



Caisse des Dépôts et
Consignations du Bénin

ANNUAL REPORT

Committed to sustainable
and inclusive development.



“TO BE A LEADING FINANCIAL
INSTITUTION, A TRUSTED THIRD
PARTY AND A SUSTAINABLE INVESTOR
AT THE SERVICE OF BENIN’S ECONOMIC
AND SOCIAL DEVELOPMENT”

”

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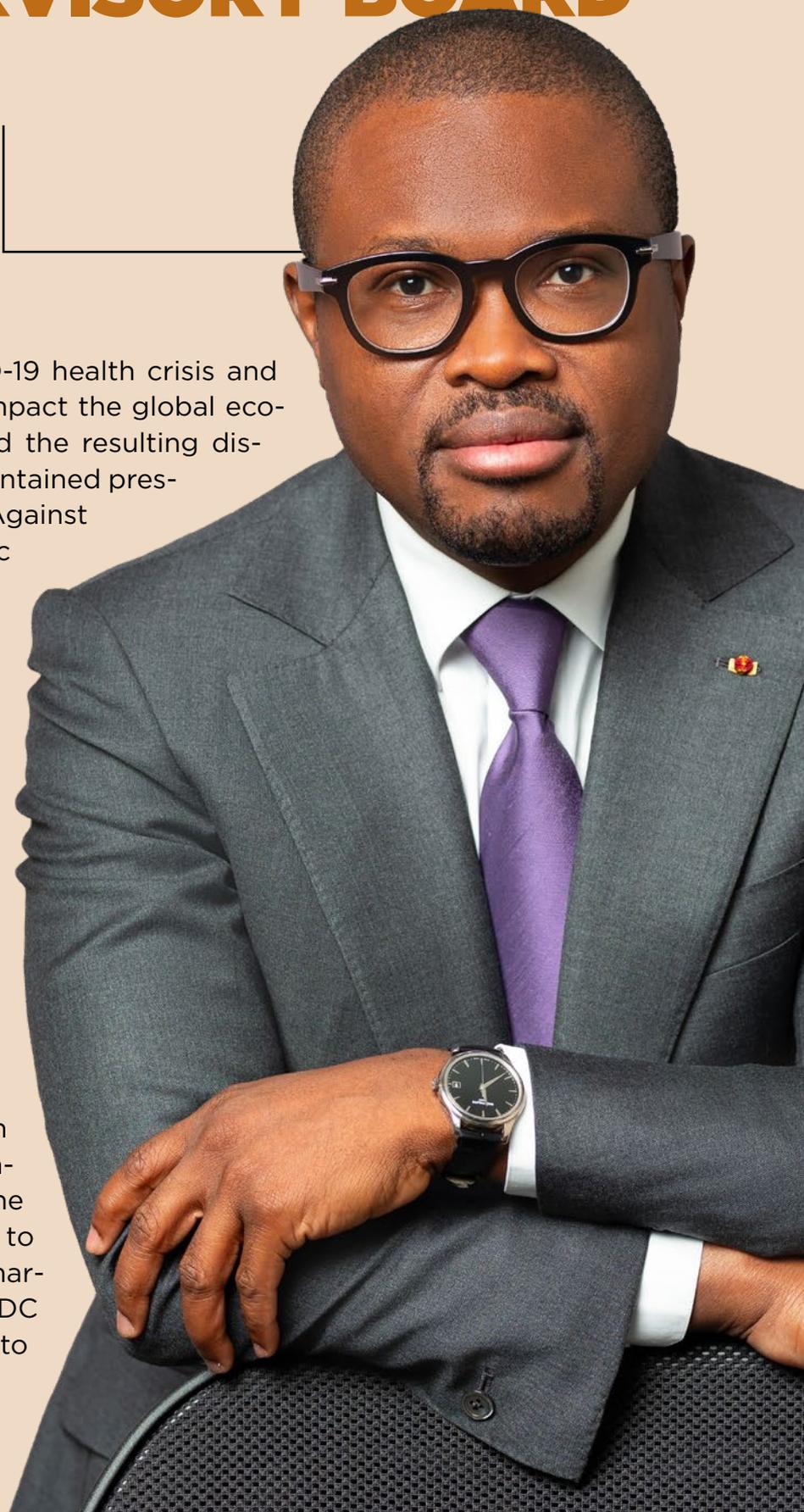
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MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

“

The consequences of the COVID-19 health crisis and the war in Ukraine continue to impact the global economy. Geopolitical instability and the resulting disruption of supply chains have maintained pressure on international markets. Against this backdrop, global economic growth has slowed to 3% in 2023, compared with 3.5% the previous year. In this global context marked by a succession of crises and an inflationary spiral, exacerbated by restrictive monetary policies in the main developed economies, Benin stands out for its economic resilience, with growth of 6.4% in 2023. The Caisse des Dépôts et Consignations du Bénin (CDC Benin), created as part of the Government's Action Program (PAG 2016-2021), was able to capitalize on this favorable momentum in the country. Despite the challenges encountered throughout the year, particularly those linked to volatile international financial markets and rising energy costs, CDC Benin maintained its ability to generate returns over the long term. The year 2023 was marked



by significant achievements and successful initiatives, particularly in supporting projects incorporating sustainability issues, which have helped to strengthen the institution's position as a driver of progress and innovation in Benin in the field of public-interest investment. Thanks to the support of the Head of State, President Patrice Talon, and all our technical and financial partners, CDC Benin has maintained its commitment to financing structural investments, while continuing to mobilize resources and manage them efficiently for the benefit of the national economy. The institution has intervened in several priority areas, notably agribusiness, real estate, finance and services, digital technology, industry and energy.

These sectors have generated positive spin-offs for both project beneficiaries and the economy as a whole. To reinforce its impact, CDC Benin's outlook for the coming years is highly ambitious, particularly in the area of resource mobilization, with the creation of several savings products dedicated to sustainable innovation and digital transformation projects. On behalf of the Supervisory Board, I would like to express my deep gratitude and sincere encouragement to the Managing Director and all the institution's staff for their efforts to achieve appreciable results in 2023. I remain convinced that CDC Benin will continue to work towards maximizing the value

of its investments, while making a significant contribution to the well-being of our society and providing an adequate response to the problems and challenges of sustainable development and climate change in our country.

”

ROMUALD WADAGNI

Minister of State, Minister of the Economy and Finance in charge of Cooperation

A WORD FROM THE GENERAL MANAGER

“

In 2023, Caisse des Dépôts et Consignations du Bénin (CDC Benin) continued to play a key role in financing structuring investments, while consolidating the mobilization and efficient management of resources, thereby promoting growth in the national economy. The institution's total balance sheet has grown significantly, rising from 855.768 billion FCFA in 2022 to 958.687 billion FCFA in 2023, an increase of 12%. This expansion reflects active resource mobilization, proactive asset management and a sustained commitment to profitable and strategic investments. The institution's net income has also improved, reaching 15.287 billion FCFA in 2023, accumulating 39.531 billion FCFA over the last four years. The year was marked by a number of important initiatives, such as the review of the 2021-2025 Strategic Plan,



governance and organization, increased mobilization of domestic resources and enhanced support for the national financial system. In addition, CDC Benin expanded its portfolio of partners with regional and international financial institutions to finance private investments in key sectors aligned with the reforms of the Government Action Program (PAG 1 and 2). The year also saw the start of the process of setting up subsidiaries and upgrading the institution with a view to obtaining certifications in line with international norms and standards. An ambitious project to create a green fund was also initiated, aimed at supporting projects that promote resilient growth and the development of green, sustainable infrastructures. This project comes at a time when multilateral institutions and a number of technical and financial partners are offering financing opportunities on advantageous terms. CDC Benin's outstanding performance in 2023 is the fruit of strong political support from the Head of State, effective support from the Supervisory Board, ingenious strategies deployed by General Management and the renewed confidence of our stakeholders and partners. Looking to the future with optimism and determination, CDC Benin remains committed to pursuing its resource mobilization mission. Against a backdrop of rising key rates and resource rationalization, the institution plans to play its counter-cyclical role by further supporting the national economy through the financing of

of green, social and sustainable systems. With its technical and financial partners, it is committed to strengthening its position as a key player in responsible financing, by adopting best practices as well as international norms and standards, and by implementing its ESG policy and CSR strategy.

”

MARYSE LOKOSSOU| *General Manager*



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ACRONYMS AND ABBREVIATIONS

AFD	: FRENCH DEVELOPMENT AGENCY
BAD	: AFRICAN DEVELOPMENT BANK
BCEAO	: CENTRAL BANK OF WEST AFRICAN STATES
BOAD	: WEST AFRICAN DEVELOPMENT BANK
CAR	: AUDIT AND RISK COMMITTEE
CDC BÉNIN	: CAISSE DES DÉPÔTS ET CONSIGNATIONS DU BÉNIN
CDG	: GOVERNMENT COMMISSIONER AT CDC BENIN
CI	: INVESTMENT COMMITTEE
CS	: SUPERVISORY COMMISSION
D.E.A	: AUTOMATED EXTERNAL DEFIBRILLATOR
DIIG	: GENERAL INTEREST INVESTMENT DEPARTMENT
DCRSE	: COMMUNICATION AND CORPORATE SOCIAL RESPONSIBILITY DEPARTMENT
DRHMG	: HUMAN RESOURCES AND GENERAL SERVICES DEPARTMENT
FACS	: CATALYTIC SUPPORT AND SOLIDARITY FUND
GDIZ	: GLO-DJIGBÉ INDUSTRIAL ZONE
ISR	: SOCIALLY RESPONSIBLE INVESTOR
LCR	: LIQUIDITY COVERAGE RATIO
MEF	: MINISTRY OF ECONOMY AND FINANCE
MIN	: NET INTEREST MARGIN
NSFR	: NET STABLE FUND RATIO
PNB	: NET BANKING PRODUCT
ODD	: SUSTAINABLE DEVELOPMENT GOALS
RSE	: CORPORATE SOCIAL RESPONSIBILITY
SIPI BÉNIN	: INVESTMENT AND PROMOTION COMPANY FOR INDUSTRY



COMPOSITION OF THE SUPERVISORY BOARD AND ITS SPECIALIZED COMMITTEES

N°	MEMBERS	FUNCTION	TITLE	AUDIT AND RISK COMMITTEE (CAR)	INVESTMENT COMMITTEE (IC)	STRATEGIC COMMITTEE (COS)
1	M. Romuald WADAGNI	Minister of the Economy and Finance, in charge of Cooperation	CHAIRMAN			X
2	M. Abdoulaye BIO TCHANE	Minister for Development and Coordination of Government Action, Minister of State	MEMBER	CHAIRMAN		CHAIRMAN
3	M. Aristide Nounagnon DJIDJOHO <i>By decree n°2022-169 of March 09, 2022</i>	Deputy Secretary General of the Presidency of the Republic		CHAIRMAN		
4	He Lambert AGONGBONON	Chairman of the National Assembly's Planning, Equipment and Production Committee	MEMBER	X		X
5	He Gérard GBENONCHI	Chairman of the National Assembly's Finance and Trade Committee		X		
6	M. Oumara KARIMOU ASSOUMA	General Manager of the Treasury and Public Accounting	MEMBER	X		
7	M. Apollinaire CADETE TCHINTCHIN	General Manager, National Social Security Fund		X		



SUPERVISORY BODIES

N°	BODIES		REMARKS
GOVERNMENT COMMISSIONER TO CDC BENIN (CDG)			
1	<p>M. Johannès DAGNON Special Advisor to the President of the Republic, Coordinator of the Bureau of Analysis and Investigation. <i>The CdG is appointed by decree n° 2021 - 296 of June 09, 2021.</i></p>		<p>The CdG is responsible for ensuring compliance with laws and regulations, as well as with prudential management standards adopted by the Supervisory Board. It monitors the proper implementation of action programs in the light of the objectives set by the regulatory framework and the Government's guidelines.</p>
EXTERNAL AUDITORS			
2	<p>Permanents</p>	<p>Substitutes</p>	<p>They are appointed by decree n°584 of December 24, 2019 and n°202 of April 26, 2023 for a three (03) year term, renewable once, starting with the financial year ending December 31, 2020, and ending after approval of the financial statements for the financial year ending December 31, 2025.</p>
<p>Mazars Bénin</p>	<p>KEKELI EXPERTISES</p>		
<p>Fiduciaire d'Afrique</p>	<p>Experts-Comptables & Consultants Associés (ExCCA)</p>		
OTHER EXTERNAL CONTROL BODIES			
3	<p>CDC Benin's external control provisions are defined in article 53 of its amended Articles of Association. As a public institution, the Caisse des Dépôts et Consignations du Bénin is subject to the controls provided for by current legislation, in particular by the General Inspectorate of Finance (IGF) and the Court of Auditors.</p>		



FINAN SUM

CDC Benin at
December 31, 2023 means:



808 880

Million FCFA of deposits
and consignments

FINANCIAL SUMMARY

2020 - 2023



631 610

Million FCFA
of financial investments



484 596

Million FCFA
of approved financing



958 687

Million FCFA
in total assets



15 287

Million FCFA
in net income in 2023



39 531

Million FCFA in
cumulative net income to end 2023

(CUMULATIVE AMOUNT IN MILLIONS OF FCFA)	2023	2022	2021
TOTAL RESOURCES	886 581	834 227	747 999
Deposits and consignments	808 880	756 526	670 314
Paid - in capital	77 625	77 625	77 625
FINANCIAL INVESTMENTS	631 610	649 231	560 004
Term deposits	231 100	241 600	252 610
Bond securities	366 523	368 674	289 775
Commercial paper, trading securities, Treasury bills and related receivables	33 987	38 947	17 619
FINANCING AND INVESTMENT ¹	484 596	286 290	160 225
Equity investment	115 594	97 384	87 425
Long-term loans	111 151	52 275	46 800
Warranty	105 078	0	25 000
Participation Fund	7 142	1 000	1 000
Line of credit	45 000	35 000	0
Own investments	100 631	100 631	0
BALANCE SHEET TOTAL	958 687	855 768	794 882
Financial assets	631 610	649 231	560 004
Shareholders' equity	140 038	103 002	87 232
Net Banking Income	18 348	16 996	10 325
CUMULATIVE NET INCOME	39 531	24 244	9 309

Source : Finance Department / Strategy and Development Department

¹Supervisory Board approvals





GENERAL INTEREST IN SUSTAINABLE DEVELOPMENT

1. DESCRIPTION OF THE OFFICE, ITS ROLE AND MISSIONS

The Caisse des Dépôts et Consignations du Bénin (CDC Benin) is a public institution created by law N°2018-38 of October 17, 2018. It is responsible for providing innovative solutions to the problem of investment financing in Benin. It ensures the mobilization and secure management of savings and all regulated funds, which it fructifies and channels to finance the accelerated development of the public and private sectors, with a view to the rapid achievement of Benin's economic and social objectives. It has a

public-interest mission to support the public policies pursued by the State and local authorities, particularly in terms of economic and social development. It plays a subsidiary role to the traditional financial sector (banks, SFDs, SGIs, etc.) and also supports the private sector through the financing of SMEs.

The law establishing the CDC Benin gives it the following responsibilities:

- **Receive, hold and manage deposits and securities belonging to organizations and funds that are required to do so or that request it;**
- **Receive, hold and manage administrative and judicial consignments as well as sureties;**
- **Manage all public or private funds that the legislator deems should be placed under its special protection;**
- **Ensure the financial management of pension fund surpluses set up by the State for civil servant employees, and of pension fund reserves for non-civil servant employees of the State, local authorities and public establishments;**
- **Carry out long-term financial activities in the role of institutional investor, notably for strategic and structuring projects defined by the State;**
- **Manage assets under mandate;**
- **Carry out all other activities related to its mission.**

In connection with the above-mentioned missions, CDC Benin has three business lines:

- **General interest investors;**
- **Financial investors;**
- **Third-party asset management.**

2. CDC BENIN'S MODES OF INTERVENTION

CDC Benin uses two categories of instrument: direct commitments and signature commitments.

These categories of instruments can be combined as part of a project study. Direct commitments include:

- **Direct lending or financing;**
- **Minority shareholdings** (direct shareholding - firm or on a carry basis - by CDC Benin, or indirect shareholding via financial vehicles or instruments. Maximum limit of 25% of the share capital of the entity concerned and a ceiling of 15% of the Fund's T1 core capital or the strongest part or core capital of financial institutions);

→ **Acquisition of majority stakes:** Creation of subsidiaries in accordance with article 5 of law 2018-38 establishing the Caisse

As for commitments by signature, they relate to the coverage of:

- **Direct investments made or loans granted by other institutions;**
- **Interbank loans;**
- **Bond issues;**
- **Other negotiable debt instruments** (commercial paper, treasury or financial institution bills, certificates of deposit, etc.).

3. THE FUND'S INVESTMENT CRITERIA



In addition to traditional financial criteria, investment criteria aim to ensure the selection of projects and initiatives that are aligned with: **(i)** the Sustainable Development Goals (SDGs), **(ii)** the African Union's Agenda 2063, **(iii)** the National Development Plan (NDP) 2018-2025, **(iv)** the Government Action Program 2021-2026 (PAG 2), and **(v)** CDC Benin's Strategic Plan 2021-2025.

The Government Action Program 2021-2026 (PAG 2) operationalizes the NDP (2018-2025). It is the operational reference framework for public intervention. It aims to accelerate Benin's economic and social development. Public action in terms of investment is mainly focused on 2 of the 3 pillars of PAG 2, namely:

- **Pursuing the structural transformation of the economy (pillar 2) ;**
- **Sustainably improve the social well-being of the population (pillar 3).**



With this in mind, the projects selected must have the potential to produce positive long-term effects.

The following main criteria are taken into account when selecting projects and initiatives.



Alignment with national priorities;



Public interest and socio-economic impact;



Sustainability and the environment ;



Innovation ;



Partnerships and inclusion ;



Viabilité financière ;



Connectivité et/ou transversalité avec d'autres secteurs.

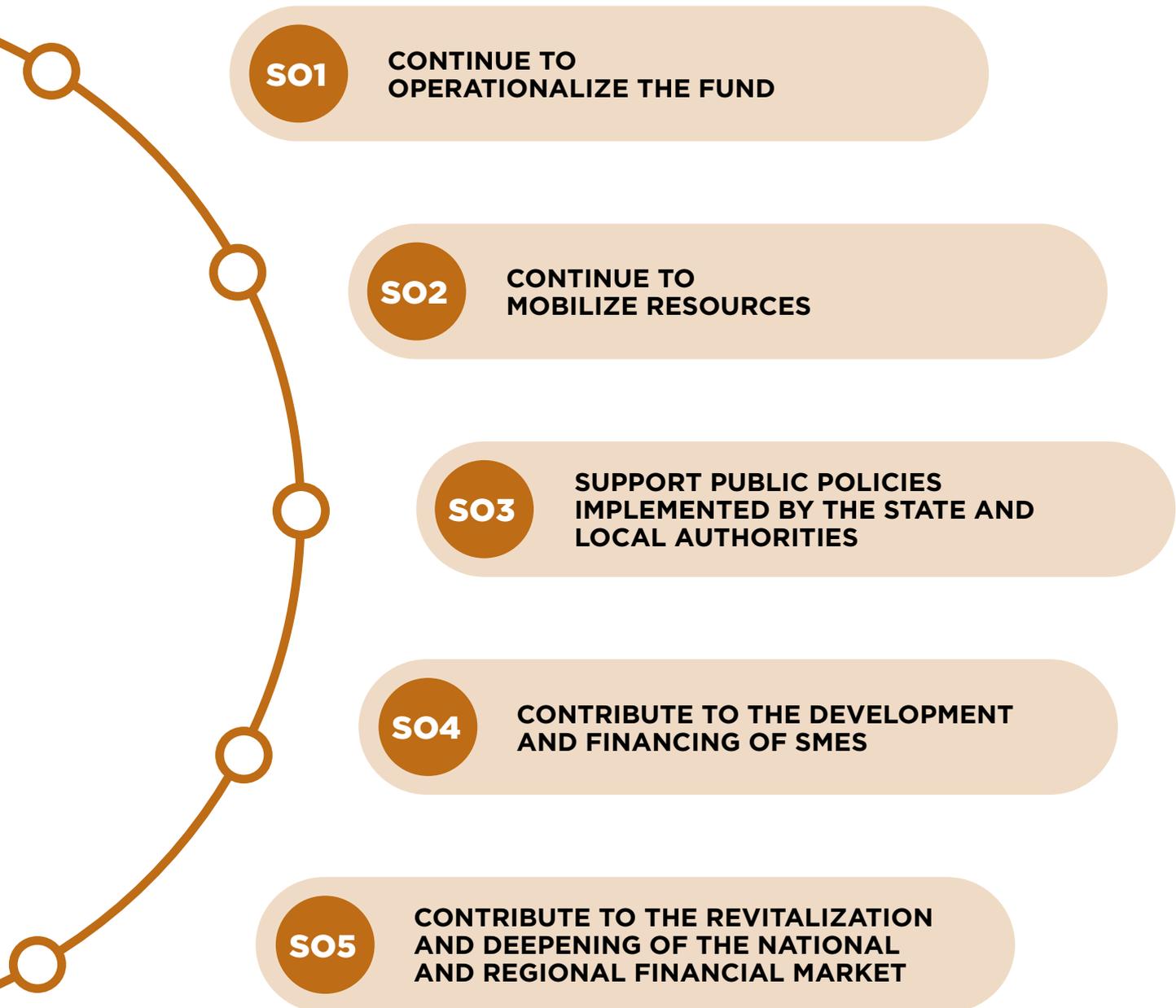


CDC BENIN STRATEGIC PLAN

In 2021, the Fund adopted a Strategic Plan (SP) covering the period 2021-2025. The SP takes into account Benin's medium- and long-term economic and financial outlook, and is aligned with: (i) the Sustainable Development Goals (SDGs), (ii) the African Union's Agenda 2063, (iii) the National Development Plan (NDP) 2018-2025, (iv) the Government Action Program 2021-2026 (PAG 2).

Drawn up by CDC Benin staff, under the guidance and leadership of the members of the Supervisory Committee (SC), the said plan was the subject of a mid-term review and evaluation mission that began in the last quarter of 2023. The review and evaluation of the SP was coupled with a review of the institution's organization and governance, carried out by DELOITTE and PERFORMANCES respectively.

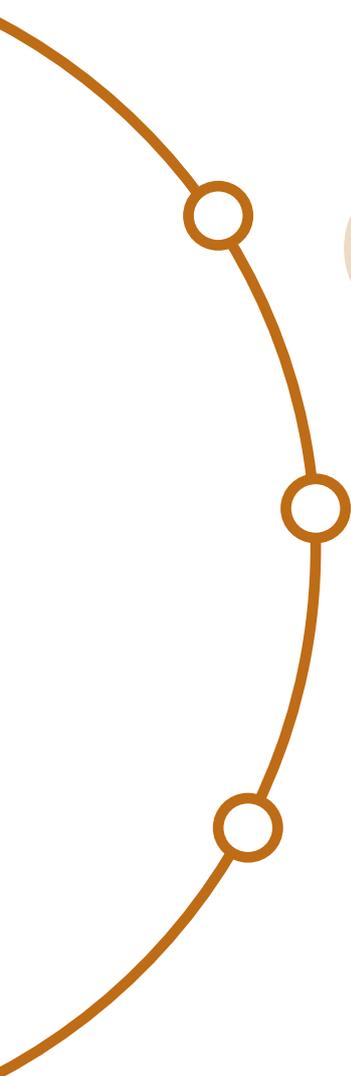
The results of the various reviews will be available in 2024, and the recommendations will be implemented immediately. The SP is divided into five (5) strategic objectives and 29 actions. These strategic objectives (SO) are broken down as follows:



The purpose of updating the strategic framework is to refine CDC Benin's strategic approach. By 12/31/2023, the firm in charge of the review proposes **to restructure the strategic objectives** into three more focused strategic axes. This transformation aims to focus efforts on

specific, clearly defined and measurable objectives.

Following the review, the institution's strategy should be steered along the following three (3) axes:

**AXIS 1**

OPERATIONAL EXCELLENCE AND HUMAN CAPITAL, WHICH INTEGRATES SO1

AXIS 2

AMPLIFICATION OF ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACT, WHICH COMBINES SO3, 4 AND 5

AXIS 3

STRENGTHENING RESOURCE MOBILIZATION, WHICH TAKES INTO ACCOUNT SO2



IN- TROC DUCT

The creation of the Caisse des Dépôts et Consignations du Bénin (CDC Benin) is a major reform of the Government's Action Program **(2016-2021)**. It was instituted by Law **No. 2018-38 of October 17, 2018**, and placed under the supervision of the Ministry of Economy and Finance invested with a mission of general interest, the Fund supports the public policies of the State and Local Authorities, and also supports the private sector.

Because of its missions, it is positioned as a genuine tool for mobilizing the resources, mainly internal, that are essential for financing the national economy. It also plays an important role in supporting the implementation of the State's strategic projects, as a facilitator of leveraged transactions and long-term investor in key sectors of the economy.

During this fourth year of operation, the focus was on consolidating the pillars of the institution, namely: continued mobilization of resources, support for public policies implemented by the State and local authorities, and contribution to the development and financing of the private sector through support for SMEs.

All the resources mobilized served to consolidate the players in the traditional financial system (banks, management and intermediation companies, SFDs) and contributed to financing the economy through short- and medium-term financial investments (amortizable loans).

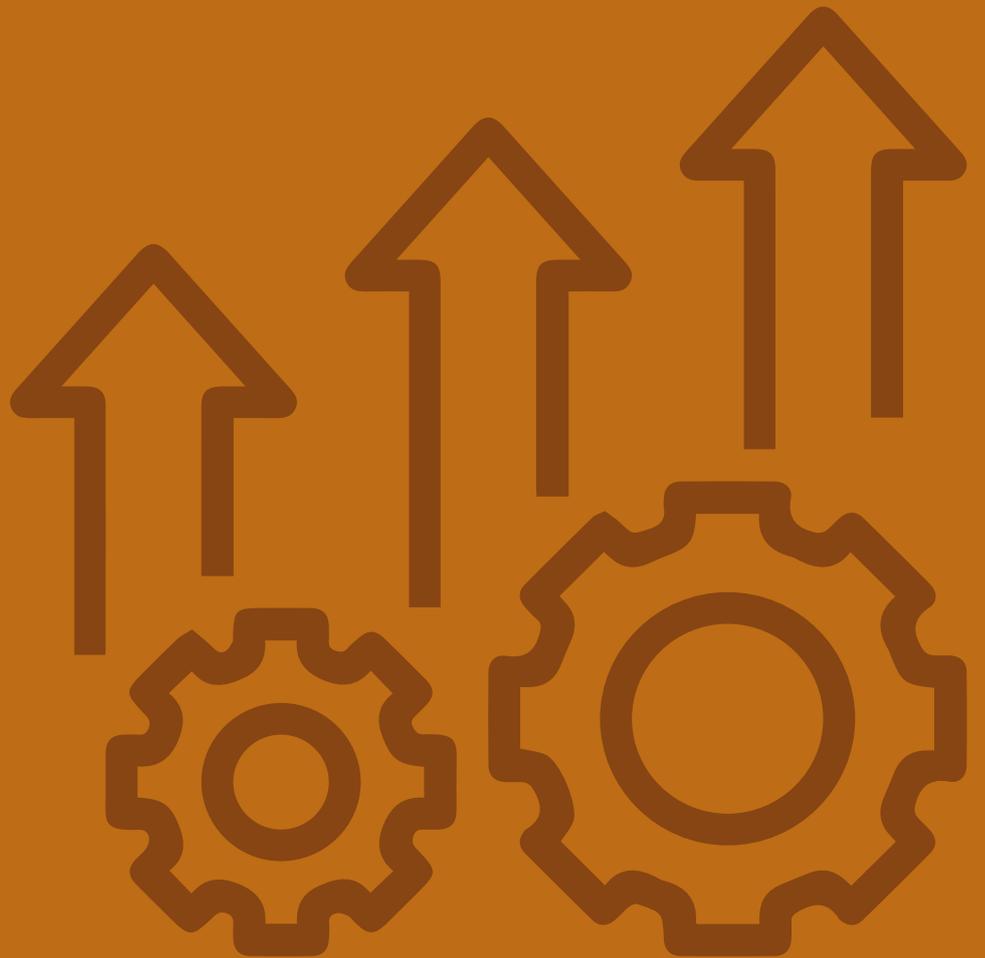
In addition, CDC Benin's General Management pursued its project financing activities through the appraisal and submission of several financing and investment files, which were approved by the Supervisory Board. CDC Benin also boosted its partnerships by signing new agreements with financial institutions (SFD, BMD, ECA, international banks and institutions). This fourth activity report from the Institution's General Management successively presents a retrospective on **(i)** governance and performance levers, **(ii)** resource mobilization, management and the impact of investments made, **(iii)** financial performance, **(iv)** CSR and Sustainable Development commitments.

MOBILIZATION



1.

GOVERNANCE AND PERFORMANCE LEVERS



1. GOVERNANCE AND PERFORMANCE LEVERS

1.1 GOVERNANCE

In the 2023 fiscal year, the Council of Ministers, acting as the general assembly of the sole shareholder, the Beninese State, renewed the mandate of the board of directors of CDC Benin. This renewal saw the appointment of a new Director, representing the National Assembly.

At the same time, the 2023 financial year was marked by the strengthening of the institution's governance and the operational establishment of a Strategic Committee by Decree N°2023-221 of May 03, 2023. This committee is responsible for preparing strategic orientations and assessing the eligibility of investment projects in line with the government's strategic orientations. Its mission is no longer consultative, and it submits a report to the Council of Ministers for approval before CDC Benin's General Management proceeds with the appraisal of files.

CDC Benin also carried out a mid-term review of its 2021-2025 Strategic Plan, as well as an organizational and governance audit. This mission made it possible to measure the progress of the Strategic Plan, make any necessary adjustments and prioritize activities for the last two years, in line with the government's orientations and CDC Benin's outlook. The results of this review and audit will be available in 2024.

Finally, a new General Manager, Mrs. Maryse LOKOSSOU, was appointed by decision of the Council of Ministers on July 12, 2023.





CODIR CDC BÉNIN

In view of the above, CDC Benin is administered by the Supervisory Board.

In carrying out its duties, the Supervisory Board relies on the following three (03) mandatory committees:

- **The Strategy Committee ;**
- **The Standing Audit and Risk Committee ;**
- **The Investment Committee.**

1.2 PERFORMANCE LEVERS

1.2.1 MANAGEMENT OF HUMAN CAPITAL

« Human capital more than representative and approaching gender parity. »

At December 31, 2023, the Caisse des Dépôts et Consignations du Bénin had a total of forty-five (45) employees, 33% of whom were women, compared with forty-three (43) at December 31, 2022, representing an increase of 5%. The increase in headcount for 2023 is mainly due to the recruitment of two professional managers in the second half of the year, bringing the number of managers to twenty-nine (29), or 67% of the total.

As part of its corporate social responsibility initiatives, the Group continued to contribute to:

- **The professionalization of young students and graduates in various professions through academic and professional internships.**

In all, some ten interns were trained throughout the year. The company is in discussion with leading schools and university centers to sign partnership agreements, in order to strengthen its commitment to education.

- **The promotion of female staff in top management :**

The number of female heads of department rose from one (01) to three (03) in 2023. This progress has contributed to the feminization of the Executive Committee (CODIR), the Fund's primary governing body, which now includes 33% women. The Fund's objective is to increase this ratio in line with MDG 5 (Achieve gender equality and empower all women and girls).

TABLE 1 : BREAKDOWN OF PERSONNEL BY CATEGORY AND GENDER AT DECEMBER 31, 2023

N°	Catégorie	Workforce			
		Men	Women	Total	Share (%)
1	General Manager	0	1	1	2%
2	Managers	6	3	9	21%
3	Professional executives	21	8	29	67%
4	Supervisors	1	3	4	9%
5	Auxiliary agents	2	0	2	5%
TOTAL EMPLOYEES		30	15	45	100%
Relative share (%)		67%	33%	100%	

Source : Human Resources Department

“There is no wealth but men” (Jean Bodin). Indeed, CDC Benin’s human capital is at the heart of its performance. With this in mind, CDC Benin continues to work to ensure that its employees flourish in an attractive and secure working environment, while promoting a balance between professional and personal life.

Among others, the following activities are organized:

- **Organization of Team Building events for staff ;**
- **Organization of group walks and sports events**
- **Staff training ;**
- **Awareness-raising sessions.**

1.2.2 INFORMATION SYSTEM MANAGEMENT

« Information System Optimization: Efficiency and Transparency »

In 2023, with a view to improving its operational efficiency, CDC Benin pursued its objective of upgrading its information system. Key activities included:

- **The development of the Information System Master Plan (ISMP) for the period 2024-2027**, which has made it possible to define projects for the digitization of business and support processes, as well as network, telecoms and cybersecurity infrastructure projects, and to reform the organization to be put in place to orchestrate the entire information system ;

Strengthening security at CDC Benin’s head office through the acquisition and installation of an ISO 27001-compliant physical security and access control system. CDC Benin plans to obtain ISO 27001 certification in 2025.

1.2.3 AUDIT, INSPECTION AND RISK MANAGEMENT

« Optimal risk management for sustainable performance »

The institution has drawn up a Business Continuity Plan (BCP) and has begun the process of certification to international norms and standards, with the start of work on ISO 9001:2015 QMS certification. During the period under review, the Internal Audit and Inspection function updated its Pluriannual Plan 2023-2025 and carried out several assignments in this context.

These assignments enabled us to provide reasonable assurance on the risk management and internal control systems of the audited processes, and to make recommendations for their optimization. Audit and Inspection activities also involved investigating and assessing the risks faced by the audited processes/sub-processes.

As regards the Risk Analysis and Management function, several activities were carried out with the aim of improving management and strengthening the overall risk management system.

These included:

- **Updating risk mapping and monitoring the related action plan sign**
- **Updating, analyzing and monitoring risk appetite framework indicators to ensure compliance with standards and guarantee control of the overall level of risk to which the institution is exposed**
- **Credit and counterparty risk management to prevent potential financial losses and make informed lending, investment and portfolio management decisions**

- **Asset-liability management to manage interest-rate and liquidity risks, and monitor financial equilibrium**
- **Ongoing monitoring of the internal control system to ensure compliance, security and validation of operations carried out.**

1.2.4 PARTNERSHIPS

« Partnerships for a sustainable future »

CDC Benin has strengthened its links with the national, regional and international financial system. It has solicited the participation of financial institutions such as local banks and multilateral development banks (BOAD, BAD, IFC, etc.) to support its projects. In 2023, a number of partnership agreements were signed with, among others:

CDC France. The plan is to develop cooperation and the sharing of expertise with this major French institution in various fields, including strategic and operational consulting, technical support and skills transfer. The aim is also to seek synergies between the expertise of the respective departments and subsidiaries of CDC France, while respecting internal governance procedures. This collaboration also aims to promote long-term investment and internationalize the CDC model.

CDC Sénégal. It is envisaged to collaborate with this Fund to develop a fruitful cooperation, strengthening exchanges between the two institutions and mobilizing common skills for the realization of various projects and programs. These initiatives will include the development of strategic projects, the co-financing of real estate projects, the co-creation of a consultancy firm, the identification of technical and financial partners, as well as the structuring and financial arrangement of a number of projects.

AFRICA50. This investment platform, created by African governments and the

African Development Bank (AfDB), aims to bridge the infrastructure financing gap in Africa. Its mission is to mobilize public and private sector financing, facilitate project development and invest in infrastructure on the continent. CDC Benin is now part of the AFRICA50 Infrastructure Acceleration Fund (AFRICA50 IAF), with a participation of US\$10 million. As a result, CDC Benin joins the select circle of strategic partners, including the AFRICA50-Project Finance platform, the AfDB, the IFC, Cameroon's National Social Security Fund (CNPS), Côte d'Ivoire's CNPS, Togo's National Social Security Fund, etc., acting as pioneers to accelerate infrastructure development on a continental scale.

1.3 ONGOING MAJOR PROJECTS

To achieve its objectives efficiently, CDC Benin continued to take the necessary steps during the year to carry out the strategic projects set out in its 2021-2025 plan. These include:

- **the creation of subsidiaries.**

Among the subsidiaries to be created is one dedicated to real estate, like other Caisse des Dépôts, to support the institution's investment projects in this sector, notably the Financial City, the Guézo Camp real estate complex, the Maritime Business Center and the social housing project in the Glo-Djigbé Industrial Zone. The creation of subsidiaries is supported by a market study process, which began in 2023 and is scheduled for completion in 2024.

- **the creation of a green fund.**

The aim is to provide CDC Benin with a financing framework for green projects. The institution is supported in this process by Technical Assistance from the African Development Bank (ADB) through the Green Banking Initiative, which is backed by the African Green

Finance Fund (AG3F). With this in mind, a diagnostic mission was carried out in April 2023 and the report has been drawn up. The next steps are the preparation of the Technical Assistance and the recruitment of the consortium of consultants to carry out the Technical Assistance plan, which includes support for operational and financial structuring and institutional support.

- **the creation and development of new savings products.**

This important project for resource mobilization involves several components: **(i) the creation of savings products for the diaspora (through the DIASDEV project in partnership with French Development Agency (AFD) and the Forum Deposit Funds), (ii) the creation of the first capitalized pension fund, and (iii) the creation of other collective savings products.** All these projects will be the subject of studies in 2024 with AFD's Technical Assistance. **See Box 1.**

- **certification of the Fund to international norms and standards.**

In 2023, with the support of two specialized firms, CDC Benin began implementing a quality, occupational health and safety, environment and information security process in line with international standards.

Activities relating to the implementation of the ISO 9001: 2015 Quality Management System and ISO 27001: 2022 Information Security standards have effectively started in 2023; the others (ISO 45001: 2018, ISO 14001: 2015) will be spread over the next few years

BOX 1

THE AFRICAN DEVELOPMENT BANK'S GREEN FINANCE FACILITY

PROJET DE MISE EN PLACE D'UNE FACILITÉ VERTE CDC BÉNIN

CDC Benin is committed to being a Socially Responsible Investor (SRI), through its interventions that take into account not only profitability, but also CSR / ESG factors. As such, it has begun to set up a "Green Financing Facility (GFF)" to help accelerate and intensify private financing and investment, in support of policies led by the State, local authorities and the private sector, aimed at promoting resilient growth and green, sustainable infrastructure.

As part of the implementation of its initiative for the development of green banks in Africa, the African Development Bank (AfDB) and its partners, the Climate Investment Funds (CIFs), Amundi, The Green Bank Network and Climate Action Canada for Africa, have selected the Caisse des Dépôts et Consignations du Bénin (CDC Benin) to benefit from Technical Assistance (TA) in the amount of eight hundred thousand (800,000) USD, aimed at setting up a green financing facility. CDC Benin and National Bank for Investment in Côte d'Ivoire (BNI) will be the first African public institutions to benefit from the AfDB's first

green financing facilities.

CDC Bénin, thus becomes one of the first beneficiaries selected by the AfDB to benefit from the African Green Banking Initiative, which aims to raise USD 1.5 billion by the end of 2025.

Launched in 2022 at COP 27 in Sharm-El-Sheik (Egypt) to address the various challenges of climate finance in Africa, the African Green Finance Facility Fund (AG3F) Initiative of the AfDB's African Green Bank aims to build the capacity of African financial institutions on topics related to sustainable finance, and to structure and finance an ecosystem of local green finance mechanisms, in order to catalyze climate finance and strengthen private sector mobilization for sustainable projects on the continent.

Thus, CDC Benin's Green Facility will promote: (a) the mobilization of additional resources for projects and programs linked to Benin's climate change strategy, (b) technical support and expertise to help Benin effectively develop and implement climate projects, (c) local capacity build-

ing in climate project management, climate data collection and progress monitoring, (d) support for specific local climate change initiatives, such as sustainable agriculture, renewable energy, coastal protection and resilient infrastructure projects, (e) coordinating and aligning sustainable projects with Benin's climate change strategy and with international objectives, such as those of the Paris Agreement, (f) monitoring and evaluation to measure the impacts of funded climate projects, ensuring their effectiveness and compliance with the SDGs and climate targets.

2.

MOBILIZATION, RESOURCE MANAGEMENT AND IMPACT OF INVESTMENTS



2. MOBILIZATION, RESOURCE MANAGEMENT AND IMPACT OF INVESTMENTS

One of the Caisse des Dépôts et Consignations du Bénin key missions is to mobilize resources to ensure the long-term viability of its activities and the financing of the Beninese economy, in order to meet the economy's financing needs.

During the year, CDC Benin updated the mapping of resources to be mobilized in accordance with Law n°2018-38 of October 17, 2018 establishing it. On this basis, it worked on the mobilization of new resources and carried out targeted actions with a view to the secure mobilization and management of resources and funds held by the public and private bodies identified by the Law.

It has also stepped up its leverage, co-investment, co-financing and guarantee operations with its national, regional and international financial partners.

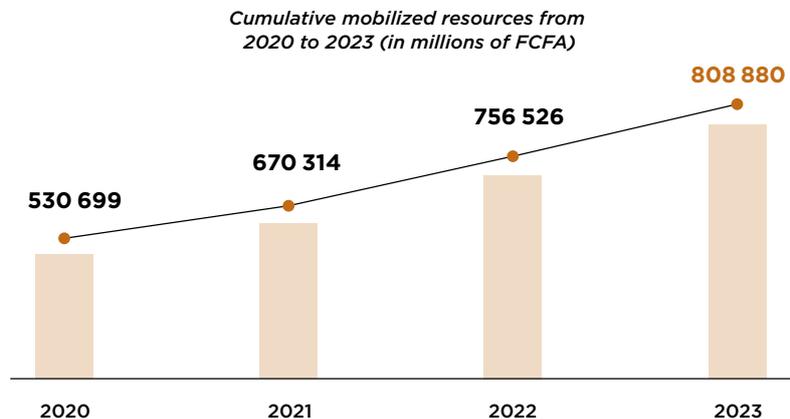
2.1 RESOURCE MANAGEMENT

2.1.1 MOBILIZING RESOURCES

At December 31, 2023, cumulative resources mobilized in Consignations amounted to 808,880 million CFA francs, compared with 756,526 million CFA francs for the same period in 2022, representing an increase of 7%.

At the same date, withdrawals from consignment from these resources amounted to **85,371 million**, with net consignments outstanding of **723,508 million CFA francs**.

GRAPH 1 : CUMULATED MOBILIZED RESOURCES FROM 2020 TO 2023



In 2023, CDC Benin's resources amounted to 52,355 million CFA francs, mainly from pension fund surpluses, public concession service funds, and administrative and judicial deposits and consignments.

Withdrawals from consignment and returns of funds amounted to 39,930 million CFA francs, representing an annual net collection of 12,425 million

CFA francs.

The table below shows resources mobilized by source over the course of 2023.

TABLE 2 : RESOURCES MOBILIZED IN 2023

RESOURCES BY ORIGIN	AMOUNT (IN MILLIONS OF FCFA)
Pension fund surpluses	27 208
Legal professional funds	4 822
Public concession service funds	6 205
Other funds	14 120
TOTAL	52 355

Source : Finance Department / Strategy and Development Department

In addition, resources mobilized within the framework of Third-Party Management amount to **147,524 million CFA francs** for the year 2023.

2.1.2 PROSPECTS FOR MOBILIZING RESOURCES FOR SUSTAINABLE DEVELOPMENT

In 2023, CDC Benin will begin the process of creating and developing several innovative savings products, targeting national and diaspora savers. As part of this process, it has initiated the recruitment procedure for internationally renowned consulting engineers to support it and launch the start of studies in 2024. Ultimately, the collection of new resources through these savings products will enable CDC Benin to increase its stable resources and expand its project financing capacities.

Savings products to include a gender component, a priority theme at CDC Benin.

CDC Benin has also continued its efforts to mobilize domestic resources from those subject to the law establishing the institution. An awareness-raising plan for the next two years has been drawn up and will be implemented in the last term of 2023.

2.2 FINANCIAL INVESTMENT

CDC Benin manages resources through its activities as a public-interest investor, financial investor and third-party manager, using three main means of intervention.

2.2.1 FINANCIAL INVESTMENTS

CDC Benin's financial investments consist of Term Deposits (DAT), mutual funds (FCP) and money and capital market securities.

Financial investments made in 2023 totaled FCFA 124,044 million, down 55% on investments made in 2022. This decrease is explained by the prioritization of investments to the detriment of financial investments, in line with CDC Benin's investment policy.

2.2.2 TERM DEPOSIT MANAGEMENT

During the period under review, the Fund set up 55,500 million Term Deposits (DAT) in the books of various banks operating in Benin. This brings the total value of DATs to FCFA 231,100 million, representing an annual decline of FCFA 10,500 million due to the demobilization of DATs from certain banks to finance projects

approved by the Supervisory Board.

2.2.3 SECURITIES PORTFOLIO MANAGEMENT

During 2023, CDC Benin acquired FCFA 63,302 million in bonds and FCFA 5,242 million in mutual funds.

At the end of 2023, the outstanding portfolio of bonds, equities, treasury bills and commercial paper fell by 6,553 million (-2%), from 375,048 million FCFA at December 31, 2022 to 368,495 million FCFA at December 31, 2023.

This decline was due to:

→ **sales of shares for FCFA 4,215 million ;**

→ **amortization of treasury bills for FCFA 1,000 million**

→ **a reduction in the bond portfolio of FCFA 1,785 million (amortizations and acquisitions).**

FCP outstanding fell by 2,028 million FCFA (-10%), from 19,820 million FCFA at December 31, 2022, to 17,792 million FCFA at December 31, 2023. The decrease is justified by the sale of FCP units registered in 2023.

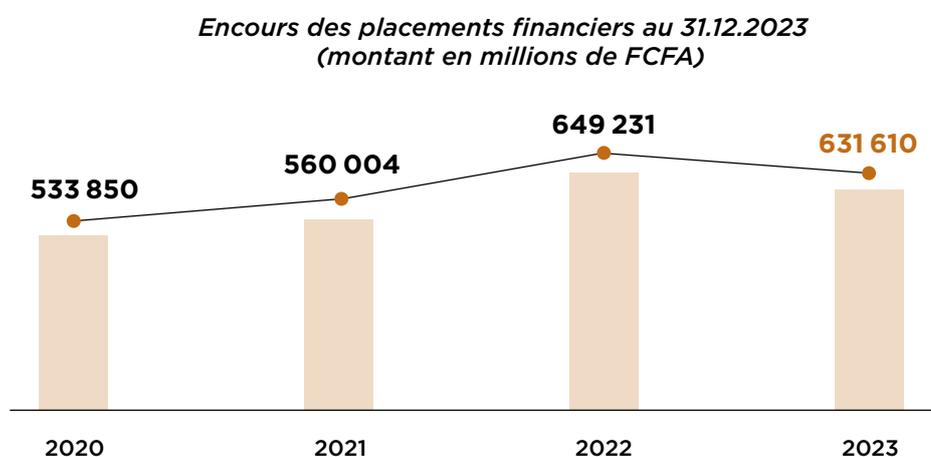
Investment operations in 2023 are shown in the table below:

TABLE 3 : INVESTMENT OPERATIONS IN 2023

	AMOUNT (IN MILLIONS OF FCFA)
Term deposits	55 500
Mutual investment funds	5 242
Bond securities	63 302
TOTAL - FINANCIAL INVESTMENTS	124 044

Source : Finance Department

GRAPH 2 : INVESTMENT OUTSTANDING



2.3 FINANCING AND INVESTMENTS

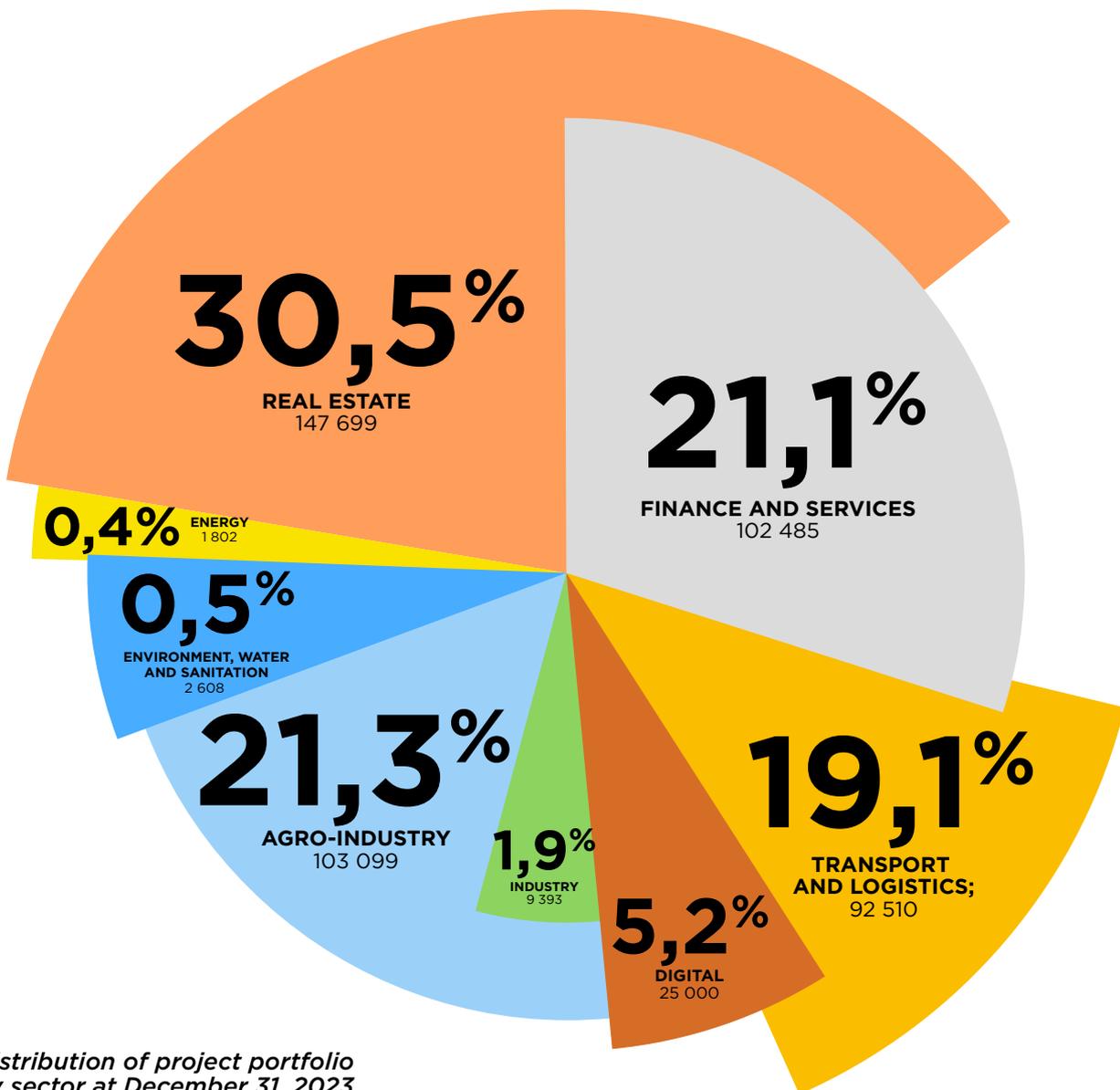
2.3.1 CDC BENIN PROJECT PORTFOLIO

CDC Benin continued its investment operations in 2023, with FCFA 198 billion in new financing approved by its Supervisory Board, bringing the cumulative net value of the Caisse’s project portfolio to FCFA 485 billion at December 31, 2023, benefiting various sectors. Over 2/3 (73%) of these projects are in the real estate (30%), agribusiness (21%) and finance and services (21%) sectors. The total amount involved in the execution of

approval decisions under these commitments amounts to 372,884 million FCFA, representing an implementation rate of 64%.

As at 31/12/2023, the Caisse has not recorded any items likely to deteriorate the institution’s investment portfolio. In fact, CDC Benin’s investments are heavily concentrated on greenfield projects that are still in the deployment phase.

GRAPH 3 : BREAKDOWN OF PROJECT PORTFOLIO BY SECTOR AT DECEMBER 31 DECEMBER 2023



Distribution of project portfolio by sector at December 31, 2023 (amount in millions of FCFA)

2.3.1.1 ASSESSED AND APPROVED PROJECTS

In 2023, CDC Benin evaluated 13 financing projects that were submitted to and approved by the Supervisory Board for a total amount of FCFA 198,306 million. This represents a growth of 3% compared with the volume of approvals in 2022 (192,665 million FCFA).

Of these projects, 09 come from the

private sector for a total of 102,306 million FCFA and 04 from the public sector for a total of 96,000 million FCFA. The table below summarizes financing operations in 2023 by mode of intervention.

TABLE 4 : FINANCING AND INVESTMENT OPERATIONS BY TYPE OF INTERVENTION IN 2023

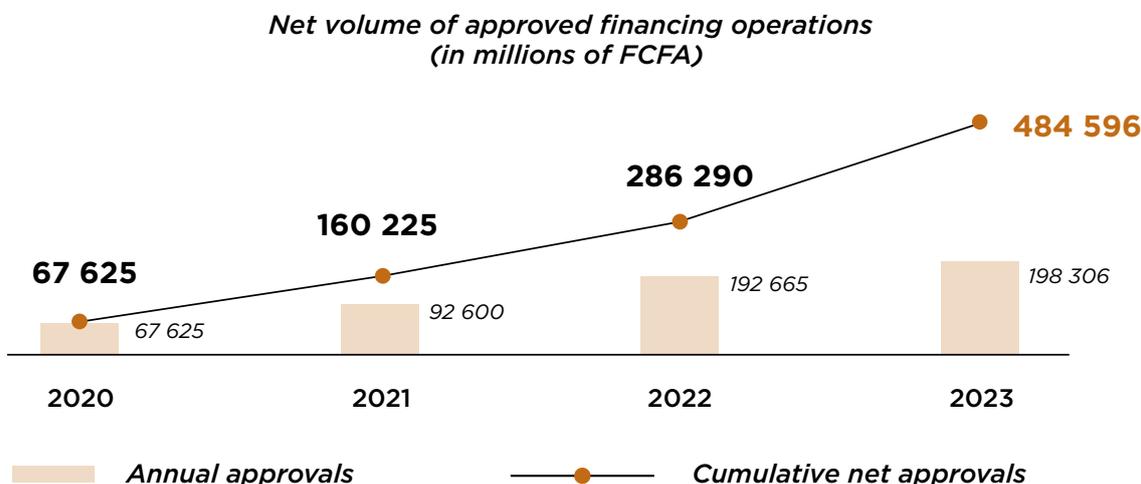
PROJECTS FINANCED BY TYPE OF INTERVENTION	AMOUNT (IN MILLIONS OF FCFA)
Project financing, including	188 306
Equity investment	18 210
Loan	58 876
Guarantee	105 078
Equity investment Funds	6 142
Line of credit to financial institutions	10 000
TOTAL - FINANCING AND INVESTMENT	198 306

Sources : Strategy and Development Department / Public Interest Investment Department

With these new approvals, the cumulative net amount of financing approved by the Supervisory Board at December 31, 2023 is FCFA 484,596 million, an increase of 69% compared to the volume of approvals recorded at December 31,

2022 (FCFA 286,290 million).

GRAPH 4 : NET VOLUME OF APPROVED FINANCING OPERATIONS



2.3.1.2 EXECUTION OF APPROVAL DECISIONS

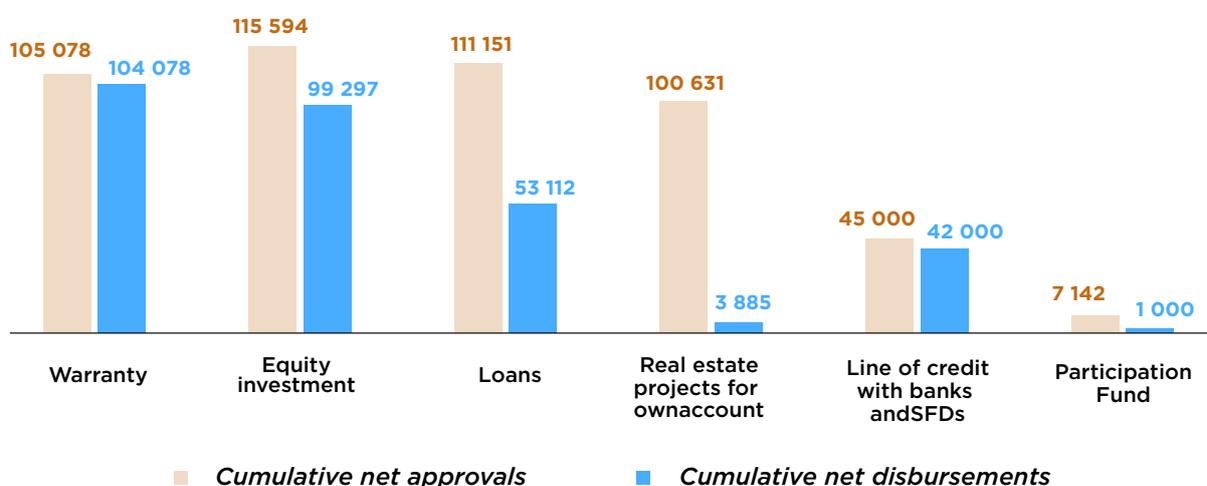
In 2023, disbursements under **financing approvals** will total 175,619 million FCFA, an increase of 503% compared with 2022 (29,129 million FCFA).

At December 31, 2023, cumulative net disbursements from the project portfolio stood at 372,886 million FCFA, represen-

ting a disbursement rate of 89% compared with cumulative net commitments of 419,772 million FCFA, and 64% compared with cumulative net approvals by the Supervisory Board of 484,596 million FCFA.

GRAPH 5 : IMPLEMENTATION STATUS OF APPROVAL DECISIONS BY INTERVENTION INSTRUMENT AT DECEMBER 31, 2023

Status of implementation of decisions by intervention instrument at December 31, 2023 (in millions of FCFA)



2.3.2 IMPACT OF INVESTMENTS

2.3.2.1 SOCIETAL IMPACT

2.3.2.1.1 From our purpose to our sustainability challenges

The Caisse des Dépôts et Consignation du Bénin (CDC Benin) places socio-environmental sustainability at the heart of its priorities. By actively integrating sustainable development issues into its investment decisions, it reinforces its significant impact on society and the environment. We are committed to:

- **Greening our investments. Systematically assess the environmental impact of financed projects, encourage the creation of sustainable local businesses, and develop territories responsibly.**

- **Adopt responsible practices. Encourage the preservation of natural resources and the adoption of best practices by economic players.**

CDC Benin's commitment as a socially responsible investor is reinforced by in-depth due diligence and strict compliance with environmental and social criteria when evaluating and implementing projects.

2.3.2.1.2 Sustainable investment in the economy

As a long-term investor mandated by law n°2018-38 of October 17, 2018, CDC Benin adopts a sustainable investor posture. During 2023, the Fund has:

- **Co-financed industries in the fields of agricultural processing** (textile factories, cashew nut shelling plant), plastics recycling, etc.
- **Invested in significant real estate projects and took stakes in the energy sector**, thus contributing to Benin's economic and inclusive development in line with the Government's Action Program.

2.3.2.1.3 Helping to create local champions

The Fund aims to transform Benin's industrial landscape by supporting the emergence of local champions. These industrial leaders, supported by its investments, are destined to become benchmarks in the transformation of raw materials and the creation of added value for the local economy.

2.3.2.1.4 Boosting balanced regional development

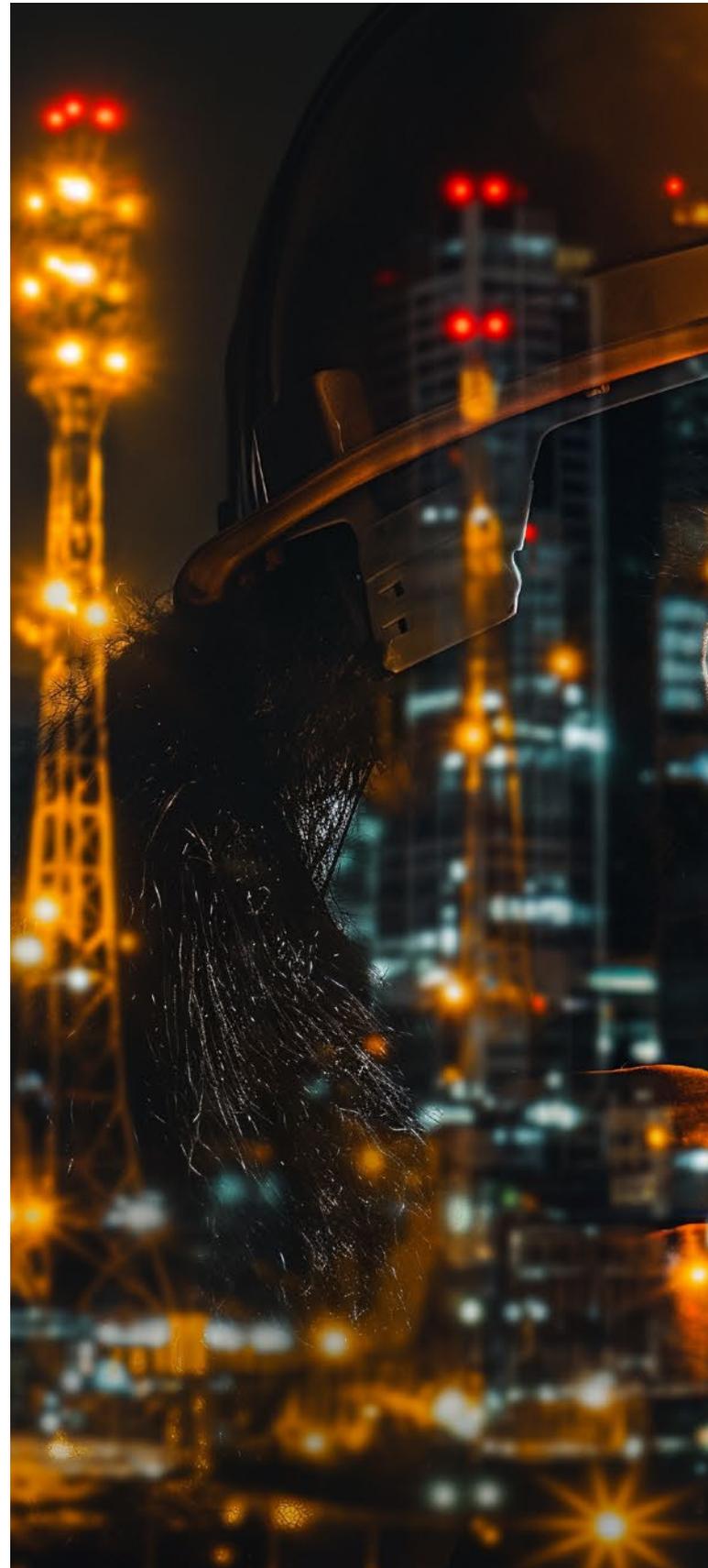
Investments in industrial units in various local authorities contribute to more harmonious and inclusive development. For example, involvement in the citrus processing unit in the commune of ZAKPOTA (Zou department) is helping to organize local producers into cooperatives and creating substantial direct and indirect employment.

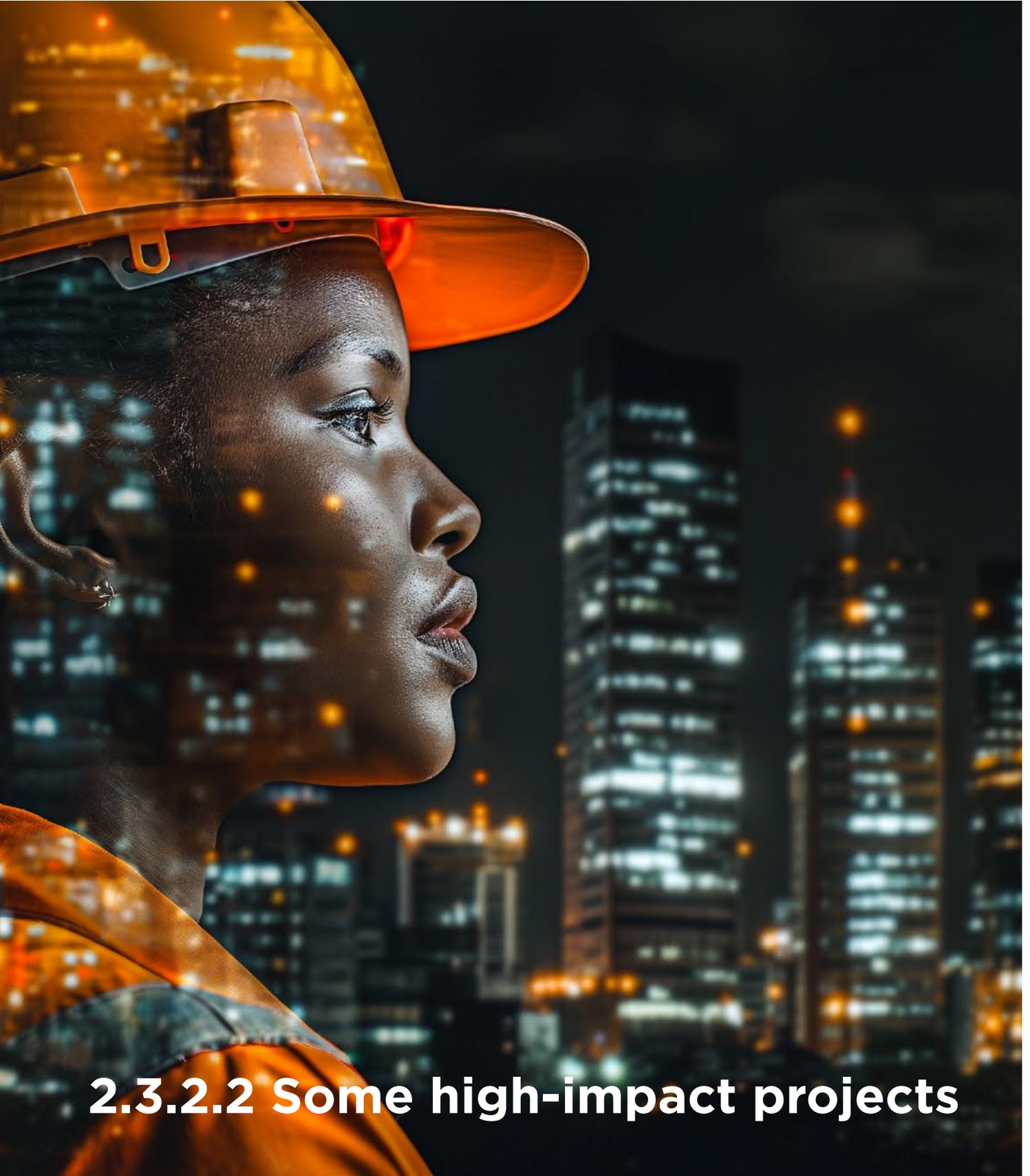
2.3.2.1.5 Greening investments

The Fund insists on the importance of an environmental approach in all its financing. This includes validation of the environmental and social impact study for all projects financed.

In fact, each project requires a certificate issued by the Beninese Environment Agency (ABE), a government agency under the supervision of the Ministry for the Environment and Transport. In addition, as part of the appraisal pro-

cess for a financing application, the institution ensures that projects consider the ODD aspects.





2.3.2.2 Some high-impact projects

CDC Benin's investments play a crucial role in economic and social development by targeting key sectors.

By investing and financing in the projects outlined below, the Fund takes account of sustainability issues as advocated by the MDGs and the African Union's Agenda 2063, notably by promoting job creation, especially for women, and poverty reduction. The projects also contribute to mastering agricultural value chains, thereby strengthening food security and rural development.

Furthermore, by integrating gender issues into its investment strategy, the Fund works towards equality and social inclusion, laying the foundations for inclusive and sustainable growth for future generations.

In terms of outlook, CDC Benin plans its exits through the market to ensure the sustainability of the companies in which the Institution has invested. The exit of investors from a company through the financial market can occur in different ways, depending on the structure of the company, its contractual agreements and market conditions.



OVERVIEW OF SOME IMPACT PROJECTS FINANCED BY CDC BENIN

AGRO-INDUSTRY

PROJECT NAME :
 first phase of the textile program with the installation of several factories BTEX



The deal consists of equity and long-term debt financing for the development of the first three integrated factories in a global program of 10 factories at GDIZ. These first three plants will process around 12% of local cotton into final textile products: bed linen, towels, nightwear, T-shirts, leggings, etc. for international markets. These plants would have a combined capacity of 32,500 T/year (finished product basis). The project will ultimately create around 15,000 direct jobs.

DEVELOPMENT IMPACT: Development of the cotton sector in Benin, with the transformation of around 15% of national cotton production during this first phase of the textile program, and development of Benin's industrial fabric. Taking into account MDG 8.



336 908

Million FCFA



15 000

Jobs to be created

AGRO-INDUSTRY

PROJECT NAME :

Project to install and operate an orange concentrate production plant ORANA

The aim of the project is to operate a concession to produce orange and pineapple concentrate at Za-Kpota in the Zou department. The financing provided by CDC Benin (equity and debt) will enable the transformation of national orange production and avoid post-harvest losses.

The project aims to have an impact in three areas: professionalization of the sector, empowerment of producers and financial inclusion.

DEVELOPMENT IMPACT : Structuring of the orange industry in Benin, transformation of local orange production into concentrate. Taking into account SDGs 1, 2, 5 and 8.



3 700

Million FCFA



500

Jobs to be created



AGRO-INDUSTRY

PROJECT NAME :

Financing of six cashew nut processing units at GDIZ BENIN CASHEW

The project aims to transform around 80,000 metric tons per year, or 62% of national cashew nut production, into kernels and shells into oil (5 kernel production plants and 1 shell-based oil extraction and carbonization unit).

DEVELOPMENT IMPACT : Transformation of national cashew nut production, creation of around 5,000 jobs including 85% for women, empowerment of women. Takes into account MDGs 1, 2, 5, 8.



41 400

Million FCFA



3 000

Jobs to be created



REAL ESTATE

PROJECT NAME :

Financing the construction
of the Maritime Affairs
Center

The aim of the project is to build infrastructures that will enable companies operating in the port sector and related activities to be grouped together on a single site. The infrastructure will comprise external works and 3 buildings of the R+7, R+5 and R+3 type; coworking spaces and parking lots.

DEVELOPMENT IMPACT: Contribution to port infrastructure modernization strategy. Considering SDG n°11 - Sustainable cities and communities.



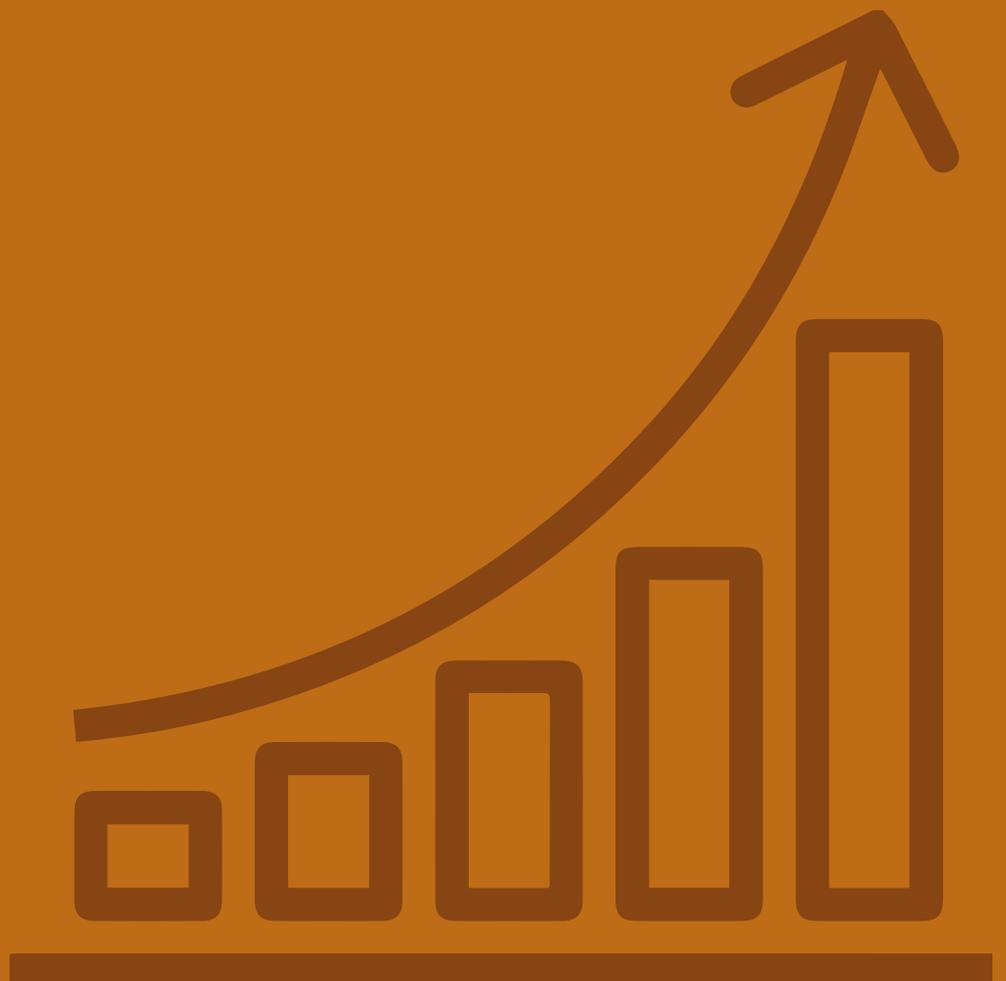
64 731

Million FCFA



3.

FINANCIAL PERFORMANCE



3. FINANCIAL PERFORMANCE

3.1 FINANCIAL PERFORMANCE

3.1.1 BALANCE SHEET AT DECEMBER 31, 2023

At the end of this fourth financial year, the balance sheet total had increased by 102,919 million FCFA to **958,687 million FCFA**, compared with 855,768 million FCFA at the end of December 2022, an increase of **12% (+102,919 million FCFA)**.

On the assets side, financial assets stood at **FCFA 658,041 million** at the end of December 2023, compared with **FCFA 738,816 million** the previous year, representing a decline of FCFA **80,775 million** (-11%), in line with disbursements made in particular to finance loans and equity investments in structuring projects. These assets comprise **FCFA 26,431 million** in cash, **FCFA 231,100 million** in term deposits, **FCFA 366,523 million** in bonds net of impairment, **FCFA 18,951 million** in trading securities, **FCFA 813 million** in commercial paper and **FCFA 14,223 million** in related receivables.

On the liabilities side, shareholders' equity amounted to FCFA 140,038 million, compared with FCFA 103,002 million at December 31, 2022. It is made up of paid-up capital, reserves and revaluation surpluses of FCFA 124,751 million, and the excess of income over expenses for the current year of FCFA 15,287 million.

The table below shows CDC Benin's balance sheet at December 31, 2023.



TABLE 5 : BALANCE SHEET AT DECEMBER 31, 2023

(NET AMOUNTS IN MILLIONS OF FCFA)	31/12/2023	31/12/2022
ASSETS		
Cash register, Treasury, Banks	26 431	89 586
Financial investments	631 610	649 230
Term Deposits	231 100	241 610
Bond securities	366 523	369 674
Commercial paper	813	-
Trading securities	18 951	25 194
Related receivables	14 223	12 752
Loans to credit institutions and similar entities (*)	47 345	-
Loans to businesses (*)	53 664	696
Shareholdings	118 440	91 178
Intangible fixed assets	74	44
Tangible fixed assets	55 059	4 645
Other assets	26 064	20 389
TOTAL ASSETS	958 687	855 768
LIABILITIES		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Treasury, Banks	-	-
Financial liabilities	818 649	752 766
Liabilities to customers	134 711	147 603
Other liabilities	71 675	19 941
Long-term commitments CNSS	611 986	584 805
Other long-term commitments (lease contracts)	277	417
TOTAL LIABILITIES	818 649	752 766
Paid-in capital	77 625	77 625
Reserves	24 245	9 310
Revaluation differences on financial instruments	22 881	1 132
Net income	15 287	14 935
TOTAL SHAREHOLDERS' EQUITY	140 038	103 002
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	958 687	855 768

(*) Loans include related receivables and impairment losses.

Source : Finance Department

3.1.2 INCOME STATEMENT AT DECEMBER 31, 2023

At December 31, 2023, CDC Benin's operations generated **net income of FCFA 15,287 million**, compared with FCFA 14,935 million for the same period in 2022.

This surplus is due to the combined

effect of net income (18,349 million FCFA) and operating expenses (2,847 million FCFA).

The table below shows CDC Benin's income statement at December 31, 2023.

TABLE 6 : INCOME STATEMENT AT DECEMBER 31, 2023

(NET AMOUNTS IN MILLIONS OF FCFA)	31/12/2023	31/12/2022
Interest and similar income	40 203	36 798
Interest and similar expenses	22 320	20 612
Net interest income (a)	17 883	16 186
Commission (income)	986	1 369
Commissions (expenses)	521	559
Net commission income (b)	465	810
Income from foreign exchange transactions	-	-
Losses on foreign exchange transactions	-	-
Net foreign exchange gains/losses (c)	-	-
Dividends received (d)	-	-
Net banking income (a)+(b)+(c)+(d)	18 348	16 996
Other ordinary income	1	5
TOTAL NET INCOME	18 349	17 001
Overheads	2 603	1 807
Other ordinary expenses	-	-
Net allocations to amortization and depreciation of intangible and tangible assets	244	242
GENERAL OPERATING EXPENSES	2 847	2 049
GROSS OPERATING INCOME	15 502	14 952
Risk cost	215	17
OPERATING INCOME	15 287	14 935
Net gains or losses on fixed assets	-	-
NET INCOME	15 287	14 935

Source : Finance Department

3.1.3 FINANCIAL AND PRUDENTIAL RATIOS

3.1.3.1 PORTFOLIO STATUS AT 12/31/2023

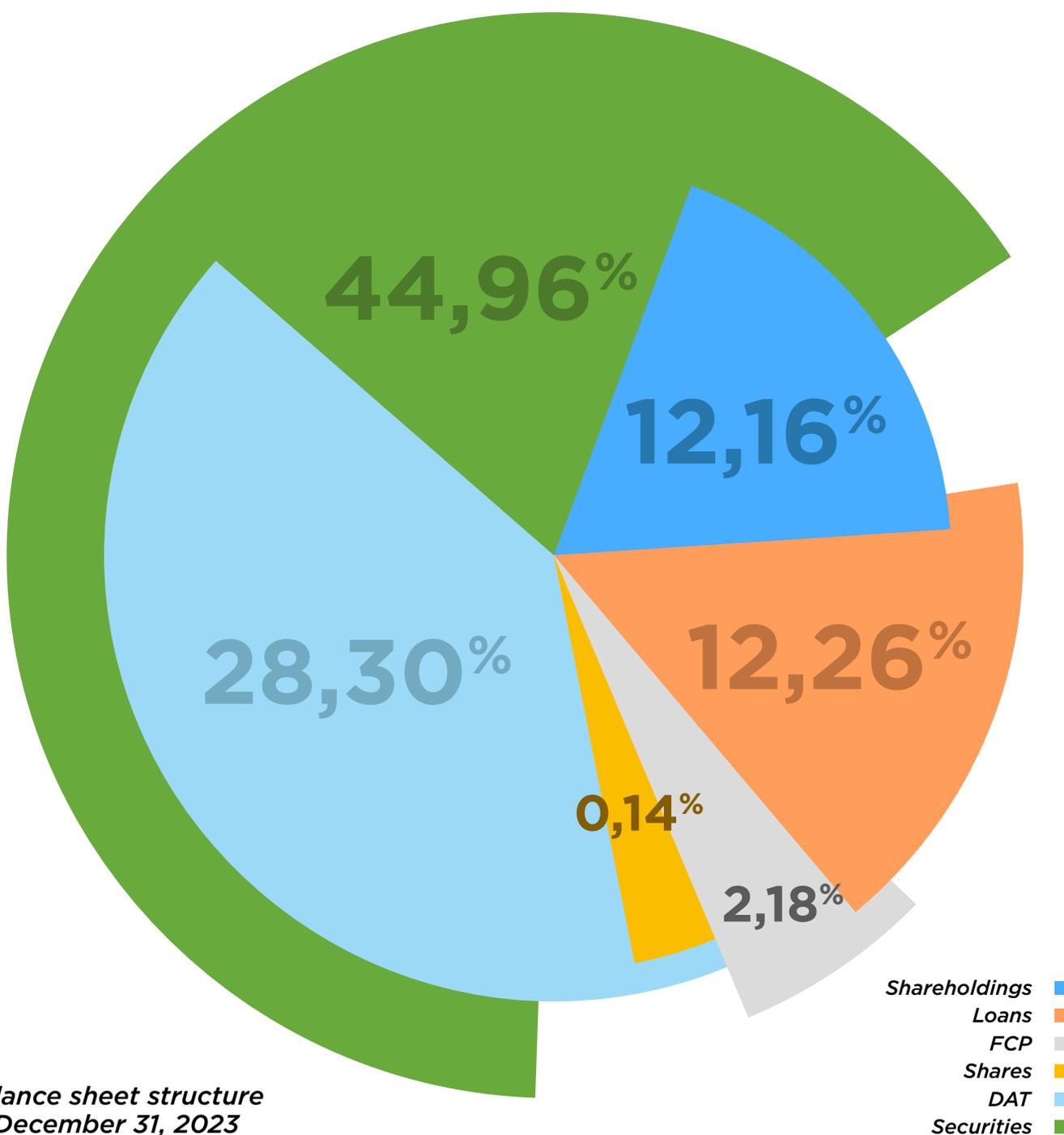
On- and off-balance sheet portfolio distribution

At the end of December 2023, the total portfolio amounted to FCFA 1,006.4 billion (excluding related receivables). On-balance-sheet commitments repre-

sented 81% of the total portfolio, compared with 19% for off-balance-sheet commitments.

Overall, there was a significant 23% increase in the value of the portfolio compared with that at the end of December 2022, which stood at FCFA 821.20 billion.

GRAPH 6 : BALANCE SHEET DECOMPOSITION AT DECEMBER 31, 2023



Balance sheet structure at December 31, 2023

CDC Benin risk-weighted assets

CDC Benin’s risk-weighted on- and off-balance sheet exposures are valued at 116.62 billion FCFA. This amount defines the Caisse’s level of risk, from which its solvency ratio is calculated.

Due to our outstanding loans, term deposits and guarantee commitments, credit risk represents 68% of the Fund’s total risk-weighted exposure.

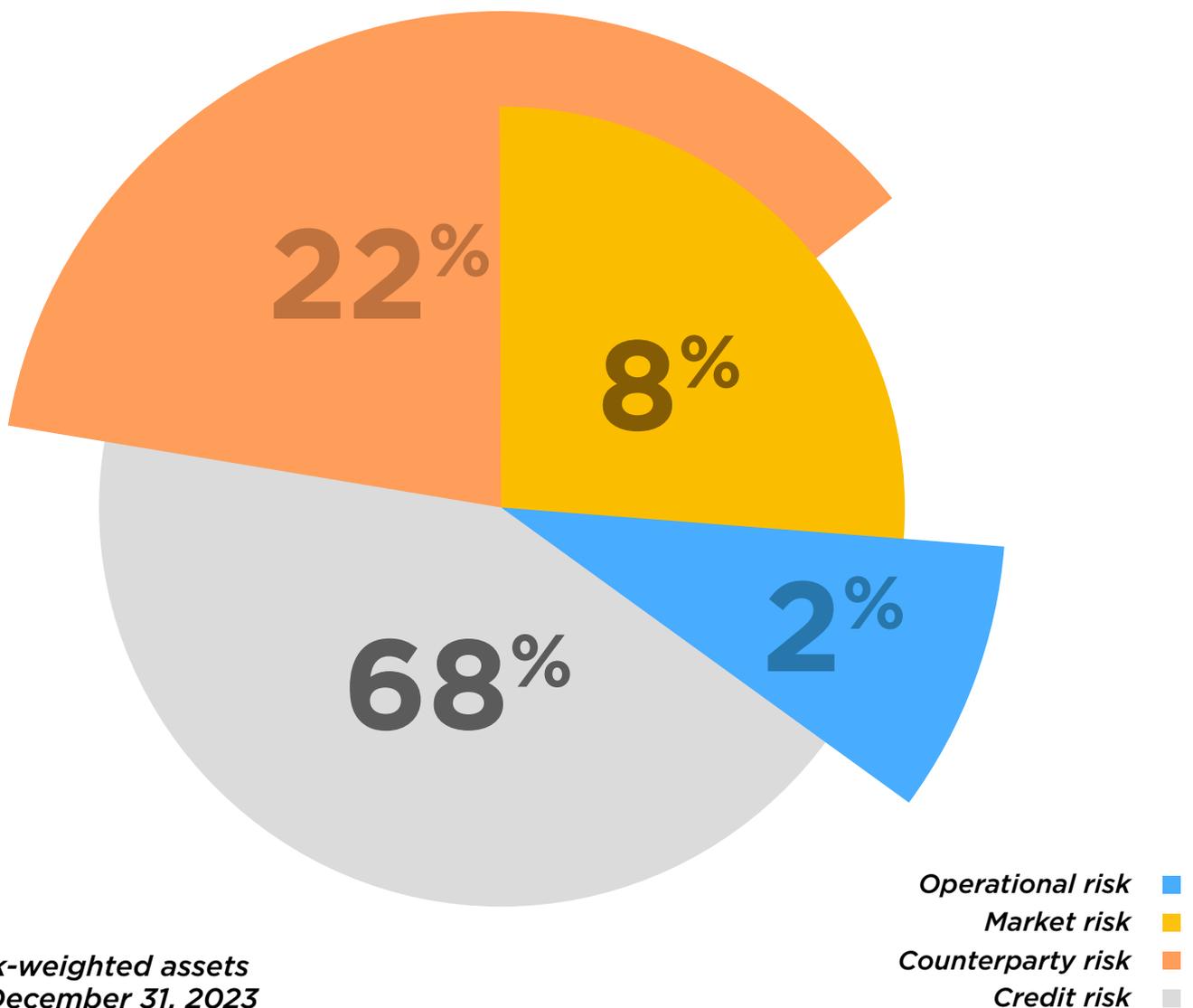
This is followed by counterparty risk arising from strategic equity investments, which represents 22% of the Fund’s total risk-weighted exposure.

December 31, 2023, CDC Benin will have the capacity, within the limits of its equity capital, to finance major infrastructure projects in support of public policies, while maintaining a balance in all its prudential and regulatory risk indicators.

3.1.3.2 FINANCIAL RATIOS

As CDC Benin is still in the operational phase, its financial ratios are generally satisfactory.

GRAPH 7 : RISK-WEIGHTED ASSETS



Risk-weighted assets at December 31, 2023

**TABLE 7: FINANCIAL AGGREGATES AND RATIOS
AT DECEMBER 31, 2023**

MANAGEMENT RATIOS	THRESHOLD	31/12/2023	31/12/2022
Profitability rate *	>3,1%	4,8%	5,0%
Cost/income ratio	<65%	15,5%	12,1%
Return on Asset *	>1%	1,6%	1,7%
Return On Equity *		10,9%	14,5%
Net interest margin*		2,1%	2,2%
Financial area	>2%	14,6%	12,0%
Operating profitability		83,3%	87,9%

(*) *Annualized indicator*

The detailed analysis of indicators is as follows :

● **RATE OF RETURN**

The rate of return at December 31, 2023 was 4.8%, compared with 5.0% at the end of 2022. This rate, which relates interest income to financial assets, is higher than the State's average debt ratio of 3.13% at 12/31/2023.

● **NET COST/INCOME RATIO**

For a standard of 65%, the net operating ratio, which relates operating expenses to net banking income, stands at 15.5%, compared with 12.1% for the 2022 financial year. This change is essentially due to the full-year effect of the recruitment required to operationalize several departments as part of the development of the Fund's activities. Indeed, eighteen (18) people were recruited in August and September 2022 to reinforce the departments, and two (02) others in 2023.

● **RETURN ON ASSET**

Economic profitability (ROA), which indicates the return on the resources deployed to carry out the Fund's business, remained stable at 1.6% over the 2022-2023 period.

● **RETURN ON EQUITY**

The return on net assets ratio is a measure of financial performance calculated by dividing net income by shareholders' equity. At the end of December 2023, it stood at 10.9%, compared with 14.5% at 12/31/2022. This drop in yield is linked to the nature and stage of maturity of the projects financed (Greenfield) by CDC Benin. Most of these projects are in the construction phase.

● **FINANCIAL STRENGTH RATIO**

Financial strength confirmed between these two dates, with a capital adequacy ratio of 14.6% at 12/31/2023. This ratio, which relates shareholders' equity to the balance sheet total, is higher than the desirable capital adequacy threshold of 2% for banks.

● OPERATING PROFITABILITY

Operating profitability (net income divided by net banking income) was 83.3% at the end of December 2023, compared with 87.9% in 2022. This confirms the soundness of all the Fund's operations.

3.1.3.3 PRUDENTIAL RATIOS

The table below shows the main prudential ratios rigorously monitored by CDC Benin :

- **the CET1 (Common Equity Tier 1) solvency ratio** relates Common Equity Tier 1 (CET1) to the sum of Risk-Weighted Assets ;
- **the minimum solvency ratio** : regulatory capital divided by the sum of risk-weighted assets ;
- **the Basel leverage ratio**, expressed as a percentage of total exposure (balance sheet and off-balance sheet).

TABLE 8: SOLVENCY RATIOS AT DECEMBER 31, 2023

EQUITY CAPITAL CATEGORIES	MINIMUM REQUIREMENTS FOR BALE 2&3	BCEAO MINIMUM REQUIREMENTS	RATIOS APPLIED BY CDCB	DECEMBER 2023	DECEMBER 2022
CET1 shareholders' equity	4,5%	5%	6,5%	54,9%	57,1%
Tier 1 capital	6%	6%	8%	54,91%	57,1%
Regulatory capital (minimum solvency ratio)	8%	9%	10%	54,9%	57,1%
Conservation buffer	2,50%	2,5%	2,5%		
Regulatory capital (minimum solvency ratio) + conservation buffer 1		11,5%	12,5%	54,9%	57,1%
Counter-cyclical buffer	[0-2.5] %		2,5%		
Surplus for systemic risk	[0-5] %		5 %		
Minimum solvency ratio (+ buffers and cushions)			20 %	109,7%	114,2%
Basel leverage ratio	3 %	3 %		16,2%	14,1%

Source : Risk Analysis and Management Department

A detailed analysis of prudential ratios can be summarized as follows:

● **Solvency ratio**

At December 31, 2023, the solvency ratios (CET 1 and overall) calculated in standard mode stood at 54.9% (vs. 57.1% in 2022) and 109.7% (vs. 114.2% in 2022) respectively, well above its internal thresholds of 6.5% and 20%. These internal thresholds exceed the regulatory thresholds of 4.5% (CET1 solvency) and 10.5% (minimum overall solvency) set by the Swiss standards.

The fall in the solvency ratio between the two periods is essentially justified by the need for funds induced by the various projects financed by the Fund during the year.

This confirms the Fund’s position as an investor and instrument of economic development.

● **Leverage ratio**

CDC Benin’s leverage ratio stood at 16.2% at December 31, 2023, well above the 3% threshold required by international Baloise standards. This confirms the Fund’s ability to control the growth of its balance sheet in relation to shareholders’ equity.

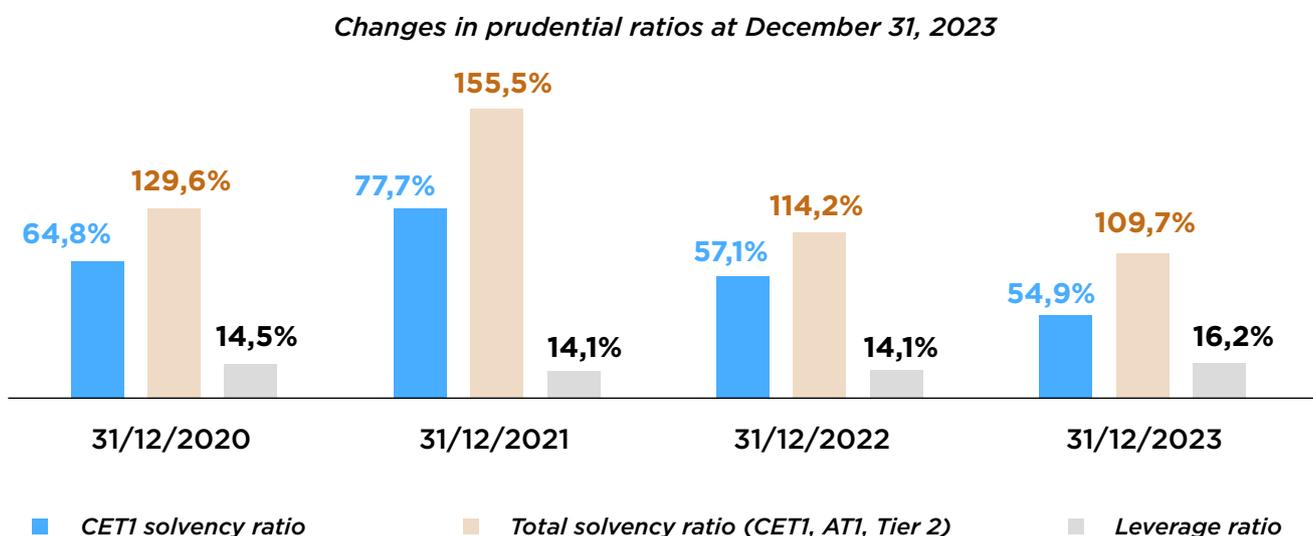
The table below shows the evolution of CDC Benin’s prudential ratios over the last three (03) years.

TABLE 9: CHANGES IN PRUDENTIAL RATIOS AT DECEMBER 31, 2023

	31/12/2021	31/12/2022	31/12/2023	Threshold
CET1 solvency ratio	77,7%	57,1%	54,9%	>=6,5%
Total solvency ratio (CET1, AT1, Tier 2)	155,5%	114,2%	109,7%	>=20%
Leverage ratio	14,1%	14,1%	16,2%	>=3%

Source : Risk Analysis and Management Department

GRAPH 8: PRUDENTIAL RATIOS AT DECEMBER 31, 2023



3.1.3.4 LIQUIDITY RATIOS

Two indicators are generally used to assess liquidity risk coverage: the short-term liquidity ratio (Liquidity Coverage Ratio - LCR-) and the long-term liquidity ratio (Net Stable Fund Ratio -NSFR-).

The short-term liquidity ratio relates unencumbered assets considered to be high-quality liquid assets to total net cash outflows (in the event of stress) over 30 days. As for the structural long-term liquidity ratio, which complements the short-term liquidity ratio, its aim is to ensure “stable financing that will enable it to continue its activities soundly for a period of 1 year in a scenario of prolonged stress”.

At December 31, 2023, the LCR (Liquidity Coverage Ratio) and NSFR ratios were well above the regulatory threshold of 100%, confirming CDC Benin’s strong liquidity position in both the short term (30 days) and the long term (1 year and more).

The above Graphs demonstrate the Fund’s ability to manage the resources it collects prudently and optimally, within a fully formalized risk appetite framework.

4.

CSR COMMITMENT AND SUSTAINABLE DEVELOPMENT



4. CSR COMMITMENT AND SUSTAINABLE DEVELOPMENT

As a responsible corporate citizen, the Caisse des Dépôts et Consignations du Bénin (CDC Benin) is increasingly committed to taking sustainable development issues into account in the performance of its various activities. In addition to its financial performance, the institution has consolidated its CSR approach through actions that have an impact on society, the environment and all its stakeholders.

These actions have materialized through the strengthening of team culture and cohesion, the broadening of CSR criteria when evaluating projects, the donation of medical equipment to Benin's two major public hospitals, the donation of school kits to visually impaired learners, awareness-raising campaigns on breast, cervical and prostate cancer, and eco-responsible gestures to adopt on a daily basis in the office.

By becoming one of the first institutions selected by the AfDB to benefit from the African Green Banking Initiative, CDC Benin, in its capacity as a Socially Responsible Investor (SRI), will further contribute to resilient, green and sustainable growth with a view to achieving the Sustainable Development Goals (SDGs) and the African Union's Agenda 2063.

CDC Benin's strategy is clearly defined and formalized (mission and vision): **“To be a renowned financial institution, trusted third party and sustainable investor, at the service of Benin's economic and social development”**. The institution has an ambitious 2021-2025 strategic plan (subject to a mid-term review at the end of 2023), with the aim of mobilizing 1,177 billion FCFA and investing 1,000 billion FCFA in the economy by the end of 2025.

4.1 COUNTRY AND INSTITUTIONAL CONTEXT

As explained in the preceding pages, CDC Benin is a young public financial institution with a special mission, created in 2018. Invested with a mission of general interest, it is responsible for providing innovative solutions to the problem of investment financing in Benin. It ensures the mobilization and secure management of savings and all regulated funds (pension funds and funds of the legal professions, etc.), which it grows and channels to finance the accelerated development of the public and private sectors, with a view to the rapid achievement of Benin's economic and social objectives.

In terms of sustainability, Benin has committed to reduce its greenhouse gas emissions (GHG) by 20.15% by 2030 through its National Determined Contribution (NDC), and the country has made progress in defining priorities for green growth and climate action.

The execution of CDC Benin's business activities engages its Corporate Social Responsibility (CSR), as the projects it finances generate immediate and long-term impacts on society and the environment. In line with its investment policy, CDC Benin is determined to systematically take sustainable development issues into account in its governance, financing and investment decisions. For this reason, it has adopted guidelines that will enable it to be well organized and have a lasting impact on society and the environment, notably through its CSR strategy and ESG policy.

4.2 CSR VISION AND POLICY

CDC Benin is committed to integrating the principles of Corporate Social Responsibility (CSR) at the heart of its operations and investment strategies. The institution's vision is guided by the ambition to actively contribute to Benin's sustainable economic development, while promoting practices that respect the environment and enhance human capital.

The institution believes that its economic and social role as a national financial institution gives it the responsibility to lead by example in sustainable development.

CDC Benin's CSR approach is based on four (4) fundamental principles, in line with its business activities and the mapping of its stakeholders:

a) Environmental sustainability



Reducing ecological impacts. The Fund is committed to minimizing its carbon footprint through green investments and initiatives aimed at reducing energy, water and paper consumption, and promoting the sustainable management of natural resources and waste in all our operations.



Promoting biodiversity. The Fund supports projects that preserve and restore biodiversity, thereby strengthening the ecological resilience of its local environment. This is illustrated by the Caisse's investment in BENIN CASHEW's integrated, eco-responsible cashew nut processing unit in the Glo-Djigbé industrial and economic zone, as well as in the citrus processing unit in the commune of ZAKPOTA.

b) Social equity



Financial and social inclusion. The institution works to make its financial services accessible to all, particularly disadvantaged communities, by promoting projects that stimulate the local economy and generate jobs. The financing of SFDs, in this case PADME, encourages the granting of micro-credits to vulnerable people.



Health and education. PADME's commitment to the well-being of the community is demonstrated by its ongoing support for health and education initiatives, ensuring a better future for all.

c) Ethical governance



Transparency and integrity. The company maintains the highest standards of governance, with a policy of total transparency in its communications and decisions.



Business ethics. The institution adheres strictly to ethical standards in all its transactions, interactions and decision-making, thereby strengthening the trust of its partners and the public. These standards are set out in the Internal Regulations of the Supervisory Board and the Code of Ethics and Deontology for the institution's staff. Specifically, and to comply with the International Reference Framework for the Professional Practice of Internal Auditing and the Public Procurement Code, the internal auditors and the person responsible for public procurement respectively implement the code of ethics for internal auditors and the code of ethics and professional conduct for stakeholders in public procurement procedures.

d) Community

Whether institutional partners, suppliers or customers, CDC Benin interacts with a wide range of players that make up its ecosystem. As a result, in carrying out its missions and activities, the Institution takes into account and respects their interests, while attaching key importance to their socio-environmental practices.

It's important to remember that local **(d) communities** are at the heart of sustainable development. They must be involved in the implementation of projects and upstream in decision-making. This is the very purpose of **ethical governance (c)**, which implies transparent, responsible and equitable management practices. This **social equity (b)** translates into justice and inclusion, aiming to ensure that all individuals have access to the same opportunities and benefit from sustainable development, which cannot be achieved at the expense of our planet

and its natural resources. Actions aimed at reducing pollution, protecting biodiversity and combating climate change constitute this **environmental sustainability (a)**.

In short, these four concepts are interconnected and together contribute to the achievement of balanced and harmonious sustainable development.

By forging its CSR strategy around these pillars, CDC Benin ensures that every action and decision it takes makes a significant contribution to more sustainable and equitable development for Benin.

4.3 AFDB DIAGNOSIS IN THE FRAMEWORK OF THE GREEN FACILITY

4.3.1 AFDB INITIATIVE TO DEVELOP GREEN BANKS

CDC Benin is committed to being a sustainable investor, combining financial profitability with environmental, social and governance (ESG) considerations in its interventions. To accelerate private financing and investment for resilient growth and sustainable infrastructure, it plans to set up an instrument called the "Green Finance Facility".

The objective of the AfDB's African Green Finance Facility Fund (AG3F) initiative is to build the capacity of African financial institutions in sustainable finance, and to structure and finance local green finance mechanisms to catalyze climate investments and mobilize the private sector for sustainable projects.

Technical Assistance will help establish the Green Facility by defining operational and investment guidelines in line with best practice.

In particular, it comprises the following three components :

- **Operational structuring** : feasibility study and design for setting up the Green Facility, design, legal structuring and incorporation of the Green Facility, capa-

city building, including the deployment of training, monitoring and evaluation programs.

- **Financial structuring** : integration of adaptation and mitigation into existing investment portfolio, mapping of investment opportunities and development of a pipeline of green projects meeting national and local needs, financial planning, including business plan, financial model and resource mobilization plan

- **Policy support** : support for the creation of an enabling policy and regulatory environment, alignment of the Green Facility strategy with the Sustainable Development Goals (SDGs) and Paris Agreement targets (as incorporated in jurisdictions' nationally determined contributions).

This technical assistance will be carried out in collaboration with the above-mentioned partners and specialized firms, as part of the structuring and operationalization of the Green Fund.

CDC Benin began the process on April 06, 2023. The phase of launching the TA with the selected Consultants should start in the second half of the year and be spread over 9 months (indicative period).

Benin's Green Facility is being set up in several stages:

- **CDC Benin has already completed stages 1 and 2 of the preparatory and diagnostic phases (see reports).**

These were finalized in April and June 2023 respectively.

- **The next stages, 3 and 4, concern the preparation of the Technical Assistance and the recruitment of the consortium of consultants for its implementation. This is the responsibility of the ADB through AG3F.**

These stages are scheduled for completion in May 2024.

At the end of these phases, the Technical Assistance will be launched with the selected Consortium. This stage will make it possible to implement the Technical Assistance plan, which, as mentioned above, provides for assistance with operational and financial structuring, as well as institutional support.

It will enable the institution to benefit from :

- **a climate roadmap ;**
- **a gender and inclusion approach at project level ;**
- **implementation of a sustainability management system for financing and investment activities;**
- **sustainability monitoring and reporting ;**
- **strengthening staff skills in the area of sustainability ;**
- **the creation and structuring of a green facility ;**
- **building a pipeline of green projects .**

4.3.2 STRENGTHS IDENTIFIED BY THE AFDB DIAGNOSIS

At the end of phases 1 and 2, which were finalized by CDC Benin as mentioned above, the institution's strengths in implementing the Green Facility emerged.

Among the many strengths identified during the diagnosis, the following stand out in particular :

- **A clear vision of sustainability.** The institution's vision for the transition to a more sustainable economy is to "Become a Responsible Investor with an international reputation, and an agent of positive change in the achievement of the Sustainable Development Goals (SDGs)". This vision is reflected in CDC Benin's CSR

strategy, which was formalized and approved in April 2023.

- **An ESG policy was formalized in April 2023.** It covers all the institution's financing and investment activities. This policy reflects the Group's commitment to implementing the best international rules, standards and norms in the field of sustainable finance.

- **Experience in financing green projects.** CDC Benin has implemented projects in the agri-food processing industry (cashew, soya, orange, etc.), enabling farmers to avoid post-harvest losses. In partnership with the ARISE Group, CDC Benin has financed textile and cashew processing units at the Glo-Djigbé Industrial Zone (GDIZ). These state-of-the-art factories ensure the greening of the industry and the preservation of the environment. In the field of renewable energies, it has financed a project to build and operate a polypropylene plastic waste recycling plant, and a project to build and operate a plant producing electric cables, LED lamps and renewable energy.

- **Clearly defined challenges and support needs.** The challenges identified by the creation of the Green Facility lie mainly in the proper identification and assessment of green projects, with regard to climate finance standards. This calls for more optimal organization, capacity-building, the learning of best practices, the provision of appropriate tools and a high-performance monitoring and evaluation system, all of which will enable CDC Benin to play its full role in carbon finance.

4.4 CONCRETE CSR ACHIEVEMENTS IN 2023

Over the course of 2023, several major initiatives were implemented.

4.4.1 DONATIONS

Automatic External Defibrillators (AEDs) to save lives

To mark the 2023 edition of International Women's Rights Day, CDC Benin, through the Women's Association of the Ministry of Economy and Finance (AFMEF) which includes its female human capital, has donated two Automatic External Defibrillators (AEDs) to the Mother and Child Hospital (HOMEL) and the National Hospital and University Center (CNHU) in Cotonou. They were handed over to the heads of Benin's two largest health centers at a solemn ceremony.

A first-aid device designed to deliver an electric shock to victims of ventricular fibrillation and cardiac arrest, the D.E.A. can be used by anyone, even those untrained in first-aid techniques..





DONATION OF “D.E.A” TO HOMEL AND CNHU IN COTONOU

With this donation, CDC Benin and AFMEF have made a useful and salutary contribution that will surely save the lives of hundreds of users of these health centers.

Delivery of school kits to learners at the Blind Social Promotion Center (CPSA) in Sègbèya

Committed to promoting access to education and social inclusion, CDC Benin, in conjunction with the start of the new school year, offered school kits (cupped tablets, classic punches, arithmetic cubes, talking calculators, cubarithms and white canes) to learners at the Blind People’s Social Promotion Center (CPSA) in Sègbèya.

“Education being the most powerful weapon for changing the world” CDC Benin is convinced that these school kits will help to facilitate the education and professional integration of these learners.





SCHOOL KITS FOR VISUALLY IMPAIRED LEARNERS



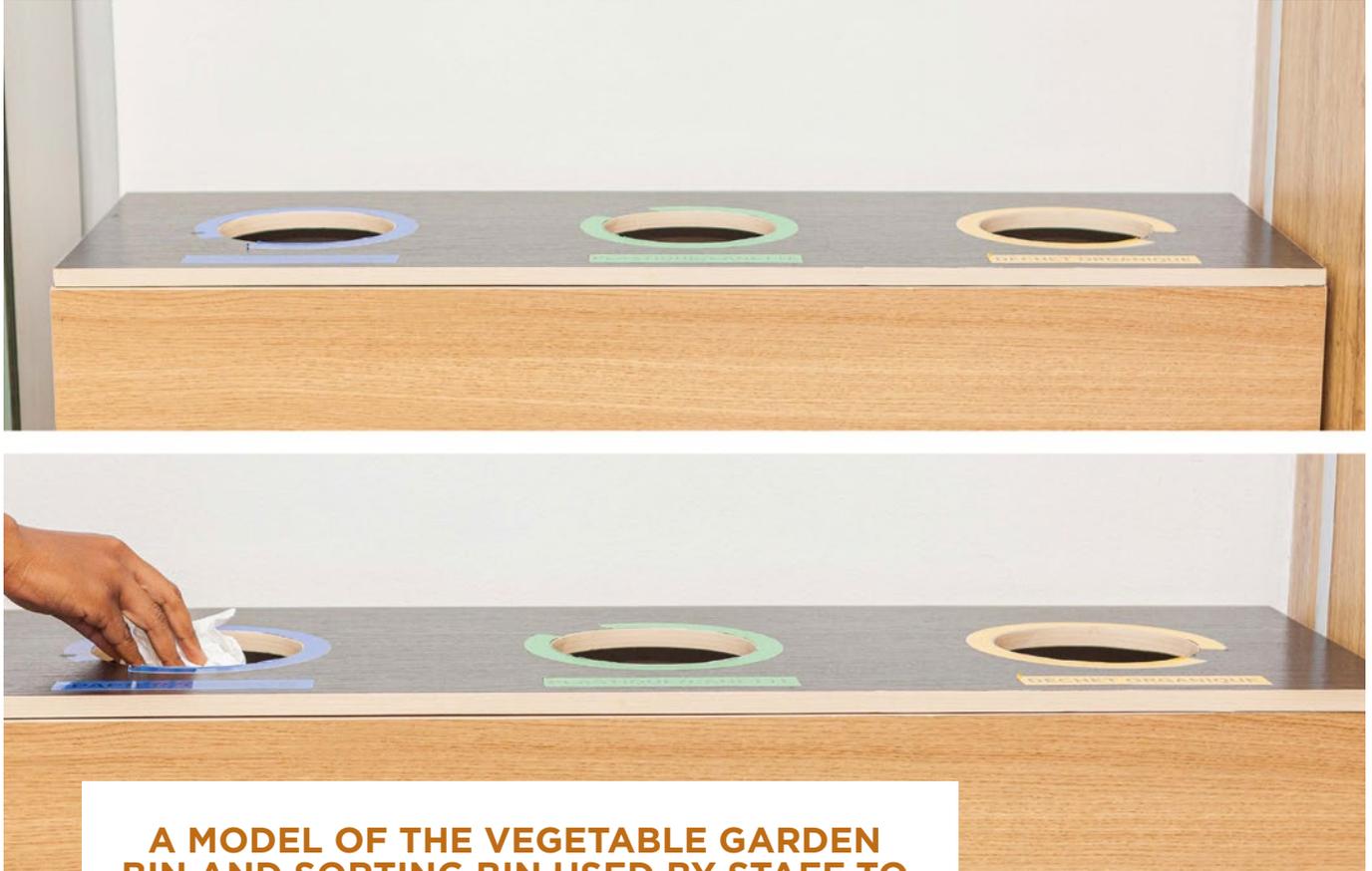
4.4.2 RAISING AWARENESS OF WASTE SORTING AND MANAGEMENT

Environmental education is crucial to encouraging the adoption of eco-actions in everyday office life. The Institution has introduced locally-designed sorting bins to raise staff awareness of waste management. Employees now sort their waste according to the instructions displayed on the bins. A system of departmental ambassadors ensures that sorting instructions are respected. Initiatives such as an inter-departmental challenge and internal communication on eco-responsibility reward staff commitment.

As a result of these actions, the amount of plastic waste produced each month has been considerably reduced, from 600 items of packaging in 2022 to less than 20 in 2023.

In addition, food containers are now washed and reused, helping to preserve the environment. At the same time, the Institution has installed kitchen garden containers to promote sustainable urban

agriculture and healthy eating. This initiative encourages the production of local herbs and vegetables, while strengthening team spirit and reducing the carbon footprint associated with food.



A MODEL OF THE VEGETABLE GARDEN BIN AND SORTING BIN USED BY STAFF TO MANAGE THE INSTITUTION'S WASTE

4.4.3 STRATEGIC PARTNERSHIPS

“Open Day” in partnership with UNICEF Benin

CDC Benin, in collaboration with UNICEF Benin, opened its doors to twelve children aged 8 to 12, as part of Universal Children’s Day. The aim of this initiative was to provide them with an immersive experience and introduce them to the professions practiced within the institution. The children had the opportunity to visit the offices and take part in induction

visit the offices and take part in induction sessions in the various departments of CDC Benin.

They were able to interact with staff and learn more about the institution’s activities, current projects and the teams’ professional responsibilities.



**IMMERSION OF STAFF CHILDREN
DURING THE “OPEN HOUSE”
AFTERNOON**

The highlight of the “Open Day” was the discussion session between Mrs. Maryse LOKOSSOU, Managing Director of CDC Benin, and the children. During the session, the children asked pertinent questions about the institution’s operations and mandate, expressed their interest in the projects and received personalized advice from the head of CDC Benin.





CDC Benin enjoyed a successful fourth year of operations, with a balance sheet total of **FCFA 958,687 million** and a profit of **FCFA 15,287 billion**, also marked by a significant increase in its economic and social impact. It continued to mobilize endogenous resources and approved considerable financing in

ved considerable financing in various sectors such as agribusiness, real estate, banking and finance, in line with its Strategic Plan 2021-2025.

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With its focus on corporate social responsibility (CSR), it is committed to reconciling economic performance with social and environmental sustainability.

For the future, it aims to strengthen its equity capital, mobilize more internal resources and green financing, and increase its involvement in SMEs, particularly those run by women, while consolidating its role as a socially res-

ponsible investor.

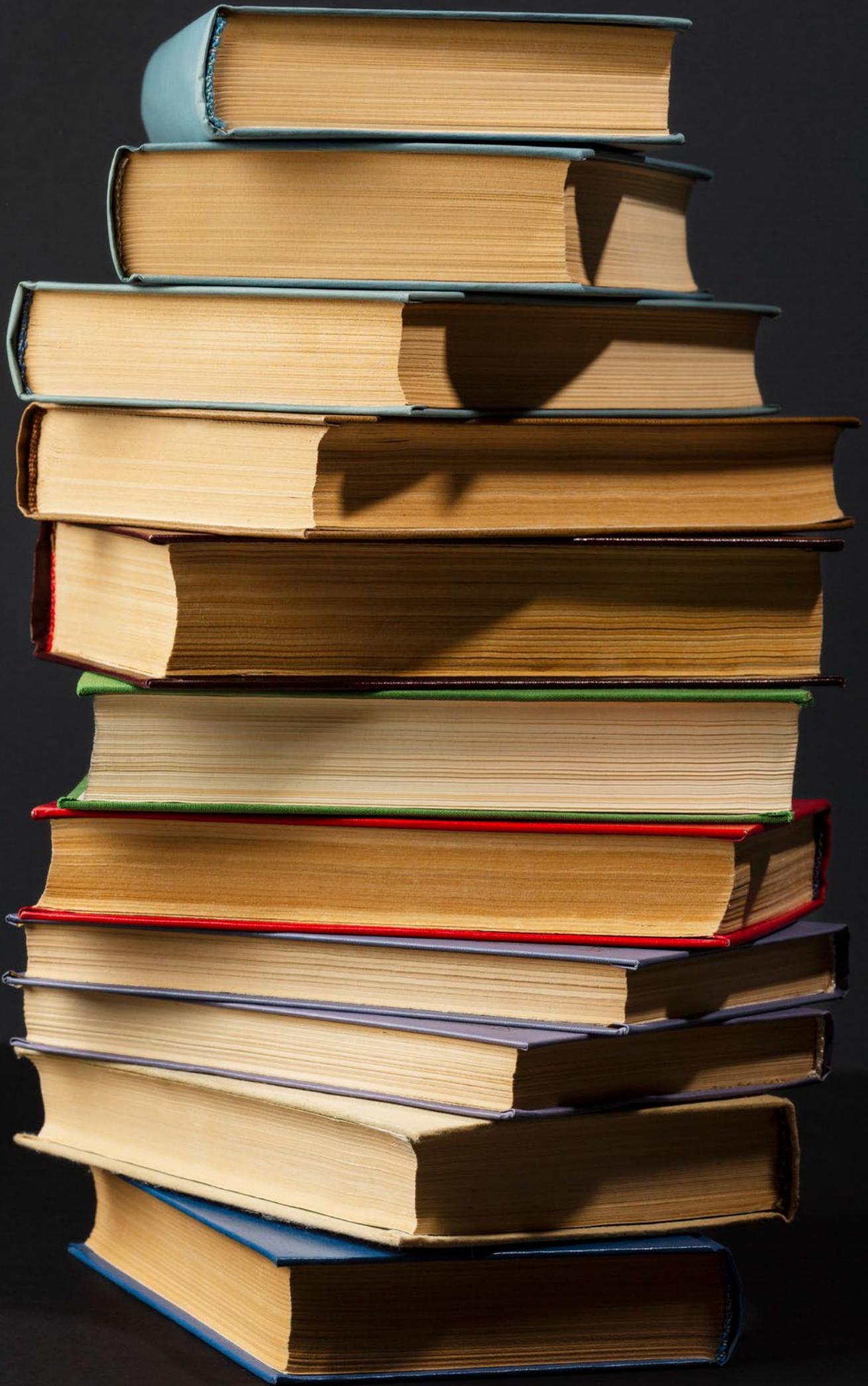
Strengthening human capital, governance, institutional partnerships, improving information systems and certification to international norms and standards are all essential to its development and positive impact.

By combining these efforts, we can consolidate our position and successfully pursue our mission.

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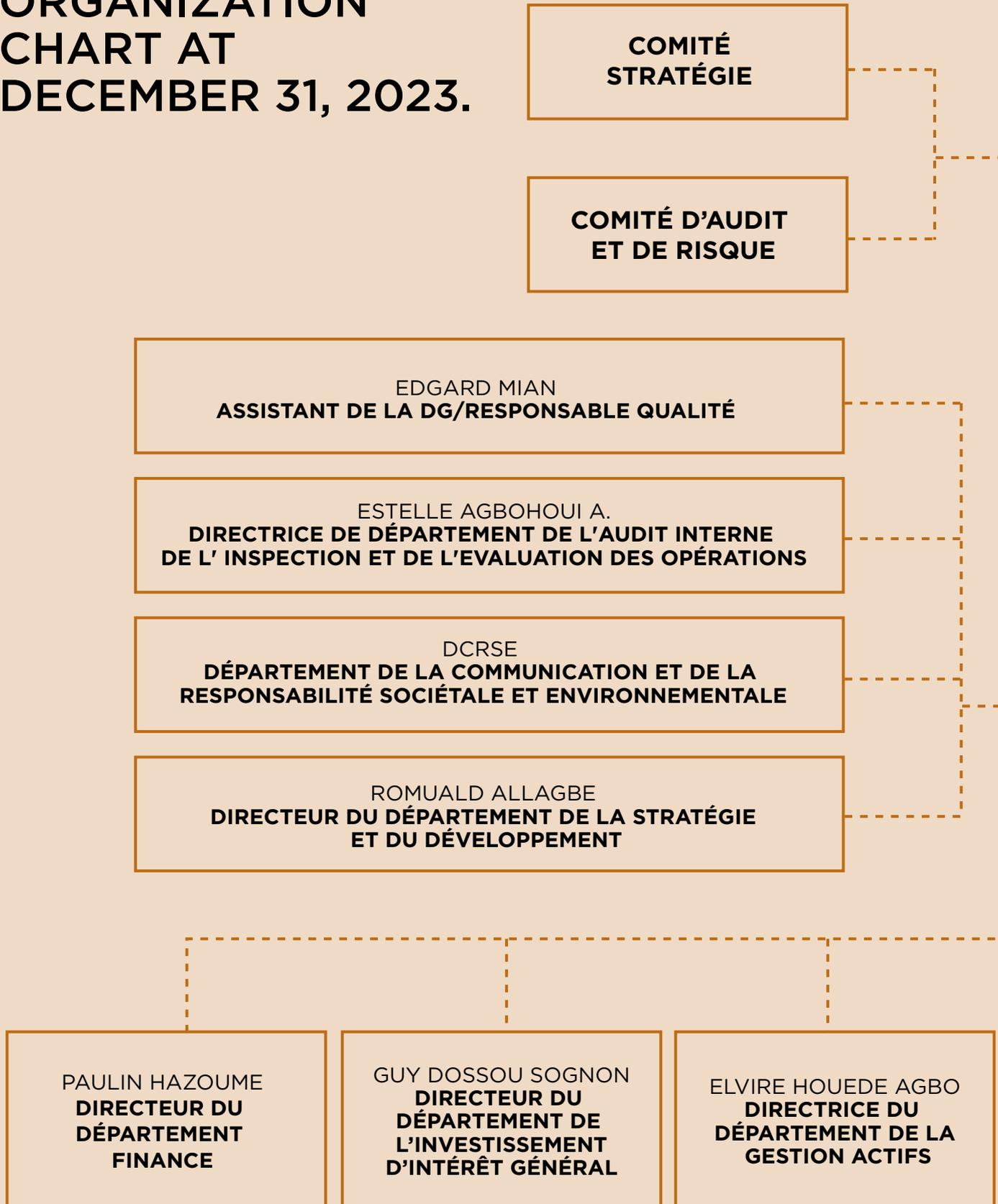


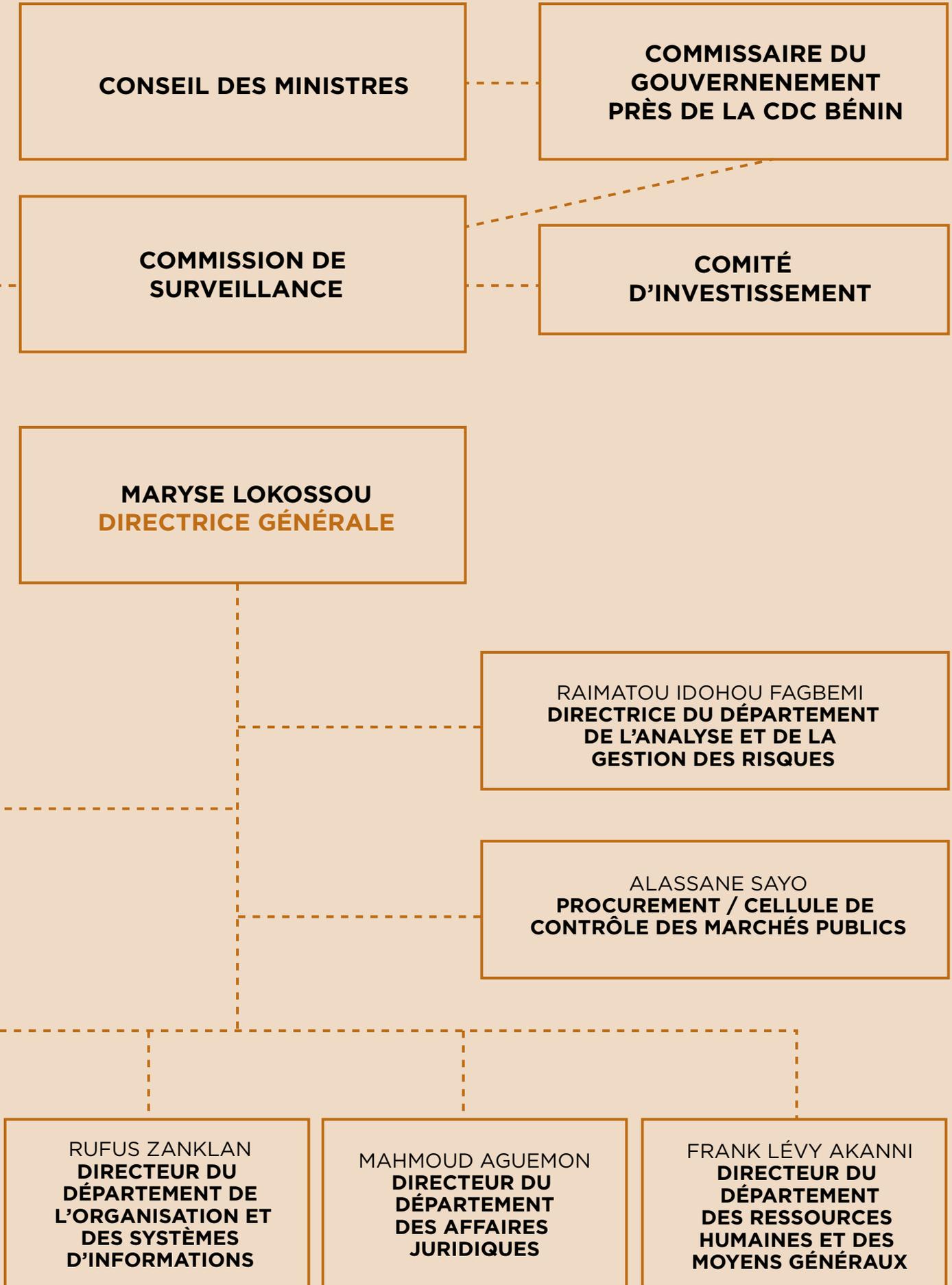


APPENDICES

APPENDICES 1

FUND ORGANIZATION CHART AT DECEMBER 31, 2023.





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