority by the Government. BCEAO argued that its formal guarantee would have introduced biases in its monetary policy apparatus, while its suggested solution would be a sufficient and efficient device. The Bank ultimately agreed.

\(^89\) This was the case when BCEAO showed reluctance to accept that refinanced securitized bonds would complement resources normally obtained by banks on the official money market. Bank’s arguments ultimately prevailed.

\(^90\) The most recent Country Brief concerning Côte d’Ivoire (dated April 10, 1996) mentions the preparation of a “Private Sector Development Adjustment Credit”, which would again tackle the issue of the overall legal and regulatory framework but which is silent as far as the private sector’s financial backup by specialized medium- and long-term intermediaries is concerned.
renegotiate its first scheduled payment to SIB on the rescheduled arrears to a civil contractor, (iii) CAA used the payments earmarked for cleaning EECI arrears due to banks for other purposes, and (iv) the Government decided to recapitalize BIAO-CI with the proceeds of the second tranche of an ADB loan. In addition, Government’s hesitations contributed to delay BIAO-CI’s privatization. And finally, the Government’s commitment to limit its participation in the capital of financial institutions to a maximum of 20% has not been fully complied with.

4.8 Studies to be commissioned during the project’s life have been only partly implemented. CAA’s viability study and the study concerning the feasibility of a regional capital market anchored in Abidjan were completed and served as basis for further effective actions; however, one study on automobile insurance premiums and another on the taxation of financial instruments have not been undertaken.

Ratings

4.9 The outcome of the components related to the policy and regulatory environment are rated as satisfactory. The core element (reform of the banks’ supervisory body and adoption and implementation of an efficient set of prudential ratios) was very successfully implemented and currently allows an adequate monitoring of banks performance. The related institutional development impact is substantial since the Commission and its working methods have been well accepted and internalized by the banking community. In addition, reforms concerning the monetary policy instruments have, so far, been effective. The improvements in the monetary equilibrium which have been reached so far will be monitored more closely when all components of these reforms are implemented (specifically the operational introduction of mandatory reserves). Strengthening the supervision of insurance companies can be also considered as successful: CIMA’s expected progress should owe very much to the institutional impact of the related component. The component related to the strengthening of the judiciary apparatus, however, must be considered as a failure, even though the Government implemented the few measures involved by the program.

91 The Government agreed with SIB to reschedule its payments: CAF 4 millions would be paid in 4 months starting April 30, 1993, CAF 6 billion p.a. would be paid every year starting in 1994.

92 Cf. para. 3.12 concerning SIB and paras. 3.13 and 3.14 concerning BIAO-CI. The case of CAA remains very unclear: it is a 100% government-owned institution. Whereas the Government consider that it is not a fully-fledged bank (only a centralized cash management unit for public entities), although the institution continues to extend short term credit, the Central Bank considers it as a genuine bank and consolidates its accounts with those of other Ivorian banks in related financial documents.

93 This study and subsequent decisions to be made on its basis were a condition for second tranche release.

94 That is, the establishment of the Commission Bancaire.

95 In fact, it is an overall and extensive reform of the judiciary apparatus that needs to be undertaken. However, such a project should have a scope (and a scale as well) comparable to that of reforming a country’s financial system, with commensurate financial means. The recently issued World Bank’s WORLD DEVELOPMENT REPORT-1996 has rightly pointed out (Chapter 5) that “Legal Institutions and the Rule of Law” constituted, when properly conceived, a necessary underlying structure for an efficient functioning of markets. What’s more, it does seem that, in the agenda of reforms, reforming the legal institutions has priority over reforming financial institutions (an issue which is dealt with in Chapter 6 only). That just shows how the issue deserves much more than what has been included in the FSAP.
4.10 The outcome of the banks' restructuring component is rated as highly satisfactory and its sustainability is highly likely. Ivorian banks seem to have drawn major lessons from a dramatic past, internalized them and stand ready to listen and follow the advice of the supervisory agency.

4.11 The outcome of the component related to the liquidation of specialized institutions is rated as satisfactory. Taking into consideration the de facto constraints imposed to SONARECI, the institution is as efficient as possible. The related sustainability is likely. However the solutions devised to deal with CAA's problems are not satisfactory.

4.12 The outcome of the insurance companies' component is rated as satisfactory. The sector has been purged of its inefficient companies. Behaviors and companies' management have been disciplined. However, until recently, only automobile insurance and life insurance were profitable. Additional efforts would help to ensure adequate sustainability which, so far, is likely.

4.13 The outcome of the stock market component is rated as satisfactory. Trading has improved, both in quality (more frequent trading sessions, establishment of new business intermediaries) and in quantity (market capitalization is on an exponential trend). Sustainability however is uncertain: the market still lacks an adequate supervisory body and its future development as a regional capital market is still dependent upon critical decisions that remain to be made.

4.14 Bank’s performance is rated satisfactory. From program identification/ preparation to program completion, the Bank has kept the program on track, done what was possible to accommodate reasonable Government’s requests, and demonstrated firmness when major outcomes were at stake.

4.15 Borrower’s performance is also rated satisfactory. The program developed because it largely took the initiative. Its ownership of the program is not questionable. Although the borrower is responsible for slippages, and delays, these false steps did not really endanger the program’s substance, resulting only in a program’s development less smooth than it could have been expected.

96 As of July 1996, only the principle to go ahead with a regional financial market was decided. However, technicalities have not been specified concerning for instance (i) the choice between an order-driven and a quote-driven quotation system), (ii) the kind of electronic trading system that would be selected.
5. Conclusions and Lessons of Experience

Conclusions

5.1 The devaluation of 1994 has substantially improved the country's growth prospects. The turbulence that inevitably follows a devaluation has quickly faded away after 1994. In 1995, a 50% increase in private investment helped to support a strong domestic demand. In turn, imports increased sharply as a result of increased needs to import capital and intermediate goods whereas the growth of exports, while strong, remained insufficient. However, the substantial improvement in the terms of trade helped to cushion the shrinkage in the surplus of the balance of goods and non-factor services at less than 2.4% of GDP. The recovery also concerned the budget, making easier the government's task to continue (and even to accelerate) reducing the domestic arrears.

5.2 The rehabilitated financial sector has been able to contribute, on its own part, to mitigate unwanted effects of the devaluation. The flow back of prior capital flight and a renewed confidence in the banks resulted in an immediate situation of overliquidity. With a plentiful supply of loanable funds, interest rates started to decline sharply from the high levels reached just after devaluation. Moreover, prime customers were in position to play by the rules of competition, opposing to Ivorian banks much cheaper rates offered on foreign markets. Due to their regained health, Ivorian banks have been able to respond competitively. From a more global standpoint, the bonds issued, in various UEMOA countries, in counterpart of the securitized claims have been used by the Central Bank to cushion the effects of the overliquidity. BCEAO decided to sell, under good conditions, these bonds to banks; their demand increased so strongly that the full volume of bonds in stock was sold by September 1995. It has been estimated that, by end 1995, about 90% of such Ivorian bonds were held by nonresident banks. In turn Ivorian banks have purchased such bonds issued by other UEMOA countries.

Lessons of Experience

5.3 In light of these general developments, the FSAP generates lessons in several important areas.

(a) Program ownership by the recipient Government is confirmed as a key condition for successful adjustment. In the case of Côte d'Ivoire this was established from the onset, with the Bank intervening to catalyze and streamline the process, to introduce appropriate technicalities and safeguards, and to provide support funding.

(b) The Bank's streamlining role has been all the more effective as it introduced well-focused objectives and related instruments, as well as specific conditionalities. In addition to facilitating a positive dialogue between concerned parties without

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97 A tax-free interest rate of 5%. Since the nominal interest rate was 3%, the Central Bank had to pay the difference. In addition (in September 1994), the Central Bank guaranteed that these bonds could be redeemed at par at the BCEAO, at purchaser's initiative, and could be used in fulfilling the Central Bank's reserve requirements.
diverting attention towards minor issues, such a practice increases the transparency of conditionalities and subsequently facilitates supervision.

(c) **Bank staff involvement** has been an important asset throughout the program’s development. During the initial phases (from identification to appraisal and Board approval) this involvement was made easier as Bank staff was already knowledgeable of the ins and outs of an otherwise quite complex\(^98\) situation. During subsequent phases of the project’s cycle (supervision and completion) Bank staff dedicated itself to intensive work, making sure that compliance was effective and timely, smoothing things over when required, finding solutions consistent with the agreed constraints. Therefore, it is not only quantity that matters in supervision work, but also quality which could be summarized by the concept of **managed flexibility**. Obviously, exhibiting such quality is possible if and only if there is also staffing continuity throughout the project’s cycle. Not surprisingly, the lack of follow-up which we noticed before\(^99\) is largely due to a sudden break in staffing continuity resulting from Bank’s reorganization.

(d) Establishing between parties involved in the program a solid **partnership**, prompted by consensus, is tremendously helpful when it comes to adhere to objectives, comply with the constraints, and promote the required reforms. FSAP’s history largely illustrates this point\(^100\).

(e) **On devaluation: the CFAF exception.** The peculiarity of the situation is that the devaluation was not, in the case under review, a national decision but a regional (trans-national) one, involving fifteen decision makers. This is not the place to argue about the merits and drawbacks of this situation which, however, must be considered as a constraint on purely pragmatic grounds. Further developments and the final outcome of the FSAP demonstrate that the decision to go ahead with the reforms was the right one. Not only it has been worth going through the devaluation process and effects with a healthier banking system\(^101\), but also the rehabilitated financial system later provided tools to deal with undesirable effects of the devaluation\(^102\).

(f) **On sustainability: the advantages of regional (trans-national) arrangements.** Another aspect of the relative rigidity which is introduced by regional (trans-national) decision making is that it could be used positively, in many cases, to shelter reforms from policy reversals. **Dealing at a regional level increases the**

\(^{98}\) One element of complexity resulted from the existence, the rules and specific constraints of the monetary union which imposed a «multi-level» approach: «national» issues had to be accounted for as well as, in the same time, «supra-national» issues had also to be accounted for.

\(^{99}\) Cf. supra, para. 4.5.

\(^{100}\) Cf. for instance para. 3.3 (the story about the miscarried devaluation of 1991) and para. 4.2 (the setting up of a community of interest).

\(^{101}\) Because the banks avoided interfering with their own destabilizing strategies.

\(^{102}\) Cf. supra, para. 5.2.
chances of sustainability. In the case under review, the very existence of (and practice developed by) the *Commission bancaire* is an evidence that trans-national institutions, provided they are staffed with competent professionals, are in a good position to develop independent expertise while exercising considerable powers to sanction. Such institutions are largely out of reach of pressures of any kind coming from national governments; therefore they can stick more systematically to long term policies, introducing stability. The Bank should consider bringing a more systematic support to such institutional developments. Next on the agenda are the supervisory bodies for (i) insurance companies, and (ii) capital market. Others could easily follow to the extent that privatization programs will require the set up of supervisory bodies replacing the former administrative regulations (e.g. telecommunications, other public utilities, etc.).
Annexes
COTE D'IVOIRE

BASIC MACROECONOMIC AND FINANCIAL DATA

I - NATIONAL ACCOUNTS

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<tr>
<td></td>
<td>Billion of CFAF at current prices</td>
<td>Billion of CFAF at 1990 prices</td>
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<tr>
<td>Gross Domestic Product</td>
<td>2,691.1</td>
<td>2,960.1</td>
<td>2,903.9</td>
<td>2,946.5</td>
<td>4,229.3</td>
<td>5,137.2</td>
</tr>
<tr>
<td>Private Consumption</td>
<td>2,109.0</td>
<td>2,166.6</td>
<td>2,174.4</td>
<td>2,172.3</td>
<td>2,689.8</td>
<td>3,441.9</td>
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<td>Government Consumption</td>
<td>499.0</td>
<td>484.0</td>
<td>473.2</td>
<td>487.0</td>
<td>617.5</td>
<td>631.9</td>
</tr>
<tr>
<td>Gross Fixed Capital Formation</td>
<td>218.2</td>
<td>220.7</td>
<td>210.0</td>
<td>231.7</td>
<td>452.5</td>
<td>626.7</td>
</tr>
<tr>
<td>Stocks variation</td>
<td>31.3</td>
<td>-33.0</td>
<td>-46.6</td>
<td>13.7</td>
<td>46.5</td>
<td>41.1</td>
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<tr>
<td>Exports of Goods &amp; Services</td>
<td>812.7</td>
<td>888.0</td>
<td>857.3</td>
<td>851.3</td>
<td>1,814.4</td>
<td>2,167.9</td>
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<td>Imports of Goods &amp; Services</td>
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<td>-799.1</td>
<td>-810.5</td>
<td>-811.5</td>
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<td>106</td>
<td>108.3</td>
<td>136.5</td>
<td>154.9</td>
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II - BASIC MONETARY AND FINANCIAL DATA

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<td>Nominal Exchange rate (CFAF per US$)</td>
<td>272.25</td>
<td>282.11</td>
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<td>283.16</td>
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<td>Billion of current CFAF</td>
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<td>Net Foreign Assets</td>
<td>-495.3</td>
<td>-473.6</td>
<td>-511.3</td>
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<td>1,303.3</td>
<td>1,334.6</td>
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<td>216.3</td>
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<td>376.1</td>
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<td>(b) Claims on the Private Sector</td>
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<td>946.4</td>
<td>896.3</td>
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<td>(c) Claims on Other Fin. Institut.</td>
<td>30.6</td>
<td>21.0</td>
<td>20.5</td>
<td>16.9</td>
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<td>Money</td>
<td>526.4</td>
<td>510.1</td>
<td>489.4</td>
<td>494.0</td>
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<td>45.7</td>
<td>47.6</td>
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<td>36.2</td>
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<td>-58.7</td>
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<td>245.0</td>
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<td>433.2</td>
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<td>521.5</td>
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<td>506.6</td>
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<td>9.4</td>
<td>9.3</td>
<td>10.6</td>
<td>5.1</td>
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<td>305.1</td>
<td>271.1</td>
<td>295.8</td>
<td>462.4</td>
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<td>270.7</td>
<td>288.3</td>
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<td>Foreign Liabilities</td>
<td>451.9</td>
<td>437.1</td>
<td>492.1</td>
<td>471.9</td>
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<td>Central Government Deposits</td>
<td>16.7</td>
<td>18.5</td>
<td>8.2</td>
<td>13.1</td>
<td>45.8</td>
<td>43.0</td>
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<tr>
<td>Other Items (Net)</td>
<td>20.3</td>
<td>18.7</td>
<td>12.5</td>
<td>10.3</td>
<td>-6.9</td>
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**COTE D'IVOIRE**

**BASIC MACROECONOMIC AND FINANCIAL DATA**

**II- BASIC MONETARY AND FINANCIAL DATA**

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<td>Reserves</td>
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<td>38.9</td>
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<td>878.5</td>
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<td>11.7</td>
<td>11.2</td>
<td>6.2</td>
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<td>Demand Deposits</td>
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<td>250.1</td>
<td>234.5</td>
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**Interest Rates (%)**

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<td>Discount Rate (end of Period)</td>
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<td>11.00</td>
<td>12.50</td>
<td>10.50</td>
<td>10.00</td>
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<td>10.94</td>
<td>11.44</td>
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<td>Deposit Rate</td>
<td>7.00</td>
<td>7.00</td>
<td>7.75</td>
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<td>Lending Rate</td>
<td>16.00</td>
<td>16.00</td>
<td>16.75</td>
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**Major banks' Prime Rate**

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<th>Year</th>
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<th>SIB</th>
<th>BIAO-CI</th>
<th>SGBCI</th>
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<tr>
<td>1990</td>
<td>10.00</td>
<td>11.75</td>
<td>11.75</td>
<td>10.00</td>
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<tr>
<td>1991</td>
<td>9.75</td>
<td>10.00</td>
<td>10.25</td>
<td>9.50</td>
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<tr>
<td>1992</td>
<td>9.50</td>
<td>9.50</td>
<td>9.75</td>
<td>9.50</td>
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<td>1993</td>
<td>9.50</td>
<td>9.50</td>
<td>9.50</td>
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**Sources:** Data provided by the "Commission bancaire".

**Central Government Financial Operations**

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<tbody>
<tr>
<td></td>
<td>Billion of current CFAF</td>
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<tr>
<td>A- Revenue &amp; Grants</td>
<td>630.8</td>
<td>576.9</td>
<td>594.5</td>
<td>518.0</td>
<td>846.9</td>
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<td>Tax Revenue</td>
<td>516.1</td>
<td>499.8</td>
<td>499.9</td>
<td>435.3</td>
<td>678.6</td>
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<tr>
<td>Non Tax Revenue</td>
<td>114.7</td>
<td>77.1</td>
<td>94.6</td>
<td>82.7</td>
<td>168.3</td>
</tr>
<tr>
<td>(15)</td>
<td>(15)</td>
<td>(15)</td>
<td>(15)</td>
<td>(15)</td>
<td>(15)</td>
</tr>
<tr>
<td>B- Expenditure</td>
<td>980.8</td>
<td>884.0</td>
<td>874.8</td>
<td>884.8</td>
<td>1,161.0</td>
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<td>Current expenditure</td>
<td>619.8</td>
<td>554.1</td>
<td>545.9</td>
<td>537.2</td>
<td>621.1</td>
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<td>Wages &amp; Salaries</td>
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<td>317.8</td>
<td>320.1</td>
<td>314.6</td>
<td>328.0</td>
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<td>Social Sec., subsid. &amp; other transf.</td>
<td>36.7</td>
<td>42.8</td>
<td>60.6</td>
<td>66.0</td>
<td>93.6</td>
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<tr>
<td>Other Current Expenditure</td>
<td>243.2</td>
<td>193.5</td>
<td>165.2</td>
<td>156.6</td>
<td>199.5</td>
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<tr>
<td>Investment Expenditure</td>
<td>74.7</td>
<td>102.1</td>
<td>104.5</td>
<td>88.8</td>
<td>191.6</td>
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<td>Interest due on Public Debt</td>
<td>286.3</td>
<td>227.8</td>
<td>224.4</td>
<td>258.8</td>
<td>348.3</td>
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<tr>
<td>C- Overall balance (including grants)</td>
<td>-380.0</td>
<td>-292.1</td>
<td>-265.3</td>
<td>-351.8</td>
<td>-284.4</td>
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**Source:** IMF reports, December 1995 and May 1996.
### COTE D'IVOIRE

#### BASIC MACROECONOMIC AND FINANCIAL DATA

##### II- BASIC MONETARY AND FINANCIAL DATA

(Continued)

Central Government Financial Operations: Financing

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<tbody>
<tr>
<td>A- Domestic Financing</td>
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<tr>
<td>Bank financing</td>
<td>-30.8</td>
<td>176.4</td>
<td>-46.3</td>
<td>74.6</td>
<td>-53.7</td>
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<td>Nonbank financing</td>
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<td>161.7</td>
<td>70.5</td>
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<td>Transfers from Pub. Enterpr.</td>
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<td>3.2</td>
<td>4.0</td>
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<td>10.1</td>
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<td>-90.9</td>
<td>-37.4</td>
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<td>-79.1</td>
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<td>B- External Financing</td>
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<td>206.5</td>
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<td>428.9</td>
<td>210.4</td>
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<td>176.9</td>
<td>172.9</td>
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<td>365.8</td>
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<td>-255.4</td>
<td>-230.4</td>
<td>-209.7</td>
<td>-360.7</td>
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Côte d’Ivoire Indebtedness

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<td>A- Central Government Domestic Debt</td>
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<td>Arrears</td>
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<td>301.7</td>
<td>200.1</td>
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<td>236.5</td>
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<td>379.6</td>
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<td>due to Nonbank sector</td>
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<td>71.5</td>
<td>222.4</td>
<td>265.4</td>
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<td>292.0</td>
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<td>B- External Debt</td>
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<td>Public debt</td>
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<td>3,760.6</td>
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<td>1,385.1</td>
<td>2,814.2</td>
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<td>33.6</td>
<td>45.0</td>
<td>71.1</td>
<td>33.3</td>
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<td>(e) due to BCEAO</td>
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Sources: IMF reports, December 1995 and May 1996.
COTE D'IVOIRE

BASIC MACROECONOMIC AND FINANCIAL DATA

II- BASIC MONETARY AND FINANCIAL DATA

(Continued)

Major structural features of the banking system, 1990-1995

<table>
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<tr>
<td>01 - Number of banks</td>
<td>16</td>
<td>16</td>
<td>14</td>
<td>15</td>
<td>15</td>
<td>15</td>
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<td>02 - Assets concentration</td>
<td></td>
<td></td>
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<tr>
<td>03 - The largest</td>
<td>26.79%</td>
<td>26.43%</td>
<td>27.03%</td>
<td>25.12%</td>
<td>23.19%</td>
<td>29.23%</td>
</tr>
<tr>
<td>04 - The 4 largest</td>
<td>68.09%</td>
<td>67.13%</td>
<td>66.98%</td>
<td>63.87%</td>
<td>58.48%</td>
<td>74.63%</td>
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<tr>
<td>05 - Demand dep. / Tot. banks' liabilities</td>
<td>14.79%</td>
<td>14.51%</td>
<td>14.28%</td>
<td>13.53%</td>
<td>24.18%</td>
<td>27.52%</td>
</tr>
<tr>
<td>06 - Time deposits/Tot banks' liabilities</td>
<td>18.55%</td>
<td>19.51%</td>
<td>21.12%</td>
<td>20.42%</td>
<td>24.70%</td>
<td>27.22%</td>
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<tr>
<td>07 - Tot. dep. with banks /Tot. banks' liabilities</td>
<td>39.02%</td>
<td>38.81%</td>
<td>39.96%</td>
<td>39.66%</td>
<td>59.14%</td>
<td>65.02%</td>
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<tr>
<td>08 - Claims on private sector. / Tot banks' assets</td>
<td>61.79%</td>
<td>61.14%</td>
<td>56.56%</td>
<td>54.21%</td>
<td>49.65%</td>
<td>55.93%</td>
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<tr>
<td>09 - Total credits / Tot assets</td>
<td>67.44%</td>
<td>66.64%</td>
<td>71.05%</td>
<td>68.46%</td>
<td>68.76%</td>
<td>76.84%</td>
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<tr>
<td>10 - BCEAO credit to banks/Total banks' assets</td>
<td>29.93%</td>
<td>29.96%</td>
<td>31.95%</td>
<td>30.69%</td>
<td>8.06%</td>
<td>8.54%</td>
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<tr>
<td>11 - Total credits / Tot deposits</td>
<td>1.728207</td>
<td>1.716998</td>
<td>1.777998</td>
<td>1.726155</td>
<td>1.164622</td>
<td>1.181865</td>
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<tr>
<td>12 - Coverage ratio of credits by deposits</td>
<td>57.86%</td>
<td>58.24%</td>
<td>56.24%</td>
<td>57.93%</td>
<td>85.86%</td>
<td>84.61%</td>
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<tr>
<td>13 - Income velocity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>14 - * M1</td>
<td>5.1</td>
<td>5.8</td>
<td>5.9</td>
<td>6.0</td>
<td>5.3</td>
<td>5.4</td>
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<tr>
<td>15 - * M2</td>
<td>3.2</td>
<td>3.5</td>
<td>3.5</td>
<td>3.6</td>
<td>3.5</td>
<td>3.6</td>
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<tr>
<td>16 - Public's cash ratio = pcr (1)</td>
<td>47.23%</td>
<td>44.05%</td>
<td>43.31%</td>
<td>49.45%</td>
<td>48.35%</td>
<td>61.67%</td>
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<tr>
<td>17 - Banks cash ratio = bcr (2)</td>
<td>3.70%</td>
<td>5.80%</td>
<td>3.40%</td>
<td>3.20%</td>
<td>6.80%</td>
<td>5.00%</td>
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<tr>
<td>18 - Potential money multiplier (3)</td>
<td>2.89</td>
<td>2.89</td>
<td>3.07</td>
<td>2.84</td>
<td>2.69</td>
<td>2.43</td>
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<td>19 - Current money multiplier (4)</td>
<td>2.85</td>
<td>2.77</td>
<td>3.08</td>
<td>2.79</td>
<td>2.62</td>
<td>2.77</td>
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<tr>
<td>20 - Average int. rate charged to Gov. &amp; similar agents</td>
<td>12.80%</td>
<td>5.22%</td>
<td>2.55%</td>
<td>3.25%</td>
<td>2.42%</td>
<td>3.01%</td>
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<tr>
<td>21 - Average int. rate charged to other econ. agents</td>
<td>12.06%</td>
<td>12.28%</td>
<td>11.39%</td>
<td>12.33%</td>
<td>14.45%</td>
<td>13.40%</td>
</tr>
<tr>
<td>22 - Average int. rate paid to Gov. &amp; similar agents</td>
<td>1.57%</td>
<td>0.88%</td>
<td>1.35%</td>
<td>1.55%</td>
<td>2.16%</td>
<td>0.63%</td>
</tr>
<tr>
<td>23 - Average int. rate paid to other econ. agents</td>
<td>4.97%</td>
<td>5.20%</td>
<td>5.69%</td>
<td>6.49%</td>
<td>4.55%</td>
<td>4.06%</td>
</tr>
<tr>
<td>24 - Average interest rate on loans (5)</td>
<td>12.11%</td>
<td>11.10%</td>
<td>9.53%</td>
<td>10.43%</td>
<td>10.51%</td>
<td>10.92%</td>
</tr>
<tr>
<td>25 - Average interest rate on deposits (6)</td>
<td>4.59%</td>
<td>4.63%</td>
<td>5.17%</td>
<td>5.91%</td>
<td>4.25%</td>
<td>3.52%</td>
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<tr>
<td>26 - Spread (7)</td>
<td>7.52%</td>
<td>6.47%</td>
<td>4.36%</td>
<td>4.52%</td>
<td>6.26%</td>
<td>7.40%</td>
</tr>
</tbody>
</table>

Notes:
(1) Calculated as : Currency outside banks/ Deposits with banks
(2) Calculated as : Banks reserves / Deposits with banks
(3) The formula is: (1 + (pcr)|/(pcr) + (bcr))
(4) Calculated as : M2 / Reserve Money (cf. Monetary authorities)
(5) Weighted average where weights are: loans to j/ total loans
(6) Weighted average where weights are: deposits by j/ total deposits

Sources: Rows 01 to 04, 16 to 26 : based on data provided by the BCEAO
Rows 05 to 15 : based on previous tables
COTE D'IVOIRE

BASIC MACROECONOMIC AND FINANCIAL DATA

II- BASIC MONETARY AND FINANCIAL DATA
(Continued)

Major structural features of the banking system, 1990

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<tr>
<th></th>
<th>Cote d'Ivoire</th>
<th>UMOA</th>
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<tbody>
<tr>
<td>Total deposits with banks/ Total banks' liabilities</td>
<td>(a) 39.02%</td>
<td>46.19%</td>
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<tr>
<td>Total banks' claims on private sector/Total banks' assets</td>
<td>(b) 61.79%</td>
<td>54.79%</td>
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<tr>
<td>Total banks' credits/ Total banks' assets</td>
<td>(c) 67.44%</td>
<td>58.89%</td>
</tr>
<tr>
<td>BCEAO credits to banks/ Total banks' assets</td>
<td>(d) 29.93%</td>
<td>22.36%</td>
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<tr>
<td>Coverage ratio of banks' credits by deposits with banks</td>
<td>(e) 57.86%</td>
<td>78.42%</td>
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</tbody>
</table>

![Graph showing data comparison between Cote d'Ivoire and UMOA](chart.png)
COTE D'IVOIRE
BANKING STATISTICS

BICICI

BALANCE SHEET: 1991-1995
(in millions of CFAF)

<table>
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<tr>
<th></th>
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<tbody>
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<td>Assets</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>1- Cash</td>
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<td>3,122</td>
<td>502</td>
<td>1,684</td>
<td>3,625</td>
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<td>1.1- Currency</td>
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<td>1,311</td>
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<td>2,428</td>
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<td>1.3- Foreign Notes and coins</td>
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<td>373</td>
<td>61</td>
<td>61</td>
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<td>1.4- Miscellaneous</td>
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<td>1</td>
<td>1</td>
<td>1</td>
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<td>2- Central Bank</td>
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<td>1,088</td>
<td>4,180</td>
<td>785</td>
<td>1,010</td>
<td>1,010</td>
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<td>3- Banks &amp; Correspond.</td>
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<td>9,437</td>
<td>10,081</td>
<td>5,982</td>
<td>10,439</td>
<td>14,399</td>
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<td>3.1- Ordinary Accounts</td>
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<td>181</td>
<td>181</td>
<td>479</td>
<td>479</td>
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<td>3.2- Loans &amp; Advances</td>
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<td>3,911</td>
<td>4,539</td>
<td>503</td>
<td>3,176</td>
<td>1,650</td>
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<td>3.3- Other</td>
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<td>2,086</td>
<td>2,180</td>
<td>2,180</td>
<td>92</td>
<td>92</td>
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<td>4- Other Fin. Institut.</td>
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<td>2,497</td>
<td>2,497</td>
<td>2,807</td>
<td>2,807</td>
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<td>4.1- Registered Fin. Institut.</td>
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<td>2,775</td>
<td>2,497</td>
<td>2,497</td>
<td>2,807</td>
<td>2,807</td>
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<td>4.2- Other Fin. Institut.</td>
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<td>0</td>
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<td>525</td>
<td>60</td>
<td>60</td>
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<td>5.1- Ordinary Accounts &amp; Sim. Acc.</td>
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<td>36</td>
<td>64</td>
<td>64</td>
<td>8</td>
<td>6</td>
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<td>5.2- Loans &amp; Advances</td>
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<td>6,631</td>
<td>4,025</td>
<td>4,025</td>
<td>12</td>
<td>7,003</td>
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<td>5.3- Gov. Securities &amp; Simil. Sec.</td>
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<td>42,200</td>
<td>42,200</td>
<td>42,200</td>
<td>46,107</td>
<td>43,392</td>
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<td>5.4- Gov. Bonds &amp; Simil. Bonds</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>6- Other Economic Agents</td>
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<td>167,969</td>
<td>172,765</td>
<td>163,713</td>
<td>130,533</td>
<td>237,815</td>
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<td>6.1- Commercial bills in portfolio</td>
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<td>6,686</td>
<td>6,028</td>
<td>5,978</td>
<td>4,832</td>
<td>18,417</td>
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<td>6.2- Other Short Term Credits</td>
<td></td>
<td>89,637</td>
<td>92,674</td>
<td>92,674</td>
<td>50,255</td>
<td>55,062</td>
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<tr>
<td>6.3- Medium Term Credits</td>
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<td>40,921</td>
<td>23,361</td>
<td>23,361</td>
<td>50,255</td>
<td>55,062</td>
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<td>6.4- Long Term Credits</td>
<td></td>
<td>4,754</td>
<td>24,289</td>
<td>24,289</td>
<td>21,039</td>
<td>12,376</td>
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<td>6.5- Non performing Loans</td>
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<td>25,970</td>
<td>26,413</td>
<td>26,413</td>
<td>5,208</td>
<td>3,796</td>
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<td>7- Other Items</td>
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<td>14,420</td>
<td>15,259</td>
<td>18,207</td>
<td>19,656</td>
<td>24,068</td>
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<td>7.1- Debts in course of collect.</td>
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<td>10,751</td>
<td>12,230</td>
<td>11,755</td>
<td>16,276</td>
<td>21,078</td>
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<td>7.2- Misc. debtors</td>
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<td>1,152</td>
<td>697</td>
<td>697</td>
<td>375</td>
<td>1,226</td>
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<td>7.3- Shares &amp; other particip. interest</td>
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<td>2,327</td>
<td>2,332</td>
<td>2,332</td>
<td>2,294</td>
<td>1,989</td>
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<td>7.4- Other outstanding items</td>
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<td>0</td>
<td>3,883</td>
<td>3,883</td>
<td>3,883</td>
<td>3,883</td>
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<td>8- Intangible Assets</td>
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<td>6,441</td>
<td>6,465</td>
<td>6,541</td>
<td>8,260</td>
<td>9,361</td>
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<tr>
<td>9- Tangible Assets</td>
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<td>25,662</td>
<td>14,196</td>
<td>11,433</td>
<td>5,721</td>
<td>3,548</td>
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<td>10- Memorandum Accounts and Miscellaneous</td>
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<td>10.1- With branches</td>
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<td>1,502</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
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<td>10.2- Reconciliation accounts</td>
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<td>4,806</td>
<td>6,542</td>
<td>6,542</td>
<td>3,647</td>
<td>740</td>
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<td>10.3- Syndicated credits</td>
<td></td>
<td>20,718</td>
<td>7,538</td>
<td>7,538</td>
<td>1,978</td>
<td>1,474</td>
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<td>10.4- Miscellaneous</td>
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<td>131</td>
<td>116</td>
<td>116</td>
<td>96</td>
<td>96</td>
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<td>11- Net Income (Losses)</td>
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<td></td>
<td></td>
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<tr>
<td>Total Assets</td>
<td></td>
<td>280,181</td>
<td>273,457</td>
<td>257,325</td>
<td>236,659</td>
<td>352,142</td>
</tr>
</tbody>
</table>

(*) = Rest of the World
(**) = Rest of the World
(*1) = 15 months
### Annex 2

**BICICI**  
**BALANCE SHEET: 1991-1995**

#### LIABILITIES

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</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>90,268</td>
<td>78,255</td>
<td>78,297</td>
<td>9,704</td>
<td>32,555</td>
</tr>
<tr>
<td><strong>of which RoW</strong></td>
<td>80,268</td>
<td>78,255</td>
<td>78,297</td>
<td>9,704</td>
<td>32,555</td>
</tr>
<tr>
<td>1.1- Money Market</td>
<td>62,028</td>
<td>22,852</td>
<td>22,856</td>
<td>62,028</td>
<td>22,852</td>
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<td>1.2- Other refinancing</td>
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<td>37,163</td>
<td>37,163</td>
<td>37,163</td>
<td>37,163</td>
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<td>1.3- Consolidated refinancing</td>
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<td>18,240</td>
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#### 2- BANKS & BANKING CORRESP.

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<tr>
<th>2.1- Ordinary accounts</th>
<th>12,539</th>
<th>12,755</th>
<th>8,838</th>
<th>13,353</th>
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<tbody>
<tr>
<td><strong>of which RoW</strong></td>
<td>12,539</td>
<td>12,755</td>
<td>8,838</td>
<td>13,353</td>
<td>20,865</td>
</tr>
<tr>
<td>2.2- Not earmarked liabilities</td>
<td>4,590</td>
<td>4,565</td>
<td>375</td>
<td>651</td>
<td>107</td>
</tr>
<tr>
<td>2.3- Earmarked liabilities</td>
<td>670</td>
<td>1,046</td>
<td>1,456</td>
<td>1,642</td>
<td>1,546</td>
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<tr>
<td><strong>4- OTHER</strong></td>
<td>3,382</td>
<td>3,382</td>
<td>3,382</td>
<td>3,382</td>
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</tr>
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</table>

#### 3- OTHER FINANCIAL INSTIT.

<table>
<thead>
<tr>
<th>3.1- Registered Fin. Institut.</th>
<th>866</th>
<th>668</th>
<th>1,633</th>
<th>4,454</th>
<th>11,292</th>
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</thead>
<tbody>
<tr>
<td><strong>of which RoW</strong></td>
<td>866</td>
<td>668</td>
<td>1,633</td>
<td>4,454</td>
<td>11,292</td>
</tr>
<tr>
<td>3.2- Other Institutions</td>
<td>247</td>
<td>252</td>
<td>252</td>
<td>252</td>
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</tr>
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</table>

#### 4- GOVERNMENT & NON FIN. INTERNAT. INST.

<table>
<thead>
<tr>
<th>4.1- Ordinary Accounts &amp; assim.</th>
<th>1,568</th>
<th>1,044</th>
<th>4,807</th>
<th>28,707</th>
<th>99</th>
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<tbody>
<tr>
<td><strong>of which RoW</strong></td>
<td>1,568</td>
<td>1,044</td>
<td>4,807</td>
<td>28,707</td>
<td>99</td>
</tr>
<tr>
<td>4.2- Time deposits or borrowing</td>
<td>457</td>
<td>499</td>
<td>459</td>
<td>459</td>
<td>459</td>
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<tr>
<td>4.3- Earmarked funds</td>
<td>619</td>
<td>416</td>
<td>416</td>
<td>416</td>
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</tr>
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</table>

#### 5- OTHER ECONOMIC AGENTS

<table>
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<tr>
<th>5.1- Sight Deposits</th>
<th>54,072</th>
<th>51,046</th>
<th>41,864</th>
<th>65,411</th>
<th>115,280</th>
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</thead>
<tbody>
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<td><strong>of which RoW</strong></td>
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<td>51,046</td>
<td>41,864</td>
<td>65,411</td>
<td>115,280</td>
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<tr>
<td>(a) Public Entities</td>
<td>5,854</td>
<td>6,519</td>
<td>6,519</td>
<td>6,519</td>
<td>6,519</td>
</tr>
<tr>
<td>(b) Other Private Companies</td>
<td>20,146</td>
<td>21,056</td>
<td>21,056</td>
<td>21,056</td>
<td>21,056</td>
</tr>
<tr>
<td>(c) Individual entities</td>
<td>23,365</td>
<td>20,750</td>
<td>16,824</td>
<td>16,824</td>
<td>16,824</td>
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</table>

#### 6- OTHER LIABILITIES

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>of which RoW</strong></td>
<td>4,607</td>
<td>3,353</td>
<td>3,353</td>
<td>3,353</td>
<td>3,353</td>
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<tr>
<td>6.2- It. in susp./in course of transm.</td>
<td>14,570</td>
<td>18,333</td>
<td>15,746</td>
<td>22,219</td>
<td>21,644</td>
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<tr>
<td>6.3- Reconciliation accounts</td>
<td>20,132</td>
<td>20,570</td>
<td>20,570</td>
<td>20,570</td>
<td>20,570</td>
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<tr>
<td>(a) Reconciliation &amp; assim.</td>
<td>3,453</td>
<td>5,570</td>
<td>5,570</td>
<td>5,570</td>
<td>5,570</td>
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<tr>
<td>(b) Syndicated credits</td>
<td>20,718</td>
<td>26,463</td>
<td>26,463</td>
<td>26,463</td>
<td>26,463</td>
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<tr>
<td>6.4- Miscellaneous</td>
<td>6,152</td>
<td>7,565</td>
<td>8,116</td>
<td>5,831</td>
<td>9,262</td>
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#### 7- OWN FUNDS, PROVISIONS & RESERVES

<table>
<thead>
<tr>
<th>7.1- Paid up Capital</th>
<th>7,500</th>
<th>7,500</th>
<th>7,500</th>
<th>7,500</th>
<th>7,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.2- Provisions for losses</td>
<td>500</td>
<td>750</td>
<td>1,047</td>
<td>96</td>
<td>0</td>
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<tr>
<td>7.3- Reserves &amp; assim.</td>
<td>5,825</td>
<td>6,949</td>
<td>8,324</td>
<td>10,894</td>
<td>11,066</td>
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<tr>
<td>7.4- Carried Forward</td>
<td>21</td>
<td>16</td>
<td>14</td>
<td>4</td>
<td>19</td>
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</tbody>
</table>

#### 8- PROFITS

| 8.1- | 1,884 | 1,170 | 1,207 | 3,815 | 9 |

#### TOTAL LIABILITIES

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>280,181</td>
<td>14,065</td>
<td>272,457</td>
<td>9,770</td>
<td>257,325</td>
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</table>

Source: Data provided by the "Commission Bancaire"  
(**) = Rest of the World  
(*) = 15 months
### BICICI
#### BALANCE SHEET: 1991-1995
#### OFF-BALANCE SHEET ITEMS

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>1- UNDISBURSED CONFIRMED CREDITS</td>
<td>2,148</td>
<td>2,785</td>
<td>2,530</td>
<td>3,655</td>
<td>3,512</td>
</tr>
<tr>
<td>2- LIABILITIES THROUGH BANK'S ACCEPTANCE</td>
<td>61,348</td>
<td>65,646</td>
<td>50,969</td>
<td>60,714</td>
<td>95,622</td>
</tr>
<tr>
<td>3- GUARANTEED CREDITS</td>
<td>142,518</td>
<td>103,037</td>
<td>94,878</td>
<td>88,809</td>
<td>87,684</td>
</tr>
<tr>
<td>TOTAL</td>
<td>206,014</td>
<td>171,468</td>
<td>148,377</td>
<td>153,179</td>
<td>186,818</td>
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</tbody>
</table>

Source: Data provided by the "Commission Bancaire"

(*) = 15 months

### BICICI
#### MAJOR BANKING RATIOS

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1° Capital base (CB)</td>
<td>13,753</td>
<td>14,536</td>
<td>14,910</td>
<td>18,833</td>
<td>20,837</td>
</tr>
<tr>
<td>2° Capital Adequacy ratio (Minimum 4% of CB)</td>
<td>8.7%</td>
<td>7.5%</td>
<td>7.1%</td>
<td>9.6%</td>
<td>5.8%</td>
</tr>
<tr>
<td>3° Coverage of tangible assets &amp; Participating interests (Maximum 100% of CB)</td>
<td>210.9%</td>
<td>60.5%</td>
<td>56.1%</td>
<td>53.5%</td>
<td>53.8%</td>
</tr>
<tr>
<td>4° Connected-lending Ratio (lending to Board members, managers and bank's staff) (Maximum 20% of CB)</td>
<td>16.7%</td>
<td>21.6%</td>
<td>19.8%</td>
<td>15.0%</td>
<td>n.a.</td>
</tr>
<tr>
<td>5° Risk Concentration ratios</td>
<td>n.a.</td>
<td>ok</td>
<td>ok</td>
<td>ok</td>
<td>ok</td>
</tr>
<tr>
<td>(a) Individual loans (Max = 100% CB)</td>
<td>n.a.</td>
<td>ok</td>
<td>ok</td>
<td>ok</td>
<td>ok</td>
</tr>
<tr>
<td>(b) Overall lending (Max = 10 times CB)</td>
<td>n.a.</td>
<td>ok</td>
<td>ok</td>
<td>ok</td>
<td>ok</td>
</tr>
<tr>
<td>6° Liquidity Ratio (Minimum = 60%)</td>
<td>58.6%</td>
<td>76.7%</td>
<td>44.0%</td>
<td>68.9%</td>
<td>52.4%</td>
</tr>
<tr>
<td>7° Total bank's staff</td>
<td>899</td>
<td>873</td>
<td>868</td>
<td>n.a.</td>
<td>788</td>
</tr>
<tr>
<td>8° Staff expenses (wages etc.) (as reported in the I &amp; L account)</td>
<td>5,689</td>
<td>5,304</td>
<td>5,500</td>
<td>5,982</td>
<td>8,640</td>
</tr>
</tbody>
</table>
## BICICI
### FINANCIAL STATEMENTS : 1991-1995
#### ANALYSIS OF INCOME AND LOSS ACCOUNTS

(FCFA million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Interest and similar income received</td>
<td>n.a</td>
<td>24,851</td>
<td>26,959</td>
<td>21,791</td>
<td>42,834</td>
</tr>
<tr>
<td>(a) Operations in cash</td>
<td>n.a</td>
<td>573</td>
<td>549</td>
<td>688</td>
<td>623</td>
</tr>
<tr>
<td>(b) Operations with Fin. Institut.</td>
<td>n.a</td>
<td>307</td>
<td>440</td>
<td>186</td>
<td>474</td>
</tr>
<tr>
<td>(c) Operations with Government</td>
<td>n.a</td>
<td>2,206</td>
<td>1,837</td>
<td>2,241</td>
<td>3,234</td>
</tr>
<tr>
<td>(d) Operations with other agents</td>
<td>n.a</td>
<td>21,766</td>
<td>24,133</td>
<td>18,676</td>
<td>38,503</td>
</tr>
<tr>
<td>- short term credits</td>
<td>n.a</td>
<td>18,544</td>
<td>19,017</td>
<td>10,031</td>
<td>15,331</td>
</tr>
<tr>
<td>- medium term credits</td>
<td>n.a</td>
<td>2,742</td>
<td>3,039</td>
<td>7,828</td>
<td>8,933</td>
</tr>
<tr>
<td>- long term credits</td>
<td>n.a</td>
<td>439</td>
<td>1,905</td>
<td>771</td>
<td>647</td>
</tr>
<tr>
<td>- other</td>
<td>n.a</td>
<td>41</td>
<td>173</td>
<td>47</td>
<td>13,592</td>
</tr>
<tr>
<td>2 - Interest and similar income paid</td>
<td>n.a</td>
<td>13,318</td>
<td>14,345</td>
<td>10,025</td>
<td>10,642</td>
</tr>
<tr>
<td>(a) Operations in cash</td>
<td>n.a</td>
<td>5,065</td>
<td>5,905</td>
<td>2,210</td>
<td>1,246</td>
</tr>
<tr>
<td>(b) Operations with Fin. Institut.</td>
<td>n.a</td>
<td>18</td>
<td>48</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>(c) Operations with Government</td>
<td>n.a</td>
<td>384</td>
<td>495</td>
<td>415</td>
<td>116</td>
</tr>
<tr>
<td>(d) Operations with other agents</td>
<td>n.a</td>
<td>7,851</td>
<td>7,898</td>
<td>7,340</td>
<td>9,210</td>
</tr>
<tr>
<td>- sight deposits</td>
<td>n.a</td>
<td>923</td>
<td>781</td>
<td>637</td>
<td>1,143</td>
</tr>
<tr>
<td>- Time deposits &amp; simil. accounts</td>
<td>n.a</td>
<td>5,160</td>
<td>5,051</td>
<td>5,027</td>
<td>5,800</td>
</tr>
<tr>
<td>- Saving deposits &amp; simil. accounts</td>
<td>n.a</td>
<td>1,768</td>
<td>2,066</td>
<td>1,676</td>
<td>2,267</td>
</tr>
<tr>
<td>3 - Interest differential income = 1 - 2</td>
<td>n.a</td>
<td>11,533</td>
<td>12,614</td>
<td>11,766</td>
<td>32,192</td>
</tr>
<tr>
<td>4 - Commissions and fees received</td>
<td>n.a</td>
<td>2,278</td>
<td>2,326</td>
<td>6,995</td>
<td>7,752</td>
</tr>
<tr>
<td>(a) Commercial bills transactions</td>
<td>n.a</td>
<td>661</td>
<td>154</td>
<td>395</td>
<td>614</td>
</tr>
<tr>
<td>(b) Foreign exchange and transfers</td>
<td>n.a</td>
<td>317</td>
<td>389</td>
<td>993</td>
<td>1,040</td>
</tr>
<tr>
<td>(c) Contingent liabilities</td>
<td>n.a</td>
<td>385</td>
<td>390</td>
<td>473</td>
<td>1,651</td>
</tr>
<tr>
<td>(d) Other</td>
<td>n.a</td>
<td>915</td>
<td>1,394</td>
<td>5,133</td>
<td>4,447</td>
</tr>
<tr>
<td>5 - Other banking expenses</td>
<td>n.a</td>
<td>815</td>
<td>850</td>
<td>1,579</td>
<td>4,131</td>
</tr>
<tr>
<td>6 - Net Banking Income = 3 + 4 - 5</td>
<td>n.a</td>
<td>12,996</td>
<td>14,090</td>
<td>17,182</td>
<td>35,813</td>
</tr>
<tr>
<td>7 - Other income and expenses, net</td>
<td>n.a</td>
<td>-9,566</td>
<td>-9,767</td>
<td>-10,732</td>
<td>-14,345</td>
</tr>
<tr>
<td>7.1 - Miscellaneous income (+)</td>
<td>n.a</td>
<td>51</td>
<td>141</td>
<td>127</td>
<td>379</td>
</tr>
<tr>
<td>7.2 - Operating expenses (-)</td>
<td>n.a</td>
<td>9,617</td>
<td>9,909</td>
<td>10,859</td>
<td>14,724</td>
</tr>
<tr>
<td>(a) Salaries and related benefits</td>
<td>n.a</td>
<td>5,304</td>
<td>5,500</td>
<td>5,982</td>
<td>8,640</td>
</tr>
<tr>
<td>(b) Indirect taxes</td>
<td>n.a</td>
<td>860</td>
<td>928</td>
<td>1,394</td>
<td>978</td>
</tr>
<tr>
<td>(c) Miscellaneous</td>
<td>n.a</td>
<td>3,453</td>
<td>3,481</td>
<td>3,483</td>
<td>5,106</td>
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<tr>
<td>8 - Gross Operating Income = 6 - 7</td>
<td>n.a</td>
<td>3,431</td>
<td>4,323</td>
<td>6,450</td>
<td>21,468</td>
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<tr>
<td>8.1 - minus: Amortization</td>
<td>n.a</td>
<td>1,135</td>
<td>1,255</td>
<td>1,768</td>
<td>2,303</td>
</tr>
<tr>
<td>= 9 - Risk coverage Margin</td>
<td>n.a</td>
<td>2,295</td>
<td>3,068</td>
<td>4,682</td>
<td>19,165</td>
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<tr>
<td>- 9.1 - Bad debt exp. &amp; loan loss prov.</td>
<td>n.a</td>
<td>5,848</td>
<td>4,988</td>
<td>4,737</td>
<td>15,392</td>
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<tr>
<td>+ 9.2 - Recov. &amp; 1. loss prov. writ. back</td>
<td>n.a</td>
<td>4,670</td>
<td>3,408</td>
<td>5,091</td>
<td>6,687</td>
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<tr>
<td>= 10 - Net Operating income</td>
<td>n.a</td>
<td>1,117</td>
<td>1,488</td>
<td>5,037</td>
<td>10,460</td>
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<td>+ 10.1 - Other revenues</td>
<td>n.a</td>
<td>1,443</td>
<td>1,598</td>
<td>1,832</td>
<td>158</td>
</tr>
<tr>
<td>- 10.2 - Other expenses</td>
<td>n.a</td>
<td>1,140</td>
<td>1,846</td>
<td>1,707</td>
<td>6</td>
</tr>
<tr>
<td>+ 10.3 - Corporate income tax</td>
<td>n.a</td>
<td>252</td>
<td>35</td>
<td>1,350</td>
<td>3,271</td>
</tr>
<tr>
<td>= Net Profit</td>
<td>n.a</td>
<td>1,168</td>
<td>1,206</td>
<td>3,812</td>
<td>7,341</td>
</tr>
</tbody>
</table>

Source: Data provided by the "Commission Bancaire".

(*) = 15 months
### Côte d'Ivoire

#### Banking Statistics

**SGBCI**

**Balance Sheet: 1991-1995**

(in millions of CFAF)

<table>
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<th></th>
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</tr>
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<tr>
<td>Total of which Row**</td>
<td>6,451</td>
<td>3,116</td>
<td>5,198</td>
<td>4,699</td>
<td>5,734</td>
</tr>
<tr>
<td>1- CASH</td>
<td>6,626</td>
<td>2,948</td>
<td>5,148</td>
<td>4,480</td>
<td>5,528</td>
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<tr>
<td>1.1- Currency</td>
<td>179</td>
<td>165</td>
<td>47</td>
<td>215</td>
<td>201</td>
</tr>
<tr>
<td>1.4- Miscellaneous</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>2- CENTRAL BANK</td>
<td>0</td>
<td>6,409</td>
<td>0</td>
<td>54</td>
<td>0</td>
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<tr>
<td>3- BANKS &amp; CORRESPOND.</td>
<td>2,258</td>
<td>1,797</td>
<td>1,397</td>
<td>1,151</td>
<td>1,005</td>
</tr>
<tr>
<td>3.1- Ordinary Accounts</td>
<td>2,258</td>
<td>1,797</td>
<td>1,397</td>
<td>1,151</td>
<td>1,005</td>
</tr>
<tr>
<td>3.2- Loans &amp; Advances</td>
<td>0</td>
<td>0</td>
<td>716</td>
<td>1,720</td>
<td>919</td>
</tr>
<tr>
<td>3.3- Other</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>4- OTHER FIN. INSTITUT.</td>
<td>5,018</td>
<td>4,643</td>
<td>3,679</td>
<td>2,636</td>
<td>2,728</td>
</tr>
<tr>
<td>4.1- Registered Fin. Institut.</td>
<td>5,018</td>
<td>4,643</td>
<td>3,679</td>
<td>2,636</td>
<td>2,728</td>
</tr>
<tr>
<td>(a) - Ordinary Accounts</td>
<td>3,569</td>
<td>3,414</td>
<td>3,414</td>
<td>3,414</td>
<td>3,414</td>
</tr>
<tr>
<td>(b) - Loans &amp; Advances</td>
<td>1,449</td>
<td>1,229</td>
<td>3,679</td>
<td>2,636</td>
<td>2,728</td>
</tr>
<tr>
<td>4.2- Other Fin. Institut.</td>
<td>5- GOVERNMENT &amp; NON FIN. INTERNAT. INSTIT.</td>
<td>50,186</td>
<td>50,020</td>
<td>49,642</td>
<td>64,164</td>
</tr>
<tr>
<td>5.1- Ordinary Accounts &amp; Sim. Acc.</td>
<td>599</td>
<td>448</td>
<td>64</td>
<td>70</td>
<td>105</td>
</tr>
<tr>
<td>5.2- Loans &amp; Advances</td>
<td>2,605</td>
<td>2,605</td>
<td>2,605</td>
<td>2,605</td>
<td>2,605</td>
</tr>
<tr>
<td>5.3- Gov. Securities &amp; Simil. Sec.</td>
<td>218</td>
<td>165</td>
<td>165</td>
<td>812</td>
<td>124</td>
</tr>
<tr>
<td>5.4- Gov. Bonds &amp; Simil. Bonds</td>
<td>46,804</td>
<td>46,801</td>
<td>46,801</td>
<td>53,278</td>
<td>54,121</td>
</tr>
<tr>
<td>6- OTHER ECONOMIC AGENTS</td>
<td>346,178</td>
<td>327,319</td>
<td>295,779</td>
<td>385,016</td>
<td>247,438</td>
</tr>
<tr>
<td>6.1- Commercial bills in portfolio</td>
<td>16,672</td>
<td>14,650</td>
<td>13,791</td>
<td>11,412</td>
<td>9,971</td>
</tr>
<tr>
<td>6.2- Other Short Term Credits</td>
<td>170,596</td>
<td>140,115</td>
<td>150,315</td>
<td>112,763</td>
<td>185,326</td>
</tr>
<tr>
<td>6.3- Medium Term Credits</td>
<td>83,583</td>
<td>60,701</td>
<td>60,922</td>
<td>72,592</td>
<td>31,769</td>
</tr>
<tr>
<td>6.4- Long Term Credits</td>
<td>4,293</td>
<td>31,611</td>
<td>33,305</td>
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<td>6.5- Non performing Loans</td>
<td>71,034</td>
<td>29,433</td>
<td>29,433</td>
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<td>(a) Not repaid &amp; Outstanding</td>
<td>22,884</td>
<td>15,443</td>
<td>18,658</td>
<td>18,658</td>
<td>18,658</td>
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<tr>
<td>(b) Doubtful</td>
<td>48,150</td>
<td>14,989</td>
<td>10,775</td>
<td>10,775</td>
<td>10,775</td>
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<tr>
<td>7- OTHER ITEMS</td>
<td>30,780</td>
<td>32,731</td>
<td>33,560</td>
<td>35,981</td>
<td>38,405</td>
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<td>7.1- Debits in course of collect.</td>
<td>26,727</td>
<td>28,289</td>
<td>28,742</td>
<td>30,791</td>
<td>33,747</td>
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<td>7.2- Miscel. debtors</td>
<td>652</td>
<td>663</td>
<td>658</td>
<td>12</td>
<td>9</td>
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<td>7.3- Shares &amp; other particip. interest</td>
<td>1,775</td>
<td>1,516</td>
<td>1,511</td>
<td>1,506</td>
<td>1,584</td>
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<tr>
<td>7.4- Other outstanding items</td>
<td>1,627</td>
<td>153</td>
<td>39</td>
<td>91</td>
<td>322</td>
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<td>8- INTANGIBLE ASSETS</td>
<td>191</td>
<td>177</td>
<td>70</td>
<td>91</td>
<td>191</td>
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<td>9- TANGIBLE ASSETS</td>
<td>9,772</td>
<td>9,024</td>
<td>8,195</td>
<td>9,997</td>
<td>8,736</td>
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<td>10- MEMORANDUM ACCOUNTS AND MISCELLANEOUS</td>
<td>4,784</td>
<td>11,199</td>
<td>19,843</td>
<td>9,850</td>
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<td>10.1- With branches</td>
<td>810</td>
<td>547</td>
<td>562</td>
<td>72</td>
<td>2,235</td>
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<td>10.2- Reconciliation accounts</td>
<td>3,921</td>
<td>10,604</td>
<td>18,816</td>
<td>9,667</td>
<td>5,351</td>
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<td>10.3- Syndicated credits</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>10.4- Miscellaneous</td>
<td>53</td>
<td>48</td>
<td>164</td>
<td>111</td>
<td>161</td>
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<td>11- NET INCOME (Losses)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>455,617</td>
<td>443,923</td>
<td>407,075</td>
<td>386,838</td>
<td>505,381</td>
</tr>
</tbody>
</table>

(***) = Rest of the World

(*) = 15 months
**Annex 2**

**SGBCI**

**BALANCE SHEET: 1991-1995**

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>1- CENTRAL BANK</strong></td>
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<tr>
<td>1.1- Money Market</td>
<td>143,887</td>
<td>149,778</td>
<td>137,973</td>
<td>41,728</td>
<td>62,367</td>
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<td>1.2- Other refinancing</td>
<td>66,851</td>
<td>66,851</td>
<td>74,054</td>
<td>0</td>
<td>23,691</td>
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<td>1.3- Consolidated refinancing</td>
<td>14,523</td>
<td>128,386</td>
<td>42,535</td>
<td>41,728</td>
<td>38,676</td>
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<td><strong>2- BANKS &amp; BANKING CORRESP.</strong></td>
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<td>2.1- Ordinary accounts</td>
<td>62,513</td>
<td>21,392</td>
<td>21,392</td>
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<td>0</td>
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<tr>
<td>2.2- Not earmarked liabilities</td>
<td>7.513</td>
<td>6,009</td>
<td>16,165</td>
<td>19,089</td>
<td>10,855</td>
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<td>2.3- Earmarked liabilities</td>
<td>13,096</td>
<td>6,185</td>
<td>1,934</td>
<td>12,836</td>
<td>13,049</td>
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<td>2.4- Other</td>
<td>3,709</td>
<td>70</td>
<td>489</td>
<td>757</td>
<td>2,056</td>
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<td><strong>3- OTHER FINANCIAL INSTIT.</strong></td>
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<td>3.1- Registered Fin. Institut.</td>
<td>3,639</td>
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<td>0</td>
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<td>3.2- Other Institutions</td>
<td>1,195</td>
<td>1,195</td>
<td>2,207</td>
<td>2,207</td>
<td>2,207</td>
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<tr>
<td><strong>4- GOVERNMENT &amp; NON FIN. INTERNAT. INSTIT.</strong></td>
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<td>4.1- Ordinary Accounts &amp; assim.</td>
<td>1,856</td>
<td>1,856</td>
<td>1,945</td>
<td>2,674</td>
<td>2,674</td>
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<td>4.2- Time deposits or borrowing</td>
<td>297</td>
<td>297</td>
<td>24</td>
<td>129</td>
<td>129</td>
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<td>4.3- Earmarked funds</td>
<td>2,295</td>
<td>2,295</td>
<td>7,739</td>
<td>9,111</td>
<td>9,111</td>
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<td><strong>5- OTHER ECONOMIC AGENTS</strong></td>
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<tr>
<td>5.1- Sight Deposits</td>
<td>186,367</td>
<td>192,424</td>
<td>192,424</td>
<td>181,347</td>
<td>242,979</td>
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<td>5.2- Time Deposits &amp; Simil Dep.</td>
<td>64,686</td>
<td>66,487</td>
<td>54,939</td>
<td>38,309</td>
<td>38,309</td>
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<tr>
<td>5.3- Saving Deposits</td>
<td>26,111</td>
<td>26,275</td>
<td>23,478</td>
<td>35,897</td>
<td>n.a.</td>
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<tr>
<td>5.4- Misc.</td>
<td>32,232</td>
<td>33,045</td>
<td>28,171</td>
<td>41,296</td>
<td>n.a.</td>
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<tr>
<td><strong>6- OTHER LIABILITIES</strong></td>
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<tr>
<td>6.1- Miscellaneous Creditors</td>
<td>60,675</td>
<td>61,002</td>
<td>61,110</td>
<td>76,753</td>
<td>8,058</td>
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<td>6.2- lt. In susp./in course of transm.</td>
<td>20,036</td>
<td>18,138</td>
<td>23,311</td>
<td>34,379</td>
<td>n.a.</td>
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<td>6.3- Reconciliation accounts</td>
<td>34,174</td>
<td>37,722</td>
<td>34,920</td>
<td>37,201</td>
<td>37,201</td>
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<td><strong>7- OWN FUNDS, PROVISIONS &amp; RESERVES</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>7.1- Paid up Capital</td>
<td>143,887</td>
<td>149,778</td>
<td>137,973</td>
<td>41,728</td>
<td>62,367</td>
</tr>
<tr>
<td>7.2- Provisions for losses</td>
<td>66,851</td>
<td>66,851</td>
<td>74,054</td>
<td>0</td>
<td>23,691</td>
</tr>
<tr>
<td>7.3- Reserves &amp; assim.</td>
<td>14,523</td>
<td>128,386</td>
<td>42,535</td>
<td>41,728</td>
<td>38,676</td>
</tr>
<tr>
<td>7.4- Carried Forward</td>
<td>62,513</td>
<td>21,392</td>
<td>21,392</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>8- PROFITS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>458,617</td>
<td>443,923</td>
<td>395,955</td>
<td>407,075</td>
<td>29,159</td>
</tr>
</tbody>
</table>

Source: Data provided by the “Commission Bancaire”

(\(*) = Rest of the World
\(\#\#\) = 15 months
### SGB-CI
**BALANCE SHEET: 1991-1995**

#### OFF-BALANCE SHEET ITEMS

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>6,128</td>
<td>4,296</td>
<td>4,139</td>
<td>10,754</td>
<td>23,934</td>
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<tr>
<td><strong>UNDISBURSED CONFIRMED CREDITS</strong></td>
<td>245,533</td>
<td>237,366</td>
<td>267,242</td>
<td>232,470</td>
<td>235,947</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>350,645</td>
<td>328,155</td>
<td>341,368</td>
<td>330,087</td>
<td>362,888</td>
</tr>
</tbody>
</table>

Source: Data provided by the "Commission Bancaire"

(*) = 15 months

### SGBCI
**MAJOR BANKING RATIOS**

<table>
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</thead>
<tbody>
<tr>
<td><strong>1°- Capital base (CB)</strong></td>
<td>-24,343</td>
<td>15,299</td>
<td>-2,584</td>
<td>-4,974</td>
<td>21,083</td>
</tr>
<tr>
<td><strong>2°- Capital Adequacy ratio</strong>&lt;br&gt;(Minimum 4% of CB)</td>
<td>not applicable</td>
<td>4.4%</td>
<td>not applicable</td>
<td>not applicable</td>
<td>4.8%</td>
</tr>
<tr>
<td><strong>3°- Coverage of tangible assets &amp; Participating interests</strong>&lt;br&gt;(Maximum 100% of CB)</td>
<td>not applicable</td>
<td>68.8%</td>
<td>not applicable</td>
<td>not applicable</td>
<td>47.0%</td>
</tr>
<tr>
<td><strong>4°- Connected-lending Ratio (lending to Board members, managers and bank’s staff)</strong>&lt;br&gt;(Maximum 20% of CB)</td>
<td>not applicable</td>
<td>17.7%</td>
<td>not applicable</td>
<td>not applicable</td>
<td>12.2%</td>
</tr>
<tr>
<td><strong>5°- Risk Concentration ratios</strong>&lt;br&gt;(a) Individual loans&lt;br&gt;(Max = 100% CB)</td>
<td>not applicable</td>
<td>o.k.</td>
<td>not applicable</td>
<td>not applicable</td>
<td>not available</td>
</tr>
<tr>
<td><strong>(b) Overall lending</strong>&lt;br&gt;(Max = 10 times CB)</td>
<td>not applicable</td>
<td>o.k.</td>
<td>not applicable</td>
<td>not applicable</td>
<td>not available</td>
</tr>
<tr>
<td><strong>6°- Liquidity Ratio</strong>&lt;br&gt;(Minimum = 60%)</td>
<td>28.4%</td>
<td>63.5%</td>
<td>42.2%</td>
<td>45.9%</td>
<td>42.5%</td>
</tr>
<tr>
<td><strong>7° Total bank’s staff</strong></td>
<td>1,076</td>
<td>1,044</td>
<td>1,035</td>
<td>1,031</td>
<td>1,037</td>
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<tr>
<td><strong>8°- Staff expenses (wages etc.)</strong>&lt;br&gt;(as reported in the I &amp; L account)</td>
<td>6,638</td>
<td>6,878</td>
<td>6,939</td>
<td>7,613</td>
<td>10,765</td>
</tr>
</tbody>
</table>
SGBCI

FINANCIAL STATEMENTS: 1991-1995
ANALYSIS OF INCOME AND LOSS ACCOUNTS

(FCFA million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1- Interest and similar income received</td>
<td>n.a.</td>
<td>42,217</td>
<td>42,109</td>
<td>38,161</td>
<td>47,280</td>
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<tr>
<td>(a) Operations in cash</td>
<td>n.a.</td>
<td>172</td>
<td>68</td>
<td>226</td>
<td>2,384</td>
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<tr>
<td>(b) Operations with Fin. Institut.</td>
<td>n.a.</td>
<td>241</td>
<td>280</td>
<td>417</td>
<td>277</td>
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<tr>
<td>(c) Operations with Government</td>
<td>n.a.</td>
<td>7</td>
<td>823</td>
<td>2,160</td>
<td>2,353</td>
</tr>
<tr>
<td>(d) Operations with other agents</td>
<td>n.a.</td>
<td>41,798</td>
<td>40,938</td>
<td>35,358</td>
<td>42,266</td>
</tr>
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<td>- short term credits</td>
<td>n.a.</td>
<td>28,385</td>
<td>27,558</td>
<td>19,822</td>
<td>23,716</td>
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<td>- medium term credits</td>
<td>n.a.</td>
<td>6,963</td>
<td>4,739</td>
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<td>7,685</td>
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<tr>
<td>- long term credits</td>
<td>n.a.</td>
<td>3,144</td>
<td>5,185</td>
<td>4,538</td>
<td>4,945</td>
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<tr>
<td>- other</td>
<td>n.a.</td>
<td>3,306</td>
<td>3,456</td>
<td>4,263</td>
<td>5,920</td>
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<tr>
<td>2- Interest and similar income paid</td>
<td>n.a.</td>
<td>25,691</td>
<td>27,639</td>
<td>20,504</td>
<td>15,991</td>
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<tr>
<td>(a) Operations in cash</td>
<td>n.a.</td>
<td>14,295</td>
<td>14,281</td>
<td>5,978</td>
<td>1,927</td>
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<td>(b) Operations with Fin. Institut.</td>
<td>n.a.</td>
<td>502</td>
<td>573</td>
<td>1,627</td>
<td>371</td>
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<tr>
<td>(c) Operations with Government</td>
<td>n.a.</td>
<td>20</td>
<td>1,294</td>
<td>1,847</td>
<td>1,150</td>
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<tr>
<td>(d) Operations with other agents</td>
<td>n.a.</td>
<td>10,875</td>
<td>11,492</td>
<td>11,052</td>
<td>12,544</td>
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<td>- sight deposits</td>
<td>n.a.</td>
<td>390</td>
<td>343</td>
<td>181</td>
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<td>- Time deposits &amp; simil. accounts</td>
<td>n.a.</td>
<td>7,003</td>
<td>6,864</td>
<td>7,332</td>
<td>7,310</td>
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<td>- Saving deposits &amp; simil. accounts</td>
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<td>3,482</td>
<td>4,285</td>
<td>3,539</td>
<td>3,987</td>
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<td>3- Interest differential income = 1 - 2</td>
<td>n.a.</td>
<td>16,627</td>
<td>14,470</td>
<td>17,657</td>
<td>31,289</td>
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<td>4- Commissions and fees received</td>
<td>n.a.</td>
<td>3,225</td>
<td>3,162</td>
<td>4,811</td>
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<td>(a) Commercial bills transactions</td>
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<td>419</td>
<td>383</td>
<td>653</td>
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<td>(b) Foreign exchange and transfers</td>
<td>n.a.</td>
<td>243</td>
<td>290</td>
<td>771</td>
<td>822</td>
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<td>(c) Contingent liabilities</td>
<td>n.a.</td>
<td>1,264</td>
<td>1,470</td>
<td>2,158</td>
<td>4,315</td>
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<td>(d) Other</td>
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<td>983</td>
<td>1,499</td>
<td>3,052</td>
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<td>5- Other banking expenses</td>
<td>n.a.</td>
<td>10</td>
<td>104</td>
<td>373</td>
<td>104</td>
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<td>6- Net Banking Income = 3 + 4 - 5</td>
<td>n.a.</td>
<td>19,741</td>
<td>17,528</td>
<td>22,095</td>
<td>40,026</td>
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<td>7- Other income and expenses, net</td>
<td>n.a.</td>
<td>-11,050</td>
<td>-11,449</td>
<td>-12,756</td>
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<td>7.1- Miscellaneous income (+)</td>
<td>n.a.</td>
<td>507</td>
<td>434</td>
<td>539</td>
<td>20,890</td>
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<td>7.2- Operating expenses (-)</td>
<td>n.a.</td>
<td>11,557</td>
<td>11,882</td>
<td>13,295</td>
<td>17,909</td>
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<td>(a) Salaries and related benefits</td>
<td>n.a.</td>
<td>6,878</td>
<td>6,939</td>
<td>7,613</td>
<td>10,765</td>
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<td>(b) Indirect taxes</td>
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<td>901</td>
<td>1,098</td>
<td>973</td>
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<td>(c) Miscellaneous</td>
<td>n.a.</td>
<td>3,930</td>
<td>4,043</td>
<td>4,584</td>
<td>6,171</td>
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<td>8- Gross Operating Income = 6 - 7</td>
<td>n.a.</td>
<td>8,692</td>
<td>6,079</td>
<td>9,339</td>
<td>43,007</td>
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<td>8.1- minus: Amortization</td>
<td>n.a.</td>
<td>1,831</td>
<td>1,690</td>
<td>1,907</td>
<td>2,519</td>
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<td>= 9- Risk coverage Margin</td>
<td>n.a.</td>
<td>6,861</td>
<td>4,389</td>
<td>7,432</td>
<td>40,488</td>
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<td>- 9.1- Bad debt exp. &amp; loan loss prov.</td>
<td>n.a.</td>
<td>7,685</td>
<td>8,000</td>
<td>4,680</td>
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<td>- 9.2- Recov. &amp; l. loss prov. writ. back</td>
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<td>= 10- Net Operating income</td>
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<td>181</td>
<td>640</td>
<td>11,241</td>
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<td>- 10.2- Other expenses</td>
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<td>2,165</td>
<td>2,334</td>
<td>4,361</td>
<td>7,147</td>
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<td>- 10.3- Corporate income tax</td>
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<td>1</td>
<td>1</td>
<td>59</td>
<td>1,000</td>
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= Net Profit

n.a.  | 991  | 406  | 778  | 12,168|

Source: Data provided by the "Commission Bancaire". (*) = 15 months
### COTE D'IVOIRE

#### BANKING STATISTICS

**SIB**

**BALANCE SHEET: 1991-1995**

(in millions of CFAF)

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<td>101</td>
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<td>329</td>
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<td>338</td>
<td>346</td>
<td>329</td>
<td>335</td>
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<td>3.2 - Loans &amp; Advances</td>
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<td>241</td>
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<td>143</td>
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<td>745</td>
<td>564</td>
<td>346</td>
<td>1,144</td>
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<td>4.1 - Registered Fin. Instit.</td>
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<td>745</td>
<td>564</td>
<td>346</td>
<td>1,144</td>
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<td>4.2 - Other Fin. Institut.</td>
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<td>745</td>
<td>564</td>
<td>346</td>
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<td>23,147</td>
<td>21,596</td>
<td>18,061</td>
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<td>64,768</td>
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<td>66,283</td>
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<td>6. OTHER ECONOMIC AGENTS</td>
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<td>93,828</td>
<td>91,099</td>
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<td>6.2 - Other Short Term Credits</td>
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<td>44,842</td>
<td>39,298</td>
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<td>91,952</td>
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<td>6.3 - Medium Term Credits</td>
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<td>6.4 - Long Term Credits</td>
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<td>6.5 - Non performing Loans</td>
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<td>70</td>
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<td>(a) Not repaid &amp; Outstanding</td>
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<td>8,246</td>
<td>215</td>
<td>70</td>
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<td>(b) Doubtful</td>
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<td>7. OTHER ITEMS</td>
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<td>7.1 - Debits in course of collect.</td>
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<td>6,134</td>
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<td>7.2 - Miscel. debtors</td>
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<td>7.3 - Shares &amp; other particip. interest</td>
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<td>55</td>
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<td>2,595</td>
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<td>9. TANGIBLE ASSETS</td>
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<td>7,380</td>
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<td>10. MEMORANDUM ACCOUNTS AND MISCELLANEOUS</td>
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<td>2,865</td>
<td>194,736</td>
<td>2,765</td>
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<td>10.1 - With branches</td>
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<td>10.2 - Reconciliation accounts</td>
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<td>10.3 - Syndicated credits</td>
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<td>1,713</td>
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<td>11. NET INCOME (Losses)</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td>215,670</td>
<td>2,865</td>
<td>194,736</td>
<td>2,765</td>
<td>198,101</td>
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(***) = Rest of the World

(*) = 15 months
### Annex 2

#### SIB

**BALANCE SHEET: 1991-1995**

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<td>Total of which</td>
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<td>Total of which</td>
<td>Total of which</td>
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<td>ROW**</td>
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<td>ROW</td>
<td>ROW</td>
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<td>1- CENTRAL BANK</td>
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<td>2.4- Other</td>
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<td>3.2- Other Institutions</td>
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<td>4- GOVERNMENT &amp; NON FIN. INTERNAT. INSTIT.</td>
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<td>516</td>
<td>6,022</td>
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<td>4.2- Time deposits or borrowing</td>
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<td>119</td>
<td>907</td>
<td>1,039</td>
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<td>4.3- Earmarked funds</td>
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<td>3,657</td>
<td>4,384</td>
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<td>5- OTHER ECONOMIC AGENTS</td>
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<td>70,959</td>
<td>249</td>
<td>74,676</td>
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<td>5.3- Saving Deposits</td>
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<td>6- OTHER LIABILITIES</td>
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<td>4,000</td>
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<td>7.2- Provisions for losses</td>
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Source: Data provided by the "Commission Bancaire"  
(**) = Rest of the World  
(*) = 15 months
SIB
BALANCE SHEET: 1991-1995
OFF-BALANCE SHEET ITEMS

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<td><strong>Total</strong></td>
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<td>19,439</td>
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<td>59,494</td>
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Source: Data provided by the "Commission Bancaire"

SIB
MAJOR BANKING RATIOS

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<td><strong>1° Capital base (CB)</strong></td>
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<td>3,861</td>
<td>4,375</td>
<td>4,350</td>
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<td>5.1%</td>
<td>4.9%</td>
<td>5.0%</td>
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<tr>
<td>(Minimum 4% of CB)</td>
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<td><strong>3° Coverage of tangible assets &amp; Participating interests</strong></td>
<td>n.a.</td>
<td>91.6%</td>
<td>78.3%</td>
<td>71.6%</td>
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<tr>
<td>(Maximum 100 % of CB)</td>
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<td><strong>4° Connected-lending Ratio (lending to Board members, managers and bank's staff)</strong></td>
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<td>23.8%</td>
<td>20.0%</td>
<td>19.9%</td>
<td>15.6%</td>
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<tr>
<td>(Maximum 20% of CB)</td>
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<td><strong>5° Risk Concentration ratios</strong></td>
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<td>2 infringements</td>
<td>1 infringement</td>
<td>3 infringements</td>
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<tr>
<td>(a) Individual loans</td>
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<tr>
<td>(b) Overall lending</td>
<td>(Max = 10 times CB)</td>
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<td>o.k.</td>
<td>o.k.</td>
<td>o.k.</td>
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<td><strong>6° Liquidity Ratio</strong></td>
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<td>71.3%</td>
<td>72.0%</td>
<td>71.4%</td>
<td>67.5%</td>
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<tr>
<td>(Minimum = 60%)</td>
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<td><strong>7° Total bank's staff</strong></td>
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<td>643</td>
<td>635</td>
<td>624</td>
<td>612</td>
</tr>
<tr>
<td><strong>8° Staff expenses (wages etc.)</strong></td>
<td>2,764</td>
<td>3,430</td>
<td>3,351</td>
<td>4,417</td>
<td>5,760</td>
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<tr>
<td>(as reported in the I &amp; L account)</td>
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### S I B

**FINANCIAL STATEMENTS: 1991-1995**

**ANALYSIS OF INCOME AND LOSS ACCOUNTS**

(FCFA million)

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</thead>
<tbody>
<tr>
<td>1- Interest and similar income received</td>
<td>n.a.</td>
<td>11,440</td>
<td>11,419</td>
<td>11,991</td>
<td>14,640</td>
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<tr>
<td>(a) Operations in cash</td>
<td>n.a.</td>
<td>70</td>
<td>92</td>
<td>777</td>
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<td>(b) Operations with Fin. Instit.</td>
<td>n.a.</td>
<td>104</td>
<td>133</td>
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<td>102</td>
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<td>(c) Operations with Government</td>
<td>n.a.</td>
<td>5</td>
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<td>(d) Operations with other agents</td>
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<td>11,261</td>
<td>11,192</td>
<td>11,140</td>
<td>13,589</td>
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<td>- short term credits</td>
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<td>6,904</td>
<td>6,530</td>
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<td>- long term credits</td>
<td>350</td>
<td>1,305</td>
<td>1,329</td>
<td>1,601</td>
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<td>- other</td>
<td>196</td>
<td>22</td>
<td>120</td>
<td>238</td>
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<td>2- Interest and similar income paid</td>
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<td>11,194</td>
<td>10,310</td>
<td>9,672</td>
<td>7,330</td>
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<td>(a) Operations in cash</td>
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<td>5,982</td>
<td>4,531</td>
<td>4,202</td>
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<td>0</td>
<td>0</td>
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<td>(c) Operations with Government</td>
<td>n.a.</td>
<td>888</td>
<td>539</td>
<td>642</td>
<td>751</td>
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<td>(d) Operations with other agents</td>
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<td>4,325</td>
<td>5,241</td>
<td>4,828</td>
<td>4,074</td>
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<td>- sight deposits</td>
<td>332</td>
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<td>- Time deposits &amp; simil. accounts</td>
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<td>3,480</td>
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<td>- Saving deposits &amp; simil. accounts</td>
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<td>1,091</td>
<td>1,371</td>
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<td>3- Interest differential income = 1 - 2</td>
<td>n.a.</td>
<td>245</td>
<td>1,108</td>
<td>2,319</td>
<td>7,310</td>
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<td>4- Commissions and fees received</td>
<td>n.a.</td>
<td>2,495</td>
<td>2,736</td>
<td>3,748</td>
<td>6,916</td>
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<td>(a) Commercial bills transactions</td>
<td>n.a.</td>
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<td>124</td>
<td>181</td>
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<td>(b) Foreign exchange and transfers</td>
<td>n.a.</td>
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<td>415</td>
<td>612</td>
<td>1,116</td>
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<td>(c) Contingent liabilities</td>
<td>n.a.</td>
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<td>324</td>
<td>515</td>
<td>1,133</td>
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<td>(d) Other</td>
<td>n.a.</td>
<td>1,781</td>
<td>1,906</td>
<td>2,498</td>
<td>4,486</td>
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<td>5- Other banking expenses</td>
<td>n.a.</td>
<td>56</td>
<td>46</td>
<td>101</td>
<td>94</td>
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<td>6- Net Banking Income = 3 + 4 - 5</td>
<td>n.a.</td>
<td>2,685</td>
<td>3,798</td>
<td>5,966</td>
<td>14,132</td>
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<td>7- Other income and expenses, net</td>
<td>n.a.</td>
<td>-3,984</td>
<td>-3,503</td>
<td>-4,333</td>
<td>-5,875</td>
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<td>7.1- Miscellaneous income (+)</td>
<td>n.a.</td>
<td>1,753</td>
<td>2,155</td>
<td>2,364</td>
<td>3,139</td>
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<td>7.2- Operating expenses (-)</td>
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<td>5,658</td>
<td>6,697</td>
<td>9,014</td>
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<td>(a) Salaries and related benefits</td>
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<td>3,351</td>
<td>4,417</td>
<td>5,760</td>
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<td>(b) Indirect taxes</td>
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<td>519</td>
<td>490</td>
<td>314</td>
<td>380</td>
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<td>1,818</td>
<td>1,966</td>
<td>2,875</td>
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<td>8- Gross Operating Income = 6 - 7</td>
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<td>-1,299</td>
<td>294</td>
<td>1,633</td>
<td>8,257</td>
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<td>8.1- minus: Amortization</td>
<td>n.a.</td>
<td>595</td>
<td>609</td>
<td>616</td>
<td>810</td>
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<td>9- Risk coverage Margin</td>
<td>n.a.</td>
<td>-1,895</td>
<td>-315</td>
<td>1,016</td>
<td>7,447</td>
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<td>- 9.1- Bad debt exp. &amp; loan loss prov.</td>
<td>n.a.</td>
<td>3,421</td>
<td>2,131</td>
<td>2,468</td>
<td>3,745</td>
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<td>+ 9.2- Recov. &amp; l. loss. prov. writ. back</td>
<td>n.a.</td>
<td>3,950</td>
<td>2,421</td>
<td>1,774</td>
<td>2,167</td>
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<td>10- Net Operating income</td>
<td>n.a.</td>
<td>-1,366</td>
<td>-24</td>
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<td>5,870</td>
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<td>+ 10.1- Other revenues</td>
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<td>497</td>
<td>20,981</td>
<td>661</td>
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<td>- 10.2- Other expenses</td>
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<td>46</td>
<td>21,591</td>
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<td>- 10.3- Corporate income tax</td>
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<td>1</td>
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<td>= Net Profit</td>
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<td>-139</td>
<td>426</td>
<td>-317</td>
<td>6,447</td>
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Source: Data provided by the "Commission Bancaire".

(*) = 15 months
COTE D’IVOIRE
BANKING STATISTICS
BIAO-CI
BALANCE SHEET: 1991-1995
(in millions of CFAF)

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<td>RoW</td>
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<td>1- CASH</td>
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<td>1.1 - Currency</td>
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<td>1.3 - Foreign Notes and coins</td>
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<td>537</td>
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<td>438</td>
<td>392</td>
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<td>3.3 - Other</td>
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<td>636</td>
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<td>5,048</td>
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<td>3.4 - Other</td>
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<td>1,550</td>
<td>916</td>
<td>956</td>
<td>2,044</td>
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<tr>
<td>3.5 - Other Fin. Institut.</td>
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<td>13,929</td>
<td>12,646</td>
<td>2,044</td>
<td>3,044</td>
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<td>4- OTHER FIN. INSTITUT.</td>
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<tr>
<td>4.1 - Registered Fin. Institut.</td>
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<td>1,550</td>
<td>916</td>
<td>956</td>
<td>2,044</td>
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<td>4.2 - Other Fin. Institut.</td>
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<td></td>
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</tr>
<tr>
<td>5- GOVERNMENT &amp; NON FIN. INTERNAT. INSTIT.</td>
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<td>5,192</td>
<td>130,160</td>
<td>130,160</td>
<td>130,160</td>
</tr>
<tr>
<td>5.1 - Ordinary Accounts &amp; Sim. Acc.</td>
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<td>47,330</td>
<td>5,192</td>
<td>5,192</td>
<td>5,192</td>
</tr>
<tr>
<td>5.2 - Loans &amp; Advances</td>
<td>1,073</td>
<td>13,929</td>
<td>12,646</td>
<td>2,044</td>
<td>3,044</td>
</tr>
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<td>5.3 - Gov. Securities &amp; Simil. Sec.</td>
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<td>5,192</td>
<td>130,160</td>
<td>130,160</td>
<td>130,160</td>
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<td>5.4 - Gov. Bonds &amp; Simil. Bonds</td>
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<td>5,192</td>
<td>130,160</td>
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<td>130,160</td>
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<tr>
<td>6- OTHER ECONOMIC AGENTS</td>
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<td>5,192</td>
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<td>130,160</td>
<td>130,160</td>
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<tr>
<td>6.1 - Commercial bills in portfolio</td>
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<td>5,192</td>
<td>5,192</td>
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<td>6.2 - Other Short Term Credits</td>
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<td>6.3 - Medium Term Credits</td>
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<td>130,160</td>
<td>130,160</td>
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<tr>
<td>6.4 - Long Term Credits</td>
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<td>130,160</td>
<td>130,160</td>
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<tr>
<td>6.5 - Non performing Loans</td>
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<td>47,330</td>
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<td>5,192</td>
<td>5,192</td>
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<tr>
<td>6.6 - Other outstanding items</td>
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<td>5,192</td>
<td>130,160</td>
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<td>7- OTHER ITEMS</td>
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<td>7.1 - Debts in course of collect.</td>
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<td>7.2 - Miscellaneous</td>
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<td>6,277</td>
<td>5,415</td>
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<td>84</td>
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<td>7.3 - Shares &amp; other particip. interest</td>
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<td>6,277</td>
<td>5,415</td>
<td>56</td>
<td>84</td>
</tr>
<tr>
<td>7.4 - Other outstanding items</td>
<td>2,698</td>
<td>6,277</td>
<td>5,415</td>
<td>56</td>
<td>84</td>
</tr>
<tr>
<td>8- INTANGIBLE ASSETS</td>
<td>1,666</td>
<td>1,484</td>
<td>1,405</td>
<td>1,354</td>
<td>1,314</td>
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<td>9- TANGIBLE ASSETS</td>
<td>8,123</td>
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<td>10- MEMORANDUM ACCOUNTS AND MISCELLANEOUS</td>
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<td>10.1 - Wito branches</td>
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<td>77</td>
<td>600</td>
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<td>10.3 - Syndicated credits</td>
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<td>1,315</td>
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<td>10.4 - Miscellaneous</td>
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<td>86</td>
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<td>11- NET INCOME (Losses)</td>
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<td>TOTAL ASSETS</td>
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<td>11,765</td>
<td>182,977</td>
<td>6,905</td>
<td>172,638</td>
</tr>
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</table>

(**) = Rest of the World
(*) = 15 months
### Annex 2

#### BIAO-CI

**BALANCE SHEET: 1991-1995**

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<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
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</tr>
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<td>of which</td>
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<td>of which</td>
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<td>ROW</td>
<td>ROW</td>
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<td>ROW</td>
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</table>

1. **CENTRAL BANK**

1.1- Money Market

1.2- Other refinancing

1.3- Consolidated refinancing

2. **BANKS & BANKING CORRESP.**

2.1- Ordinary accounts

2.2- Not earmarked liabilities

2.3- Earmarked liabilities

2.4- Other

3. **OTHER FINANCIAL INSTIT.**

3.1- Registered Fin. Institut.

3.2- Other Institutions

4. **GOVERNMENT & NON FIN. INTERNAT. INSTIT.**

4.1- Ordinary Accounts & assim.

4.2- Time deposits or borrowing

4.3- Earmarked funds

5. **OTHER ECONOMIC AGENTS**

5.1- Sight Deposits

5.2- Time Deposits & Simil Dep.

5.3- Saving Deposits

5.4- Misc.

6. **OTHER LIABILITIES**

6.1- Miscellaneous Creditors

6.2- It. in susp./in course of transm.

6.3- Reconciliation accounts

7. **OWN FUNDS, PROVISIONS & RESERVES**

7.1- Paid up Capital

7.2- Provisions for losses

7.3- Reserves & assim.

7.4- Carried Forward

8. **PROFITS**

**TOTAL LIABILITIES**

Source: Data provided by the "Commission Bancaire"

(**) = Rest of the World

(*) = 15 months

---

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<th>Year</th>
<th>Total Liabilities</th>
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<th>ROW</th>
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<td>2,560</td>
<td>187,877</td>
<td>2,128</td>
<td>172,638</td>
<td>1,859</td>
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<tr>
<td>1992</td>
<td>217,238</td>
<td>2,560</td>
<td>187,877</td>
<td>2,128</td>
<td>172,638</td>
<td>1,859</td>
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<tr>
<td>1993</td>
<td>205,000</td>
<td>2,560</td>
<td>187,877</td>
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<td>1,859</td>
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<td>1994</td>
<td>153,934</td>
<td>2,560</td>
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<td>2,128</td>
<td>172,638</td>
<td>1,859</td>
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<tr>
<td>1995</td>
<td>215,898</td>
<td>2,560</td>
<td>187,877</td>
<td>2,128</td>
<td>172,638</td>
<td>1,859</td>
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### BIAOCI

#### BALANCE SHEET: 1991-1995

**OFF-BALANCE SHEET ITEMS**

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<tr>
<td><strong>Total</strong></td>
<td>1,135</td>
<td>978</td>
<td>342</td>
<td>2,496</td>
<td>2,550</td>
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<tr>
<td><strong>1- UNDISBURSED CONFIRMED CREDITS</strong></td>
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<tr>
<td>100,440</td>
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<td></td>
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<tr>
<td><strong>2- LIABILITIES THROUGH BANKS ACCEPTANCE</strong></td>
<td></td>
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<tr>
<td>46,907</td>
<td></td>
<td></td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>148,482</td>
<td>86,962</td>
<td>86,554</td>
<td>91,576</td>
<td>81,124</td>
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</table>

Source: Data provided by the "Commission Bancaire"

(*) = 15 months

### BIAO-CI

#### MAJOR BANKING RATIOS

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</thead>
<tbody>
<tr>
<td><strong>1° Capital base (CB)</strong></td>
<td>-31,804</td>
<td>5,129</td>
<td>4,109</td>
<td>7,403</td>
<td>7,440</td>
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<tr>
<td><strong>2° Capital Adequacy ratio</strong> (Minimum 4% of CB)</td>
<td>not applicable</td>
<td>3.0%</td>
<td>3.2%</td>
<td>6.1%</td>
<td>5.1%</td>
</tr>
<tr>
<td><strong>3° Coverage of tangible assets &amp; Participating interests</strong> (Maximum 100% of CB)</td>
<td>n.a.</td>
<td>147.7%</td>
<td>159.1%</td>
<td>95.0%</td>
<td>100.4%</td>
</tr>
<tr>
<td><strong>4° Connected-lending Ratio (lending to Board members, managers and bank's staff)</strong> (Maximum 20% of CB)</td>
<td>n.a.</td>
<td>36.2%</td>
<td>46.7%</td>
<td>24.8%</td>
<td>25.9%</td>
</tr>
<tr>
<td><strong>5° Risk Concentration ratios</strong> (a) Individual loans (Max = 100% CB)</td>
<td>n.a.</td>
<td>o.k.</td>
<td>n.a.</td>
<td>1 infringement</td>
<td>1 infringement</td>
</tr>
<tr>
<td>(b) Overall lending (Max = 10 times CB)</td>
<td>n.a.</td>
<td>o.k.</td>
<td>n.a.</td>
<td>o.k.</td>
<td>o.k.</td>
</tr>
<tr>
<td><strong>6° Liquidity Ratio</strong> (Minimum = 60%)</td>
<td>66.3%</td>
<td>64.0%</td>
<td>42.2%</td>
<td>33.4%</td>
<td>42.9%</td>
</tr>
<tr>
<td><strong>7° Total bank's staff</strong></td>
<td>615</td>
<td>607</td>
<td>602</td>
<td>606</td>
<td>603</td>
</tr>
<tr>
<td><strong>8° Staff expenses (wages etc.)</strong> (as reported in the I &amp; L account)</td>
<td>3,329</td>
<td>2,755</td>
<td>3,785</td>
<td>4,181</td>
<td>5,858</td>
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</table>
### Annex 2

#### BIAO-CI

**FINANCIAL STATEMENTS: 1991-1995**

**ANALYSIS OF INCOME AND LOSS ACCOUNTS**

(FCFA million)

<table>
<thead>
<tr>
<th>1,991</th>
<th>1,992</th>
<th>1,993</th>
<th>1,994</th>
<th>1,995 *</th>
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<tr>
<td><strong>1- Interest and similar income received</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Operations in cash</td>
<td>n.a.</td>
<td>12,427</td>
<td>17,330</td>
<td>15,834</td>
</tr>
<tr>
<td>(b) Operations with Fin. Institut.</td>
<td>n.a.</td>
<td>453</td>
<td>1,165</td>
<td>728</td>
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<tr>
<td>(c) Operations with Government</td>
<td>n.a.</td>
<td>78</td>
<td>103</td>
<td>145</td>
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<tr>
<td>(d) Operations with other agents</td>
<td>n.a.</td>
<td>294</td>
<td>3,700</td>
<td>711</td>
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<tr>
<td>- short term credits</td>
<td>n.a.</td>
<td>11,602</td>
<td>12,362</td>
<td>14,250</td>
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<td>- medium term credits</td>
<td>n.a.</td>
<td>9,211</td>
<td>11,533</td>
<td>10,947</td>
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<td>- long term credits</td>
<td>n.a.</td>
<td>0</td>
<td>0</td>
<td>236</td>
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<td>- other</td>
<td>n.a.</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td><strong>2- Interest and similar income paid</strong></td>
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<td></td>
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<tr>
<td>(a) Operations in cash</td>
<td>n.a.</td>
<td>8,886</td>
<td>11,364</td>
<td>8,155</td>
</tr>
<tr>
<td>(b) Operations with Fin. Institut.</td>
<td>n.a.</td>
<td>4,750</td>
<td>5,539</td>
<td>2,752</td>
</tr>
<tr>
<td>(c) Operations with Government</td>
<td>n.a.</td>
<td>61</td>
<td>41</td>
<td>0</td>
</tr>
<tr>
<td>(d) Operations with other agents</td>
<td>n.a.</td>
<td>2,390</td>
<td>5,384</td>
<td>5,214</td>
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<tr>
<td>- sight deposits</td>
<td>n.a.</td>
<td>232</td>
<td>144</td>
<td>131</td>
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<tr>
<td>- Time deposits &amp; simil. accounts</td>
<td>n.a.</td>
<td>2,374</td>
<td>3,335</td>
<td>3,567</td>
</tr>
<tr>
<td>- Saving deposits &amp; simil. accounts</td>
<td>n.a.</td>
<td>1,225</td>
<td>1,905</td>
<td>1,516</td>
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<tr>
<td><strong>3- Interest differential income = 1 - 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>n.a.</td>
<td>3,541</td>
<td>5,966</td>
<td>7,679</td>
<td>11,740</td>
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<tr>
<td><strong>4- Commissions and fees received</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Foreign exchange and transfers</td>
<td>n.a.</td>
<td>194</td>
<td>284</td>
<td>340</td>
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<tr>
<td>(b) Commercial bills transactions</td>
<td>n.a.</td>
<td>202</td>
<td>291</td>
<td>465</td>
</tr>
<tr>
<td>(c) Contingent liabilities</td>
<td>n.a.</td>
<td>312</td>
<td>366</td>
<td>433</td>
</tr>
<tr>
<td>(d) Other</td>
<td>n.a.</td>
<td>1,443</td>
<td>1,951</td>
<td>2,168</td>
</tr>
<tr>
<td><strong>5- Other banking expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n.a.</td>
<td>220</td>
<td>211</td>
<td>56</td>
<td>15</td>
</tr>
<tr>
<td><strong>6- Net Banking Income = 3 + 4 - 5</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>n.a.</td>
<td>5,472</td>
<td>8,647</td>
<td>11,029</td>
<td>16,969</td>
</tr>
<tr>
<td><strong>7- Other income and expenses, net</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n.a.</td>
<td>-4,664</td>
<td>-6,256</td>
<td>-7,309</td>
<td>-9,840</td>
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<tr>
<td><strong>7.1- Miscellaneous income (+)</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>n.a.</td>
<td>116</td>
<td>160</td>
<td>107</td>
<td>582</td>
</tr>
<tr>
<td><strong>7.2- Operating expenses (-)</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>n.a.</td>
<td>4,780</td>
<td>6,415</td>
<td>7,417</td>
<td>10,422</td>
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<tr>
<td>(a) Salaries and related benefits</td>
<td>n.a.</td>
<td>2,755</td>
<td>3,785</td>
<td>4,181</td>
</tr>
<tr>
<td>(b) Indirect taxes</td>
<td>n.a.</td>
<td>206</td>
<td>329</td>
<td>566</td>
</tr>
<tr>
<td>(c) Miscellaneous</td>
<td>n.a.</td>
<td>1,819</td>
<td>2,302</td>
<td>2,670</td>
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<tr>
<td><strong>8- Gross Operating Income = 6 - 7</strong></td>
<td></td>
<td></td>
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<tr>
<td>n.a.</td>
<td>808</td>
<td>2,391</td>
<td>3,720</td>
<td>7,129</td>
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<tr>
<td><strong>8.1- minus: Amortization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n.a.</td>
<td>941</td>
<td>996</td>
<td>760</td>
<td>920</td>
</tr>
<tr>
<td><strong>9- Risk coverage Margin</strong></td>
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<tr>
<td>n.a.</td>
<td>-133</td>
<td>1,395</td>
<td>2,959</td>
<td>6,209</td>
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<tr>
<td>- 9.1- Bad debt exp. &amp; loan loss prov.</td>
<td>n.a.</td>
<td>4,478</td>
<td>10,957</td>
<td>7,034</td>
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<tr>
<td>+ 9.2- Recov. &amp; l. loss prov. writ. back</td>
<td>n.a.</td>
<td>14,805</td>
<td>11,276</td>
<td>3,493</td>
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<tr>
<td><strong>10- Net Operating income</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>n.a.</td>
<td>10,195</td>
<td>1,714</td>
<td>-582</td>
<td>10,127</td>
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<tr>
<td>+ 10.1- Other revenues</td>
<td>n.a.</td>
<td>228</td>
<td>666</td>
<td>5,785</td>
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<tr>
<td>+ 10.2- Other expenses</td>
<td>n.a.</td>
<td>10,356</td>
<td>2,278</td>
<td>4,912</td>
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<td>- 10.3- Corporate income tax</td>
<td>n.a.</td>
<td>1</td>
<td>1</td>
<td>30</td>
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<tr>
<td><strong>= Net Profit</strong></td>
<td>n.a.</td>
<td>66</td>
<td>100</td>
<td>261</td>
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</table>

Source: Data provided by the "Commission Bancaire".

(*) = 15 months
## COTE D'IVOIRE
### INSURANCE COMPANIES

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<th></th>
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<tbody>
<tr>
<td></td>
<td>CFAF million</td>
<td>%</td>
<td>CFAF million</td>
<td>%</td>
<td>CFAF million</td>
</tr>
<tr>
<td><strong>1- Companies' Turnover</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.1- Grand Total</strong></td>
<td>50,329</td>
<td>100%</td>
<td>48,177</td>
<td>100%</td>
<td>50,743</td>
</tr>
<tr>
<td>(a)- Automobile</td>
<td>31,692</td>
<td>63%</td>
<td>30,213</td>
<td>63%</td>
<td>34,287</td>
</tr>
<tr>
<td>(b)- Fire</td>
<td>18,637</td>
<td>37%</td>
<td>17,694</td>
<td>37%</td>
<td>16,456</td>
</tr>
<tr>
<td>(c)- Shipping</td>
<td>6,591</td>
<td>13%</td>
<td>5,659</td>
<td>12%</td>
<td>6,102</td>
</tr>
<tr>
<td>(d)- Other transportation</td>
<td>4,244</td>
<td>8%</td>
<td>3,608</td>
<td>8%</td>
<td>3,849</td>
</tr>
<tr>
<td>(e)- Life</td>
<td>635</td>
<td>1%</td>
<td>715</td>
<td>1%</td>
<td>594</td>
</tr>
<tr>
<td>(f)- Other risks</td>
<td>12,637</td>
<td>25%</td>
<td>11,432</td>
<td>24%</td>
<td>12,234</td>
</tr>
<tr>
<td><strong>2- Value of claims settled</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2.1- Total</strong></td>
<td>26,304</td>
<td>100%</td>
<td>24,944</td>
<td>100%</td>
<td>29,080</td>
</tr>
<tr>
<td>of which automobile</td>
<td>11,173</td>
<td>42%</td>
<td>9,771</td>
<td>39%</td>
<td>9,616</td>
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<tr>
<td><strong>3- Value of damages claimed</strong></td>
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<td><strong>3.1- Total</strong></td>
<td>n.a</td>
<td></td>
<td>24,283</td>
<td>100%</td>
<td>34,680</td>
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<tr>
<td>(a)- Automobile</td>
<td>n.a</td>
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<td>5,987</td>
<td>25%</td>
<td>9,302</td>
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<tr>
<td>(b)- Fire</td>
<td>n.a</td>
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<td>1,905</td>
<td>8%</td>
<td>7,524</td>
</tr>
<tr>
<td>(c)- Shipping</td>
<td>n.a</td>
<td></td>
<td>956</td>
<td>4%</td>
<td>889</td>
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<tr>
<td>(d)- Other transportation</td>
<td>n.a</td>
<td></td>
<td>-4</td>
<td>0%</td>
<td>-165</td>
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<tr>
<td>(e)- Life</td>
<td>n.a</td>
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<td>6,727</td>
<td>28%</td>
<td>8,378</td>
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<tr>
<td>(f)- Other risks</td>
<td>n.a</td>
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<td>8,712</td>
<td>36%</td>
<td>8,752</td>
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<tr>
<td><strong>4- Insurance premiums receivable</strong></td>
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</tr>
<tr>
<td><strong>4.1- Total</strong></td>
<td>n.a</td>
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<td>48,996</td>
<td>100%</td>
<td>50,571</td>
</tr>
<tr>
<td>(a)- Automobile</td>
<td>n.a</td>
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<td>18,398</td>
<td>38%</td>
<td>16,623</td>
</tr>
<tr>
<td>(b)- Fire</td>
<td>n.a</td>
<td></td>
<td>5,626</td>
<td>11%</td>
<td>5,824</td>
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<tr>
<td>(c)- Shipping</td>
<td>n.a</td>
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<td>3,609</td>
<td>7%</td>
<td>3,778</td>
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<tr>
<td>(d)- Other transportation</td>
<td>n.a</td>
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<td>773</td>
<td>2%</td>
<td>564</td>
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<td>(e)- Life</td>
<td>n.a</td>
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<td>8,766</td>
<td>18%</td>
<td>11,367</td>
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<tr>
<td>(f)- Other risks</td>
<td>n.a</td>
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<td>11,824</td>
<td>24%</td>
<td>12,145</td>
</tr>
<tr>
<td><strong>5- Coverage ratio (4/3)</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>5.1- Total</strong></td>
<td>145.4%</td>
<td></td>
<td>201.8%</td>
<td></td>
<td>145.8%</td>
</tr>
<tr>
<td>(a)- Automobile</td>
<td>130.2%</td>
<td></td>
<td>307.3%</td>
<td></td>
<td>178.7%</td>
</tr>
<tr>
<td>(b)- Fire</td>
<td>183.1%</td>
<td></td>
<td>295.3%</td>
<td></td>
<td>77.4%</td>
</tr>
<tr>
<td>(c)- Shipping</td>
<td>165.4%</td>
<td></td>
<td>377.5%</td>
<td></td>
<td>425.0%</td>
</tr>
<tr>
<td>(d)- Other transportation</td>
<td>1968.5%</td>
<td></td>
<td>-19325.0%</td>
<td></td>
<td>-341.8%</td>
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<tr>
<td>(e)- Life</td>
<td>161.7%</td>
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<td>130.3%</td>
<td></td>
<td>135.7%</td>
</tr>
<tr>
<td>(f)- Other risks</td>
<td>135.4%</td>
<td></td>
<td>135.7%</td>
<td></td>
<td>138.8%</td>
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Sources: Data provided by the "Comité des Assureurs" of Côte d'Ivoire.
### Côte d'Ivoire

#### Insurance Companies

(Continued)

#### 6. Operating efficiency

<table>
<thead>
<tr>
<th>Year</th>
<th>CF A</th>
<th>%</th>
<th>CF A</th>
<th>%</th>
<th>CF A</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>n.a.</td>
<td>48,177</td>
<td>100%</td>
<td>50,743</td>
<td>100%</td>
<td>61,900</td>
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<tr>
<td>1992</td>
<td>n.a.</td>
<td>17,964</td>
<td>37.3%</td>
<td>16,456</td>
<td>32.4%</td>
<td>16,526</td>
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<td>1993</td>
<td>n.a.</td>
<td>5,659</td>
<td>11.7%</td>
<td>6,102</td>
<td>12.0%</td>
<td>7,795</td>
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<td>1994</td>
<td>n.a.</td>
<td>3,608</td>
<td>7.5%</td>
<td>3,849</td>
<td>7.6%</td>
<td>6,635</td>
</tr>
<tr>
<td>1995</td>
<td>n.a.</td>
<td>715</td>
<td>1.5%</td>
<td>594</td>
<td>1.2%</td>
<td>845</td>
</tr>
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</table>

#### 6.1- Amount of premium received

<table>
<thead>
<tr>
<th>Year</th>
<th>CF A</th>
<th>%</th>
<th>CF A</th>
<th>%</th>
<th>CF A</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>n.a.</td>
<td>6,143</td>
<td>100%</td>
<td>11,508</td>
<td>100%</td>
<td>14,883</td>
</tr>
<tr>
<td>1992</td>
<td>n.a.</td>
<td>17,964</td>
<td>100%</td>
<td>16,456</td>
<td>100%</td>
<td>16,526</td>
</tr>
<tr>
<td>1993</td>
<td>n.a.</td>
<td>5,659</td>
<td>100%</td>
<td>6,102</td>
<td>100%</td>
<td>7,795</td>
</tr>
<tr>
<td>1994</td>
<td>n.a.</td>
<td>3,608</td>
<td>100%</td>
<td>3,849</td>
<td>100%</td>
<td>6,635</td>
</tr>
<tr>
<td>1995</td>
<td>n.a.</td>
<td>715</td>
<td>100%</td>
<td>594</td>
<td>100%</td>
<td>845</td>
</tr>
</tbody>
</table>

#### 6.2- Operating income

<table>
<thead>
<tr>
<th>Year</th>
<th>CF A</th>
<th>%</th>
<th>CF A</th>
<th>%</th>
<th>CF A</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>n.a.</td>
<td>4,175</td>
<td>100%</td>
<td>1,605</td>
<td>100%</td>
<td>-1,346</td>
</tr>
<tr>
<td>1992</td>
<td>n.a.</td>
<td>4,631</td>
<td>100%</td>
<td>9</td>
<td>100%</td>
<td>-158</td>
</tr>
<tr>
<td>1993</td>
<td>n.a.</td>
<td>654</td>
<td>15.7%</td>
<td>838</td>
<td>22.7%</td>
<td>-45</td>
</tr>
<tr>
<td>1994</td>
<td>n.a.</td>
<td>295</td>
<td>7.1%</td>
<td>322</td>
<td>32.5%</td>
<td>-2,072</td>
</tr>
<tr>
<td>1995</td>
<td>n.a.</td>
<td>230</td>
<td>1.5%</td>
<td>398</td>
<td>24.8%</td>
<td>-110</td>
</tr>
</tbody>
</table>

#### 6.3- Efficiency ratio (= 6.2/6.1)

<table>
<thead>
<tr>
<th>Year</th>
<th>CF A</th>
<th>%</th>
<th>CF A</th>
<th>%</th>
<th>CF A</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>n.a.</td>
<td>25.8%</td>
<td>0.1%</td>
<td>12.9%</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>n.a.</td>
<td>11.6%</td>
<td>13.7%</td>
<td>-0.6%</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>n.a.</td>
<td>8.2%</td>
<td>11.6%</td>
<td>-31.2%</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>n.a.</td>
<td>32.2%</td>
<td>67.0%</td>
<td>-13.0%</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>n.a.</td>
<td>2.6%</td>
<td>9.9%</td>
<td>3.0%</td>
<td>n.a.</td>
<td></td>
</tr>
</tbody>
</table>

#### 7- Selected Financial Indicators for 1994

<table>
<thead>
<tr>
<th>Companies</th>
<th>Own Funds</th>
<th>Technic. Prov.</th>
<th>Profits</th>
<th>Return on</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Domestic Companies, Total</td>
<td>14,502</td>
<td>128,030</td>
<td>2,570</td>
<td>17.7%</td>
</tr>
<tr>
<td>Abidjanaisa</td>
<td>-956</td>
<td>2,053</td>
<td>12</td>
<td>-1.3%</td>
</tr>
<tr>
<td>AFRAM</td>
<td>454</td>
<td>2,053</td>
<td>29</td>
<td>-6.4%</td>
</tr>
<tr>
<td>AGCI</td>
<td>601</td>
<td>6,090</td>
<td>156</td>
<td>26.0%</td>
</tr>
<tr>
<td>AGCI Vie</td>
<td>202</td>
<td>1,458</td>
<td>72</td>
<td>35.6%</td>
</tr>
<tr>
<td>Alliance Africaine 3A</td>
<td>-1,228</td>
<td>4,397</td>
<td>330</td>
<td>-26.9%</td>
</tr>
<tr>
<td>Nationale d'Assurances</td>
<td>1,284</td>
<td>8,605</td>
<td>93</td>
<td>7.2%</td>
</tr>
<tr>
<td>COLINA</td>
<td>352</td>
<td>7,354</td>
<td>370</td>
<td>105.0%</td>
</tr>
<tr>
<td>Groupama-Vie</td>
<td>267</td>
<td>2,375</td>
<td>5</td>
<td>1.9%</td>
</tr>
<tr>
<td>MACI</td>
<td>2,135</td>
<td>9,623</td>
<td>-37</td>
<td>-1.7%</td>
</tr>
<tr>
<td>MCA-CI</td>
<td>340</td>
<td>4,649</td>
<td>25</td>
<td>7.4%</td>
</tr>
<tr>
<td>MATCA</td>
<td>739</td>
<td>4,827</td>
<td>174</td>
<td>23.5%</td>
</tr>
<tr>
<td>Protection Iv.- Vie</td>
<td>300</td>
<td>1,181</td>
<td>-8</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Safarriv</td>
<td>1,264</td>
<td>9,904</td>
<td>348</td>
<td>27.5%</td>
</tr>
<tr>
<td>Safarriv-Vie</td>
<td>445</td>
<td>5,640</td>
<td>172</td>
<td>38.6%</td>
</tr>
<tr>
<td>SIDAM</td>
<td>548</td>
<td>10,026</td>
<td>160</td>
<td>29.2%</td>
</tr>
<tr>
<td>SOMAVIE</td>
<td>150</td>
<td>2,027</td>
<td>191</td>
<td>127.3%</td>
</tr>
<tr>
<td>STAMVIE</td>
<td>752</td>
<td>6,540</td>
<td>15</td>
<td>2.0%</td>
</tr>
<tr>
<td>U.A.</td>
<td>3,672</td>
<td>23,795</td>
<td>408</td>
<td>11.1%</td>
</tr>
<tr>
<td>U.A. - Vie</td>
<td>3,181</td>
<td>14,523</td>
<td>113</td>
<td>3.6%</td>
</tr>
<tr>
<td>a) Foreign Companies, Total</td>
<td>n.a.</td>
<td>9,829</td>
<td>895</td>
<td>n.a.</td>
</tr>
<tr>
<td>Abeille</td>
<td>n.a.</td>
<td>0</td>
<td>-212</td>
<td>n.a.</td>
</tr>
<tr>
<td>ALICO</td>
<td>n.a.</td>
<td>0</td>
<td>-8</td>
<td>n.a.</td>
</tr>
<tr>
<td>Mutuelle du Mans</td>
<td>232</td>
<td>9,829</td>
<td>1,021</td>
<td>440.1%</td>
</tr>
<tr>
<td>Préservation Foncière</td>
<td>n.a.</td>
<td>0</td>
<td>94</td>
<td>n.a.</td>
</tr>
<tr>
<td>c) All Companies, Total</td>
<td>14,734</td>
<td>137,859</td>
<td>3,465</td>
<td>23.5%</td>
</tr>
</tbody>
</table>
### COTE D'IVOIRE

**ABIDJAN STOCK EXCHANGE**  
*(Bourse des Valeurs d'Abidjan - BVA)*

#### 1°- Shares

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A- Number of companies listed</td>
<td>24</td>
<td>27</td>
<td>24</td>
<td>27</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>B- Market Capitalization (CFAF billion)</td>
<td>92.11</td>
<td>99.47</td>
<td>98.12</td>
<td>194.78</td>
<td>388.86</td>
<td>433.00</td>
</tr>
<tr>
<td>C- Number of tradeable shares (million)</td>
<td>10.49</td>
<td>13.74</td>
<td>12.55</td>
<td>13.04</td>
<td>16.97</td>
<td></td>
</tr>
<tr>
<td>D- Number of shares traded</td>
<td>118,914</td>
<td>94,942</td>
<td>107,150</td>
<td>314,258</td>
<td>584,856</td>
<td>316,895 (5 month)</td>
</tr>
<tr>
<td>E- Value of shares traded (FCFA million)</td>
<td>1,468.49</td>
<td>987.44</td>
<td>1,297.88</td>
<td>6,126.52</td>
<td>6,896.91</td>
<td>5,164.63 (5 month)</td>
</tr>
<tr>
<td>F- Price Earnings Ratio</td>
<td>15.3</td>
<td>8.1</td>
<td>7.8</td>
<td>9.35</td>
<td>12.04</td>
<td>5.81 (May)</td>
</tr>
<tr>
<td>G- Average Rate of Return</td>
<td>9.2%</td>
<td>12.5%</td>
<td>15.6%</td>
<td>12.0%</td>
<td>8.0%</td>
<td>10.6%</td>
</tr>
<tr>
<td>H- &quot;12 VB&quot; Index*</td>
<td>n.a.</td>
<td>n.a.</td>
<td>81.18</td>
<td>121.49</td>
<td>199.10</td>
<td>222.69</td>
</tr>
</tbody>
</table>

#### 2°- Bonds

<table>
<thead>
<tr>
<th></th>
<th>n.a.</th>
<th>n.a.</th>
<th>n.a.</th>
<th>n.a.</th>
<th>n.a.</th>
<th>29</th>
</tr>
</thead>
<tbody>
<tr>
<td>A- Number of bonds listed</td>
<td>48.10</td>
<td>31.91</td>
<td>24.23</td>
<td>29.44</td>
<td>36.15</td>
<td>32.22 (May)</td>
</tr>
<tr>
<td>B- Market Capitalization (CFAF billion)</td>
<td>4.28</td>
<td>3.17</td>
<td>2.45</td>
<td>2.64</td>
<td>3.50</td>
<td>n.a.</td>
</tr>
<tr>
<td>C- Number of tradeable bonds (million)</td>
<td>38424</td>
<td>13678</td>
<td>13922</td>
<td>33437</td>
<td>11248</td>
<td>5201 (May)</td>
</tr>
<tr>
<td>D- Number of bonds traded</td>
<td>440.69</td>
<td>149.78</td>
<td>305.12</td>
<td>265.05</td>
<td>157.21</td>
<td>52.47</td>
</tr>
<tr>
<td>E- Value of bonds traded (FCFA million)</td>
<td>105</td>
<td>103</td>
<td>104</td>
<td>199</td>
<td>194</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

#### 3°- General market indicators

<table>
<thead>
<tr>
<th></th>
<th>102.23</th>
<th>62.89</th>
<th>90.51</th>
<th>128.95</th>
<th>277.18</th>
<th>323.55</th>
</tr>
</thead>
<tbody>
<tr>
<td>B- General Stock Exchange Index (&quot;BVA&quot; Index)</td>
<td>140.22</td>
<td>131.38</td>
<td>122.35</td>
<td>224.22</td>
<td>425.01</td>
<td>465.22</td>
</tr>
<tr>
<td>C- Overall Market Capitalization (CFAF Billion)</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6 (+3)**</td>
</tr>
</tbody>
</table>

**Notes:**

* The "12 VB Index" is based upon the 12 blue chips of the Bourse (BICICI, SAFCA, BLOHORN, SITAB, SOLIBRA, NESTLE-CI, SICOR, UNIWAX, FILTISAC, SICABLE, SODECI, CIE)

** There are 6 brokers (which are also banks: BIAO-CI, BICICI, SGBCI, SIB, CITIBANK, ECOBANK) and 3 "Apporteurs d'Affaires" (SUD-INVEST, AMANI KOUAME, ADIGOUN SALOMON)
4°- General market conditions (as of June 1996)

A- Brokerage fees

(i) Primary market: Selling fee: about 2% of the amount sold.

(ii) Secondary market: Brokerage fees:
(a) Government bonds: 0.5% of the amount of the transaction or portion of CFAF 1 000. Minimum CFAF 30.
(b) Other stocks: 0.8% of the amount of the transaction or portion of CFAF 1 000. Minimum CFAF 30.
(c) Allotment and subscription rights:
   below CFAF 1 000 = CFAF 6 for each right or portion of CFAF 1 000, minimum CFAF 30;
   above CFAF 1 000, 0.3%, minimum CFAF 30.
(d) These percentages are reduced by 1/3 for amounts comprised between CFAF 10-25 million. They are reduced by 1/2 for amounts above CFAF 25 million.
(e) The so called "apporteurs d'affaires" [business intermediaries] receive retrocessions based on a percentage of the related fees.

A- Stock Exchange fees

1°- "Centralization" fee: between 0.5% and 0.75% of the amount issued

2°- Yearly contribution for the cost of fixing
(a) Official listing ("Cote officielle"): 0.133 % of the market capitalization
(b) SMEs market ("Second marché"): 0.10 % of the market capitalization
(c) OTC market ("Marché hors-cote"): 0.05% of the amount of the transaction.

3°- Stock exchange taxes
(a) Government bonds issue: 0.2% of the amount of the transaction or portion of CFAF 1 000
(b) Other stocks and rights: 0.3% of the amount of the transaction or portion of CFAF 1 000
(c) These rates are reduced to 0.15% for amounts above CFAF 25 million.

Sources: Data provided by the "Bourse des Valeurs d'Abidjan" [BVA].
## COTE D'IVOIRE
### Financial Sector Adjustment Program
#### FINAL ESTIMATED COST OF THE PROGRAM

**CFAF Billion**

### 1- SETTLEMENT OF PUBLIC SECTOR ARREARS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 - Crop Credits Consolidation by BCEAO</td>
<td>80.0</td>
</tr>
<tr>
<td>1.2 - Securitization of direct arrears towards banks</td>
<td>168.0</td>
</tr>
<tr>
<td>1.3 - Settlement in cash of arrears towards banks</td>
<td>14.0</td>
</tr>
<tr>
<td>a) Major banks</td>
<td>12.0</td>
</tr>
<tr>
<td>b) Small banks</td>
<td>2.0</td>
</tr>
<tr>
<td>1.4 - Settlement of Jean Lefevre claim to SIB</td>
<td>20.0</td>
</tr>
<tr>
<td>1.5 - Settlement of arrears towards Insurance Cies</td>
<td>8.0</td>
</tr>
<tr>
<td>1.6 - Securitization of EECI's debt towards banks</td>
<td>50.0</td>
</tr>
<tr>
<td>1.7 - Securitization of CAA's arrears</td>
<td>32.4</td>
</tr>
<tr>
<td>1.8 - Securitization of indirect arrears towards banks</td>
<td>168.6</td>
</tr>
</tbody>
</table>

### 2 - LIQUIDATION OF DEVELOPMENT BANKS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 - BCEAO's consolidation</td>
<td>104.9</td>
</tr>
<tr>
<td>2.2 - Consolidation of Public sector deposits &amp; foreign debt</td>
<td>97.0</td>
</tr>
<tr>
<td>2.3 - Repayment of depositors</td>
<td>11.2</td>
</tr>
</tbody>
</table>

### 3 - COMMERCIAL BANKS RESTRUCTURING

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 - Government's contribution</td>
<td>40.6</td>
</tr>
<tr>
<td>3.1.1 - BCEAO's consolidations</td>
<td>11.6</td>
</tr>
<tr>
<td>3.1.2 - Cash payments to BIAO</td>
<td>17.0</td>
</tr>
<tr>
<td>3.1.3 - Cash payments to SIB and SGBCI</td>
<td>12.0</td>
</tr>
<tr>
<td>3.2 - Private partners' contribution</td>
<td>50.0</td>
</tr>
</tbody>
</table>

### 4 - INSURANCE COMPANIES RESTRUCTURING

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.0</td>
</tr>
</tbody>
</table>

### GRAND TOTAL

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>846.6</td>
</tr>
</tbody>
</table>

**Sources:** Staff estimates and government estimates.