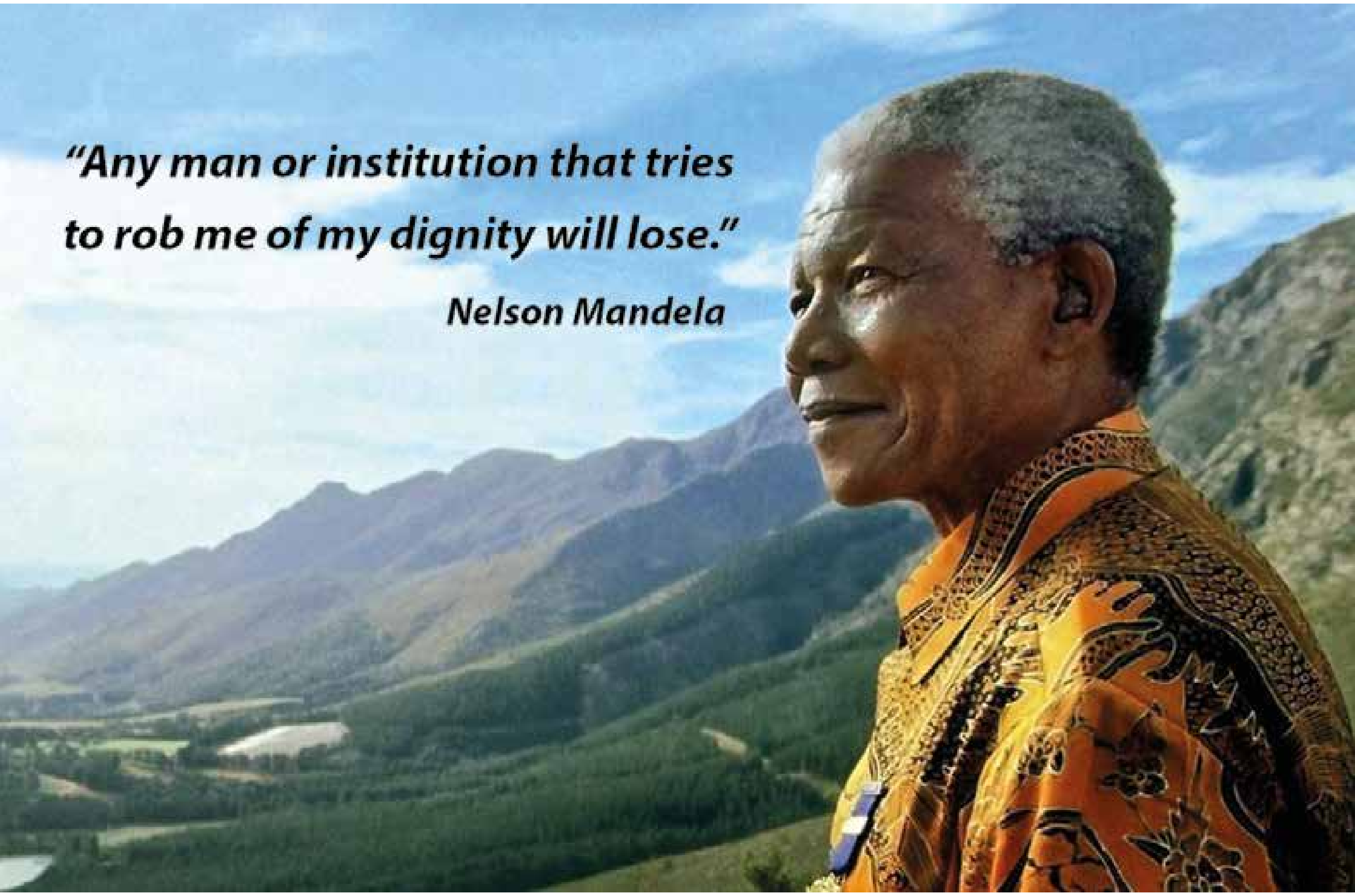
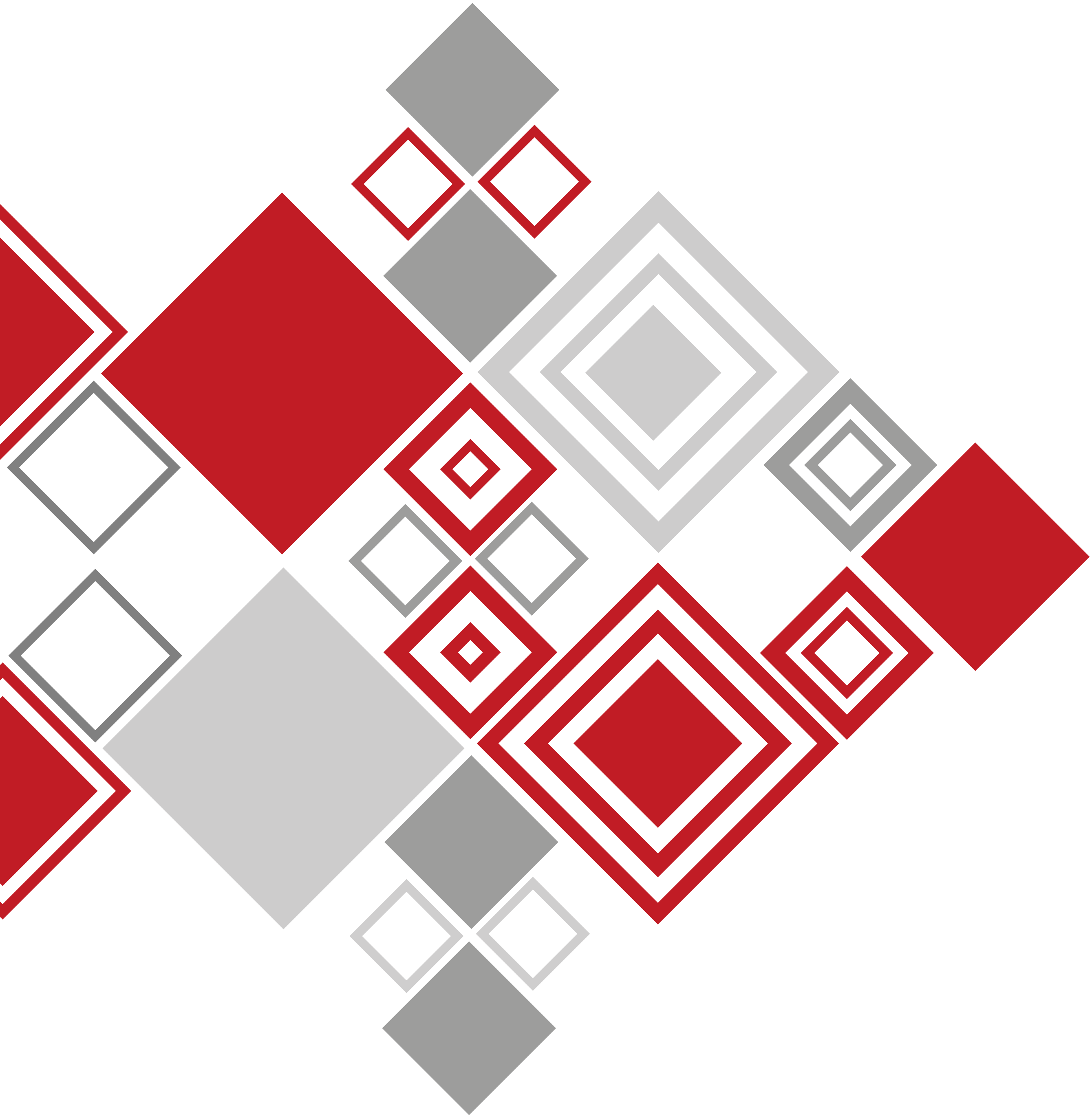

"Any man or institution that tries
to rob me of my dignity will lose."
Nelson Mandela



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" Poverty is fact, not fate "

Dr Paul K. FOKAM
Chairman

Dear Partners,

With 2017 almost over, and after 30 years of a relentless struggle, I think it is worthwhile remembering a principle I cherish most and which is the driving force of Afriland First Group's action:

"Poverty is a fact, but living in poverty is a fault as God has endowed us with all the means to change the course of our lives."

Dear Partners, as Chairman, and on behalf of my fellow Board members, it is with renewed joy and optimism that I present to you the Annual Report of Afriland First Group, which includes, among others, the group’s financial statement for the year that ended on 31 December 2017.

In 2017, most of the group's activities concentrated on the financial sector, which continues to witness major upsets: the new Basel III regulations, with their growing burden on the operating accounts of financial institutions across the world. The compliance risks with their resulting significant and hardly predictable consequences, and the spike in operational risks (tax evasion, FATCA, new US laws), have generated a new range of challenges in the business. These factors constrained the improvement of our operating account as of 31 December 2017.

In 2017, our group continued to expand its reach in Africa and around the world, especially due to stronger partnerships with international financial institutions.

Our research and innovation policy reached a major turning point this year. As a result, digital banking will be deployed in 2018 and the development of Islamic banking in Central Africa and West Africa will intensify.

In spite of this challenging landscape, our group pursued its restructuring and development activities. In our strategic plan that runs up to 2021, our commitment is to expand over a major part of the ECOWAS and to explore the SADC markets. We launched major research activities in order to keep in step with the digitalisation of the banking sector so as to increase our customer base and to adapt to the fast-paced progress in the sector. We are determined to sustain our drive to promote financial inclusion in remote areas for the benefit of the underprivileged, despite a difficult economic environment.

In line with its prudent approach, the group increased its provisions for credit risks as well as provisions and reserves for general risks. Finally, in order to better adapt to socio-economic conditions, together with the Islamic Development Bank Group, we opened Islamic windows in Cameroon and are furthering the experience in Côte d’Ivoire and the Republic of Guinea. We intend to become and remain one of the leaders of Islamic finance in Africa.

Dear colleagues,

Despite the gloomy global economic situation and the commodity crisis in some of our main regions, our Group made every effort to mitigate the attending adverse effects of on our activities. Our net profit after tax stands at Euro 19 521 141 as of 31/12/2017 from Euro 19 185 955 as of 31/12/2016. The total balance sheet at the same period amounts to Euro 2.913 million compared to Euro 2.980 million the previous year. Investments in 2017 focused on strengthening existing activities and capacities.

Your commitment and readiness to build an innovative and proactive Africa strengthens our conviction that we will achieve an ambitious and triumphant future.

We shall forge ahead as one, with the will of the Almighty God, for the development of our beloved continent.

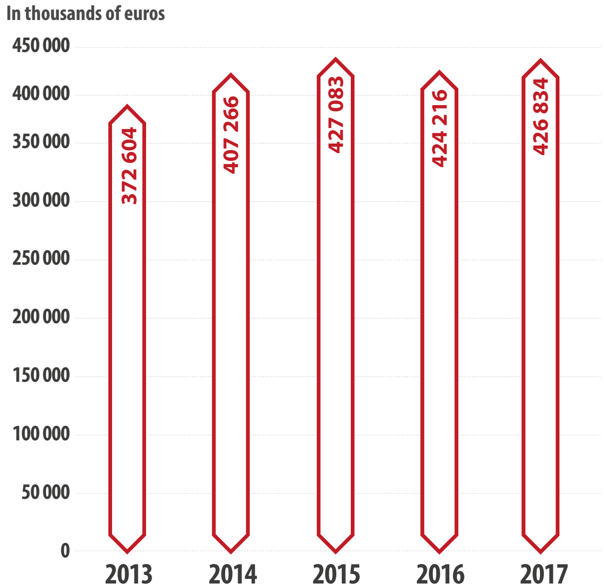
I wish to renew my heartfelt gratitude to my fellow Board members, to the entire executive, operational and support staff in our institution and especially to the units that have dedicated themselves to our common goal. I commend their motivation, diligence and commitment.

By God's Grace, I once more urge them to continue their efforts to help achieve a brighter future for Africa's economy.

Dr. Paul K.FOKAM

Chairman

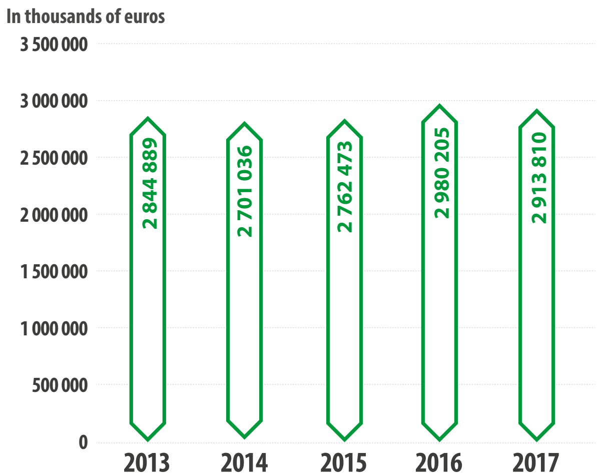
Total Equity



427 Millions € Total Equity

- Constant financial solidity ensures our growth
- Total equity as at 31 December 2017 : 245 million + 178 million
- Total equity increased by 7 % (245 million against 229 million in 2015)
- Reserves and provisions for general risks recorded a slight drop of 9,6 % (178 million against 197 million in 2015)

Total Assets

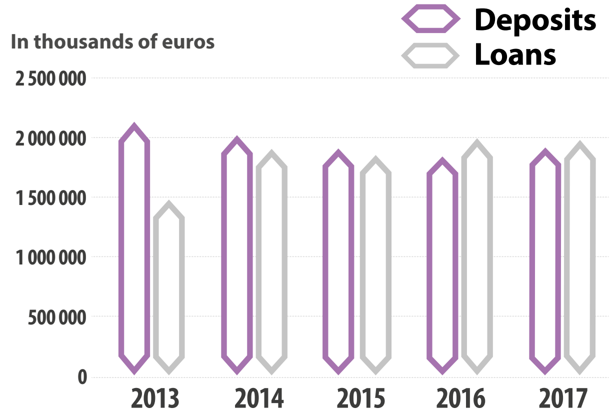


2 913 Millions € Total Assets

- **Total Assets** witnessed growth inspite of the adverse effects of the persistent commodity, especially oil, crisis in our major markets.
- This growth is kept in check by concentrating on our core business and leveraging the principle of prudence.

2017 Performance Highlights

Deposits and Loans



1 932
Millions €
Customer Deposits

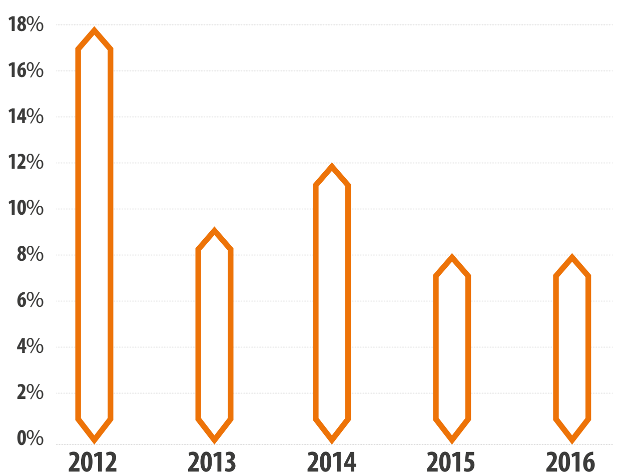
1 944
Millions €
Loans to Customers

- The volume of deposits witnessed a 3 % decrease between 2015 and 2016. The decrease was due to the unfavourable economic situation in Equatorial Guinea.
- The volume of loans recorded a 7 % increase between 2015 and 2016, due to loans to the economy in Cameroon.

Tier one Ratio

- Tier one ratio, a security for creditors, was stable at 12 % inspite of our growing contribution to the economies of the countries where we operate, an indicator of a resolve to apply the principle of prudence.

Equity Profitability



7,7 %
Return
on Equity

- Inspite of the persistent economic and financial crunch in countries where we operate our return on equity remained relatively stable at 8 %.

Our Vision

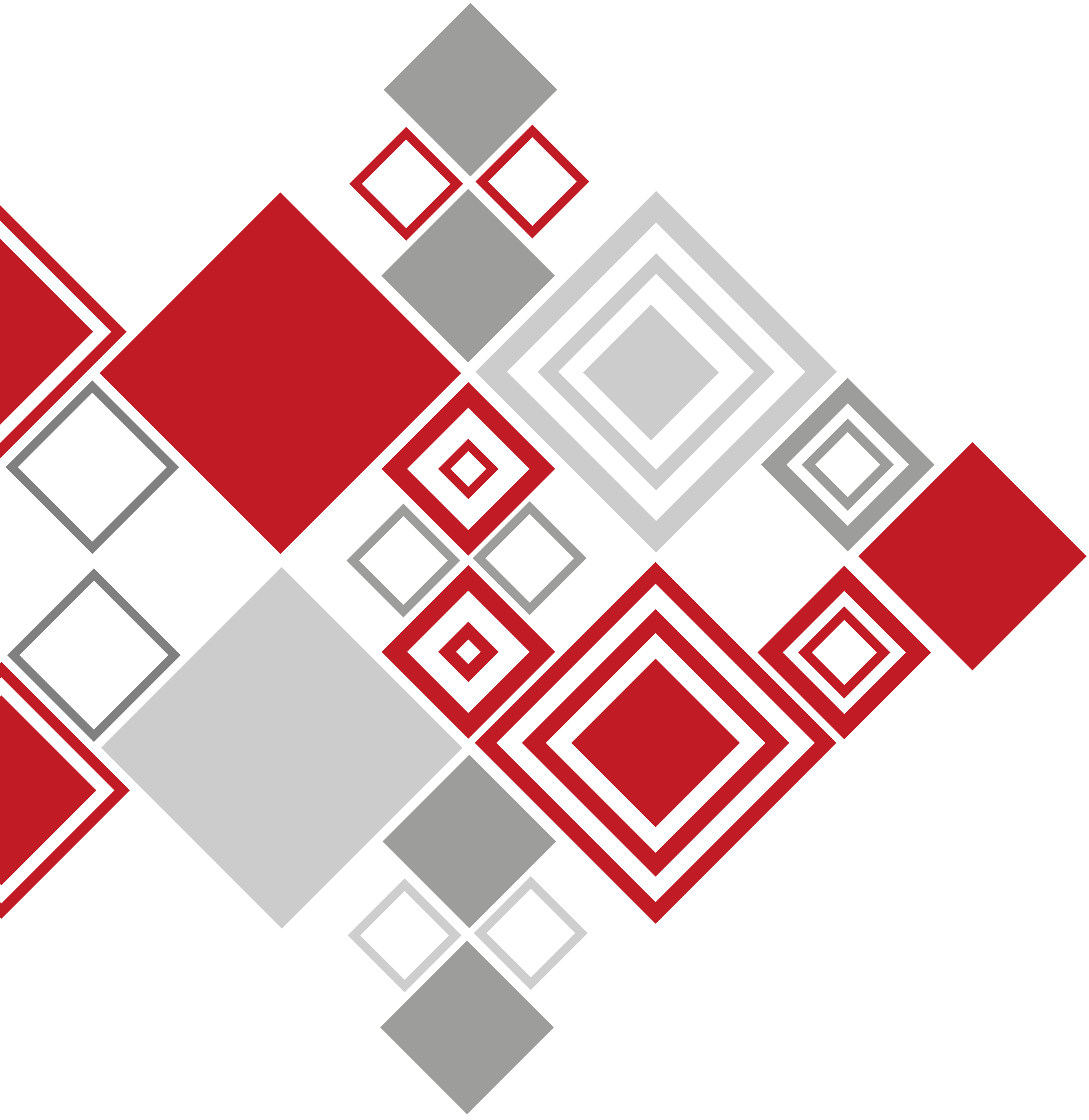
The African Bank
of the Millennium

Our Mission

Become and remain a performing bank dedicated to the harmonious development of Africa.

Our Values

- Work is the only source of wealth, personal and corporate growth.
- Customer satisfaction is our highest priority.
- Courtesy, humility, personal development and information are sources of progress.
- Savings are the key to social and economic progress.
- Liberty, Fairness, Responsibility.



Board of Directors

"Your time is limited, so don't waste it living someone else's life."

Steve Jobs

Photo: Board of Directors Meeting - Afriland First Group SA

"Stones have no hope of being anything but stones. However, through collaboration they get themselves together and become a temple."

Antoine de Saint-Exupéry

A collective commitment at all times.

Dr. Paul K.FOKAM - *Chairman*

Dr. Paul K. FOKAM is President of Afriland First Group, a researcher, founder and President of PKFokam Institute of Excellence, a pan African University which seeks to be an incubator of world class African leaders through the promotion of African knowledge.

His vision is to restore Africa's dignity. His research focusses mainly on championing the cause of the poor, promoting their interest and engaging them in the process of wealth creation.
He sits on the Boards of several international organisations including the Mandela Endowment, Partnership to Cut Hunger and Poverty in Africa, the Consultative Group to Assist the Poorest, and the Gatsby Charitable Foundation, amongst others.

Dr Paul K. FOKAM, amongst others, winner of the German Prize for African Excellence, Knight of the Order of Valour of the CEMAC. He is initiating and promoting several initiatives for the emergence of a new Africa.

Mr Elson Ng KENG KWANG
Director

Mr.Ng Keng Kwang Elson is a graduate of the University of Washington/Pacific Rim Bankers Program, Stanford University/National University of Singapore Executive Program, University of Hawaii-Advance Management Program, The University of Michigan-South East Asia Business Program, The Chartered Institute of Bankers(Fellow), The Institute of Chartered Secretaries & Administrators(Fellow), and a Fellow of The Institute of Management.

He serves as President/COO/CEO/Director , and later President Strategic Projects/Chief Advisor to CEO of GMG Global Ltd, from 1998 through 2013. During this tenor, he also sit as Executive Director/Director of the group subsidiaries, namely GMG Holdings Pte Ltd, and in Cameroon, GMG International SA, Hevecam SA, Sudcam SA, and Tropical Rubber SA, Cote D'Ivoire as well as other subsidiaries in Indonesia.

He spent over 30 years with various international banks, and attended executive management training in Australia and USA. This included 17 plus years with Wells Fargo Bank NA and Bank of Hawaii, where he held Chief Executive position for the South & South East Asia , HongKong, Taiwan and China region from 1981-1997.

Mr Thomas VOGEL
Director

Thomas Vogel studied Economic Science and Politics at the University of Basel and has a Federal Licence in Organisation and Project Management in Switzerland. He started his career at Swiss Bank Corporation (today UBS) in Basel and Geneva and then moved then to Bank Edouard Constant in Geneva in charge of Projects and Business Development. He has been an Executive Director at Bank Julius Baer in Geneva and Singapore from 2000 to 2011 where he was in charge of the External Asset Manager Department and the International Private Banking team.

He opened and lead the Wealth Management Representation Office in Nigeria for UBS from 2013 to 2016 where he was also member of the UBS Africa Management Committee.

He is on the AFG Board since June 2016 and is today an independent Advisor and Business Developer. Thomas Vogel is a Swiss citizen living in Geneva.

Mr A. Ben HAMMOUDA
Director

Abdelhakim Ben Hammouda holds a PhD in International Economics and regularly teaches Economic Development in several universities.

Abdelhakim Ben Hammouda was the Minister of the Economy and Finance of Tunisia.

Prior to his appointment as minister in January 2014, he occupied senior managerial positions in various international organisations. He was special adviser of the President of the African Development Bank from 2011 to 2014, Director of the Institute of Training and Technical Cooperation of the World Trade Organization from 2008 to 2011. He held various director positions in the United Nations Economic Commission for Africa (ECA) : Director of the ECA Central Africa Sub-Regional Office, Director of the ECA Trade and Regional Integration Division and also Chief Economist.

Mr Valery FOKAM
Director

Valéry Kammogne Fokam studied Business Administration after graduating in Electrical Engineering from the University of Applied Sciences, Cologne, Germany. He joined the management committee of Afriland First Group in 2009, the same year he became a Board member of the Group.

He is equally a member of the audit committee of CCEI Bank Equatorial Guinea, a subsidiary of Afriland First Group. Valéry Kammogne Fokam is presently the Deputy General Manager of Sitracel, where he began his career in 2004 as head of the Research and Development Department and then moved to the position of Head of Sales and Markets Development Department.

He seats on the Boards of several other industrial, investment and insurance companies. He is fluent in English, French and German.

Executive Board

Mr Abdelhakim Ben HAMMOUDA
Executive Vice-President

Abdelhakim Ben Hammouda holds a PhD in International Economics and regularly teaches Economic Development in several universities.

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Mr Joseph TOUBI
Executive Vice-President

Joseph TOUBI became Executive Vice President of Afriland First Group in 2008 and is in charge of business development and international relationships after serving as Advisor to the Afriland first Bank Chairman for 9 years.

He is equally Board Chairman of Afriland First Bank, Democratic Republic of Congo, member of the Board of Directors of Afriland First Bank Côte d'Ivoire, and member of the Board of Directors of Afriland First Bank Guinea. He sits on the supervisory committee of Micro Trust Fund, a risk venture fund for micro-enterprises.

Mr TOUBI graduated as an engineer from the prestigious Ecole Centrale de Paris and has 27 years of experience in banking. He joined Afriland First Bank Cameroun as Internal auditor in 1997 after serving for two years as Assistant Financial Controller at BIAO Bank Cameroon and for five years as Head of Administration & Budget Control at the Société Générale Bank Cameroon.

Mr Jean-Paulin FONKOUA KAKE

Executive Vice-President

Jean Paulin Fonkoua was appointed Afriland First Group's Executive Vice-President in charge of organisation, methods and information systems in 2007. Prior to his appointment, he was the Chief Information Officer of Afriland First Bank, Cameroon for 12 years, and later of Afriland First Group.

These appointments are the logical outcome of his Mathematics and Computer Sciences studies at the Universities of Yaounde, Cameroon and the United Nations University in Tokyo, Japan. He has also taken courses in a variety of areas like Finance, Risk Management, Monetics, etc.

Mr. Fonkoua is equally Chairman of Afriland First Bank Cameroon and of the PKFokam Institute of Excellence Scholarship Board.

Mr Jean-Paul KAMDEM

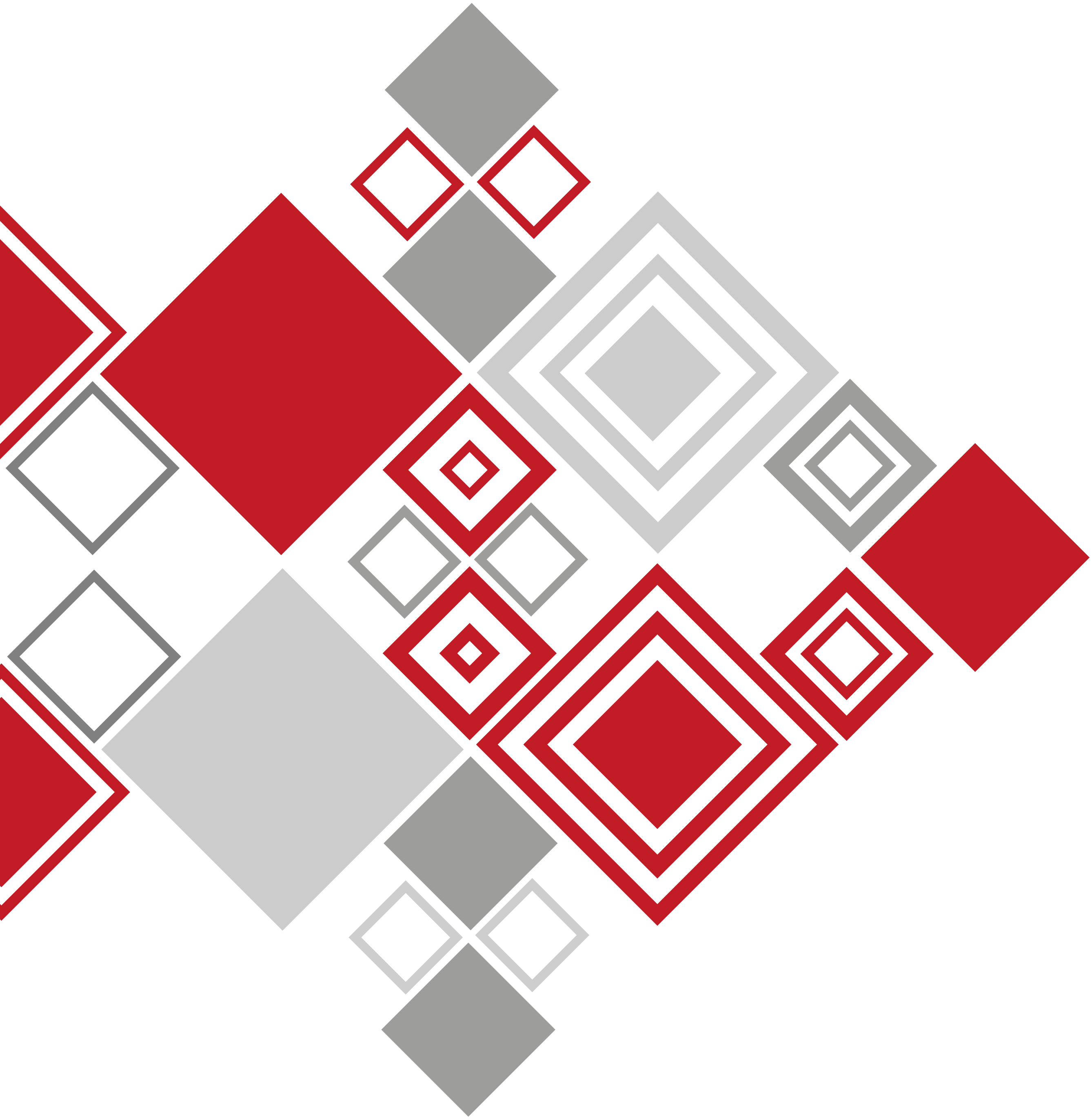
Chief Financial and Risk Manager

Mr. Jean-Paul Kamdem graduated from the University of Limoges where he obtained a Masters degree in Economic Sciences in 1991 and a Postgraduate Certificate (DEA) in Monetary-Economics in 1992. The following year he obtained a Msc in Banking, Money and Finance from the University of Birmingham (UK).

He joined Afriland First Bank Cameroon in 1994 where he started his career in the Research and Development Department, then moved to the Inspectorate, and later to the Marketing Department, and to the Loans Department before being appointed as Head of the Paris Business Office of Afriland First Bank from 2001 to 2014.

Mr. KAMDEM holds the Certificate of Advanced Banking Studies (CESB Banking Management) from the CFPB / HEC Paris Group, and a Certificate of Higher Education in Business (CESA) from HEC-Paris (France).

He was appointed Risk and Finance Manager of Afriland First Group since June 2014.



Social Responsibility & Corporate Culture

"The highest use of capital is not to make more money, but to make money do more for the betterment of life."

Henry Ford

H E Professor Alpha CONDE, President of the Republic of Guinea, presiding over the signing of the cofinancing agreement between the Islamic Bank Group and Afriland First Group, in favour of the most underprivileged in Guinea.

Signing ceremony of a USD 16 million-loan agreement between the Islamic Bank Group and Afriland First Group in favour of women and the youth in Guinea, through the MC² network.

HE Professor Alpha CONDE, President of the Republic of Guinea, handing over a check of 1 billion Guinean francs to boost development efforts of women (MUFFA) in DALABA.

AFG is committed to social responsibility issues that are part of the Group's culture. Following an idea from its President, Dr. Fokam, the Group has since 1990 developed the MC² concept which considers that victory against poverty (VP) is a combination of means (M), competences (C) and community commitment (C).

The Group adopted this concept of microbank for rural development since 1992 to support government policies on the promotion and creation of wealth in underprivileged areas to encourage an equitable distribution of wealth produced in a given territory.

The concept was implemented with various partners including local communities, NGOs like ADAF, SOS Faim, Peace Corp, as well as development institutions including DEG, FMO and the States concerned.

The starting point of this microbank and its activities is the analysis of the African situation, which revealed the prevalence of poverty affecting more than 60% of the population, and more particularly in rural areas. This poverty particularly affects the female population.

This poor population does not have access to bank financing to pool the necessary resources in order to develop economic activities to enable it escape poverty. Such financial exclusion entrenches poverty on the continent and the growing marginalization of rural populations and contributes to the development of violence and terrorism.

It is in this context and given our social responsibility as an African group that we decided to support the promotion of the MC² project based on an idea developed by our President, Dr. Fokam. This concept stems from three essential philosophical ideas:

- First, the need for the poor to take their destiny in hand,
- Secondly, sensitization of the poor on the significant managerial pool concealed by their culture and their traditional values,
- Lastly, supporting the poor in rural and urban areas in setting up sustainable self-management strategies.

The MC² model contains five indispensable steps. The first step is to educate the poor on the principles and bases of the MC² concept and on the importance of taking their destiny in their hands. The second step concerns mobilization of the savings needed to ensure their financial autonomy. The third step is the financing of income-generating activities for the populations in areas of settlement. The fourth step relates to financing joint economic projects. The fifth and last step is that of executing common social projects.

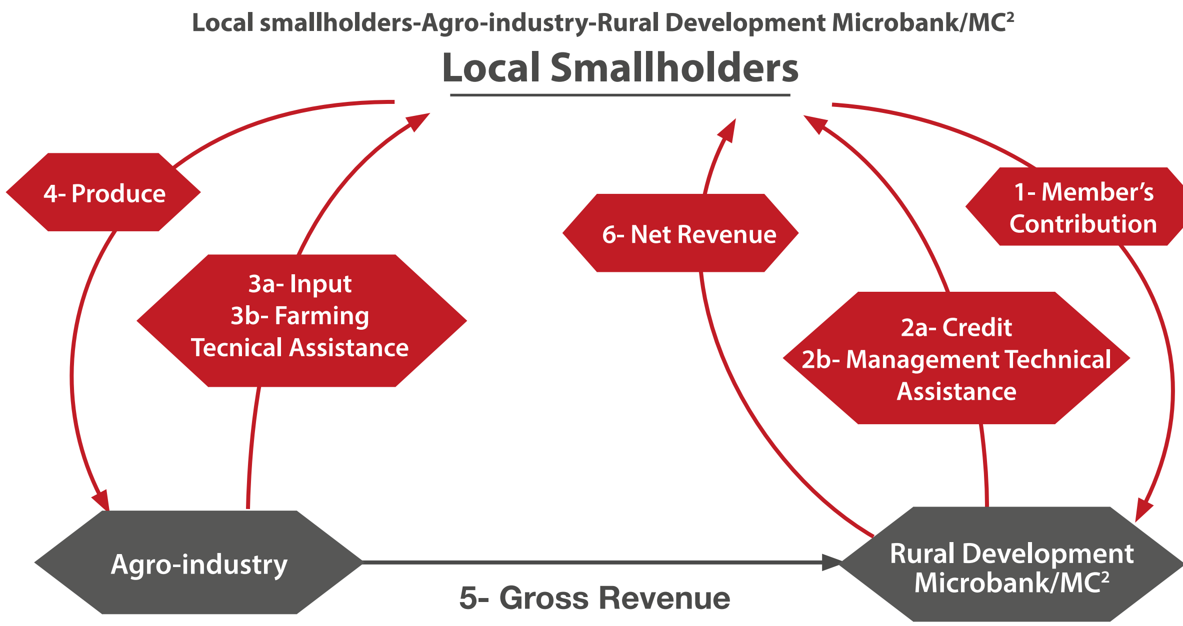
MC² institutions provide financial services, including savings, loans, cash transfers, microinsurance and other banking services. They also provide non-financial services, the most important of which are the promotion of agropoles and other activities, including the sale and trade of various agricultural produce, training and development of commercial activities.

Since its launch in 1992, the activities of MC² microbanks have developed rapidly in Cameroon and elsewhere in Africa and around the world. According to estimates, MC²s have improved the lives of about five million people.

This development of rural microbanking activities was achieved thanks to several partners, including governments, public enterprises, the private sector and some international organizations like the German cooperation.

From left to right: Hon. Steve Zargo (Senator of LOFA CO.), Amb. Joseph N. Boakia (Vice-President), J.Milton Weeks (Governor of the Central Bank of Liberia)

SYNOPTIC CHART OF AGRO-BASED CLUSTERS MODEL



AFG attaches particular importance to its microfinance activities and the MC² project. For our Group, this is an essential social commitment to the African populations in rural areas, but also women in urban areas to enable them take their fate in their hand and make their job a means of getting out of poverty and improving their living conditions. In addition to its contribution to anti-poverty programmes, we believe that the impact of this project is not limited to its micro-economic effects, but can contribute to the revival of global growth by including in the economic sphere important social sectors that were hitherto excluded.

The year 2017 witnessed several developments and the strengthening of the MC² network in Africa. The most significant development concerns the decision of the Board of Directors of the Central Bank of Liberia to approve a plan for the implantation of financial institutions for rural communities (RCFIs/MC²) in the country's fifteen governorates. This plan is part of the government's priorities to develop financial institutions and strengthen inclusion, particularly of poor rural peoples. These new units will develop the following services: mobilization of savings, bookkeeping, granting of loans, deposits, transfer operations and payment of civil servants' salaries.

Afriland First Group has a development culture and philosophy that make it unique across Africa. Our philosophy of action falls within the scope of the development of an African capitalism, the bedrock of our continent's development and independence.

Our philosophy is equally in line with African culture, whose foundations are solidarity and mutual assistance. Contrary to other cultures that make competition the driving force of economic growth, African cultures emphasise human values, cooperation and social work. While the individual is at the centre of Western cultures, African cultures place the community at the centre.

Our group is strongly influenced by African values and its activities are defined by the quest to empower grassroot communities within the framework of our commitment to promote wealth creation among the underprivileged and to also promote African entrepreneurship, whose foundational principles are cooperation and solidarity.

Our group is a modern group that is open to the world and international cooperation, but also committed to promoting the human values in African culture.

It is this culture that distinguishes our Group not only from foreign banking groups on the continent, but also from other African groups.

AFG seeks to develop its corporate culture, which is the basis of all its activities.

The ownership of this culture by our managers accounts for the long-term commitment of our staffs and our group's low labour turnover.

Management Report

International economic environment

Overall growth steadied in 2017, although it remains relatively fragile. Thus, the global economic growth was 3.7% in 2017 and is expected to be 3.9% in 2018, compared with 3.1% in 2016. Despite this admittedly still measured optimism of international institutions and economists, the announcement suggests a possible exit from this era of soft growth.

This slight silver lining in the sky of a growth darkened since the great crisis of the period around 2008 is explained by several factors. The first concerns the maintenance of growth in three major poles of the global economy, namely the United States, Europe and emerging countries. US growth is gaining momentum and was around 2.3% in 2017, boosted by the big stimulus package especially in the area of infrastructure promised by President Donald Trump during his election campaign. The second reason for this resumption of growth is the limited effects of Brexit, which was a major concern after the British vote. However, its effects seem for the moment limited and Britain has experienced a slight decline from 1.9% in 2016 to 1.7% in 2017, while the eurozone improved its growth in 2017 to 2.4%, up from 1.8% in 2016.

Emerging countries are not left aside and experienced high growth rates of around 4.7% in 2017. India experienced one of the highest growth rates in emerging countries at 6.7% and China, even with the double-digit growth over, maintains a high level with 6.8%. However, other BRICS countries were in trouble, notably Brazil, which is struggling to emerge from the political and economic crisis (1.1%) and Russia, which is still suffering from a drop in oil prices (1.8%).

The second factor is the upturn of the global economy thanks to higher commodity prices, which is expected to boost demand from importing countries. The price of oil increased by 23% over the past year. Also worthy of mention in the good news register is the increase in world trade with a growth of about 4.7% in 2017.

But, despite this good news, there are some risks to the global economy that may challenge this silver lining. The first is the modest growth that fails to find its pre-crisis rhythms.

The second source of risk is from the US economy with a tax risk linked to the promise of large tax cuts announced by candidate Trump during his election campaign. This promise could result in a large budget deficit and lead to higher US interest rates. The third risk is related to the rise of protectionism advocated by many populist political forces that have the wind in their sails, especially the new US administration, which could turn into a trade war. Lastly, the issue of inequality continues to weigh on global growth and particularly on demand, thus weakening this recovery.

Certainly, the return of growth is a swallow which is far from making a summer of global economy, what with the very dark clouds in the sky. More than ever, a real solution to the crisis and sluggish growth requires the definition of an inclusive and sustainable global development contract that could face the "rage" and despair fueling extremism and violence worldwide.

« IT IS NEEDLESS TO DECORATE WARRIORS BEFORE THE BATTLE »
African Proverb

Africa in the global economy

For Africa, 2015 was a turning point with a sharp drop in growth, which stood at around 3.4%. After years of resilience to the global crisis, Africa is affected by the turbulence of the global economy. This decline in growth continued and worsened in 2016, when growth in sub-Saharan Africa stood at barely 1.4%, its lowest level for over twenty years.

Africa started recovering from the bad spell of 2016, with growth improving slightly from 1.4 to 2.7% in 2017.

However, the overall results conceal a great diversity between regions and countries in Africa. Major African economies that experienced a sharp decline in growth in 2016 appeared to be returning to growth in 2017 with a growth of 0.8% for Nigeria and 0.9% for South Africa. The poor performances of these two giants weighed on the performance of the continent. Growth in 2017 was estimated at 4.4% excluding Nigeria and South Africa.

Oil exporting countries experienced a slight improvement in growth compared with 2016, with a 0.8% growth in 2017. Growth was stronger in countries without natural resources, with a 3.9% growth. Countries in the WAEMU region experienced the highest growth during this year with an average of 6.4% and the CEMAC countries the lowest growth with an average of 0.3%.

Although it recovered in 2017 compared with 2016, growth in Africa remains weak and fragile. This economic situation weighed heavily on the banking business in general on the continent and on the Group's performance in particular.

Economic outcomes in our countries of settlement

The economic outcomes of AFG's host countries in 2017 were greatly heterogeneous. This can be divided into four groups of countries with various trajectories.

The first group of economies had the highest growth rates and includes Côte d'Ivoire, which had the highest growth rate on the continent (7.6%) and Guinea with a growth rate of 6.7% in the past year.

The second group includes non-commodity rich countries with good outcomes above the continent average, such as Benin (5.4%), Cameroon (4%) and Sao Tome & Principe (5%).

The third group includes countries that experienced growth below the continent average including the DRC (2.8%) and Liberia (2.6%).

The last group includes countries that are going through serious political crises such as South Sudan (-6.3%) or economic crises such as Equatorial Guinea (-7.4%) which have caused a vertiginous fall in their economic performance.

Thus, like the continent, the economic performance of the countries where the Group is established has been weak and fragile. This economic situation had an impact on the Group’s activities. At the same time, however, as part of its diversification strategy, AFG increased its presence in high-potential countries and reduced it in those with low potential.

Mousgoum hut in North Cameroon

« EVERY MAN IS THE ARCHITECT OF HIS OWN FORTUNE »

African Proverb

The banking environment and transformations of the banking industry

L'industrie bancaire a été marquée par trois tendances majeures au cours de l'année 2017.

The banking industry was marked by three major trends in 2017.

The first is the impact of the continent's economic crisis on banking activities. Indeed, the economic crisis and weak growth had negative effects on the performance of the banking sector on the continent. These effects were compounded by the increase in bank charges with the introduction of new standards, including compliance.

Thus, the banking industry had a negative balance sheet of -1.7% in 2016. At the same time, financial income declined by 2.3% in the same year.

The second trend is related to the departure of the major European banks to fall back on their regional spaces. For example, Barclays Bank recently sold its Egyptian subsidiary to Attijari Wafa Bank. For its part, CitiBank also sold its Egyptian subsidiary to the Egyptian Commercial International Bank. Other major banks also seem to be preparing to make announcements in the same direction, to sell their African subsidiaries or reduce their shareholding.

Four essential reasons explain this decline. The first relates to the application of the Basel III rules, which are not compatible with the specificities and needs of African economies, and which have resulted in significant capital requirements for banking groups. In order to meet these new requirements, European banks decided to reduce their balance sheet activities which require large amounts of equity, thus leading to a decline in their retail activities in African countries.

The second reason is related to the new compliance requirements put in place by international institutions and oversight bodies. In recent years, the fight against money laundering and financing of terrorism led to new control procedures to ensure the regularity of transfers and all banking transactions. Some African countries are still waiting to align their legislation with the new international rules. This does not make things easy for operations of the major international banks and explains their withdrawal from the continent.

The third reason concerns the increasingly fierce competition to which European banks have been subjected by new African banking groups. It is worth mentioning that the African banking landscape has changed a lot in recent years with the emergence of new regional players that are increasingly taking an international dimension. Examples include Moroccan groups such as BMCE or Attijari, the West African group Eco Bank or our group Afriland First Bank. These new entities have grown rapidly and have their origins in a better understanding of risk, a better knowledge of the market and a commitment to finance African entrepreneurship. These groups are now major competitors to major European groups and manage to grab more and more market shares.

Lastly, there is the profound change that retail banking is experiencing under the impact of new technologies and the digitization of banking services. Thus, mobile banking and fintech are the new battlegrounds of African banks that allow them to promote the arrival of new customers and access to the banking system. However, the major European banks are finding it more difficult to make these changes to adapt to the changes in retail banking in Africa.

All of these factors explain the withdrawal of the major European banks from the African scene. This decline could accelerate in the coming months, thus opening the door to the development of African banks. An opportunity that our AFG Group is seizing by strengthening its development in African markets, particularly in the most dynamic regions.

The third trend concerns the rapid development of digitization of the banking industry on the continent. Indeed, African banks are investing significantly in this domain. This is also the case for AFG, which aims to increase its presence in all segments of the market.

AFG: Progress and achievements in 2017

The international economic environment and the development of African economies and more specifically those of our host countries have had an impact on the activities of our various units and the Group in general.

Despite this difficult environment, the Group continued to develop over the past year. The Group recorded a rapid increase in deposits with the various units throughout the year, which is a sign of trust on the part of clients.

As part of its prudential policy, the Group increased its provisions in 2017. This year also saw an increase in the Group's equity.

In addition, we consolidated and strengthened the various units in order to provide them with the means for their future development.

In Central Africa, despite the difficulties, the Group maintained its positions and pursued a cautious policy of portfolio stabilization and consolidation of its various units to meet global standards in terms of compliance. The outcomes in this region were marked over the past year by the difficult commodity environment.

The Group continued its diversification efforts in other regions and its openness to major African regions. This strategic choice proved to be relevant and the Group's units in Côte d'Ivoire, the DRC, Liberia and Guinea experienced a significant increase in their activities, which are expected to bear fruit and strengthen the Group's profitability in the coming years.

In recent years, the Group launched two major projects for its future development. The first concerns the digitization of our activities and the Group made the strategic decision to embark on this future path for the banking industry. Major activities have been digitized within the Group, including management of payments, management of loan agreements and management of the connection process. This is expected to continue during the next financial year and the Group has set new priorities in this area.

The second project relates to development of Islamic finance. In cooperation with the Islamic Bank Group, the Group has strengthened its activities in this new area of financial growth and we have become one of the largest players in Islamic finance in Africa. Our subsidiaries in Cameroon, Guinea and Côte d'Ivoire have set up Islamic windows. The other subsidiaries will follow in cooperation with the Islamic Bank Group.

Lastly, we must highlight a major external growth transaction carried out by our unit in the DRC with the takeover of a bank as well as assets of a financial institution. Indeed, the first operation is the takeover by our unit in the DRC of the former Fibank SA following its forced dissolution by the Central Bank of Congo in June 2017, taking over the assets and liabilities of this institution for a portfolio of about 24,000 clients and a network of 12 branches. This was followed by the recovery by our unit in the DRC of the assets of I-Finance, one of the largest microfinance institutions of the country.

These operations were conducted in cooperation with the Central Bank of the DRC, which demonstrates the trust of the supervisor in our institution.

It is also worth mentioning the two strategic partnerships established by our unit in the DRC with the provincial government in the Lualaba region and the province of Tanganyika to set up guarantee funds to support SMEs in both entities. This partnership is also a sign of the trust the local authorities have in our expertise in support to SMEs in their development.

« If you want to go fast, go alone.
If you want to go far, go with others. »

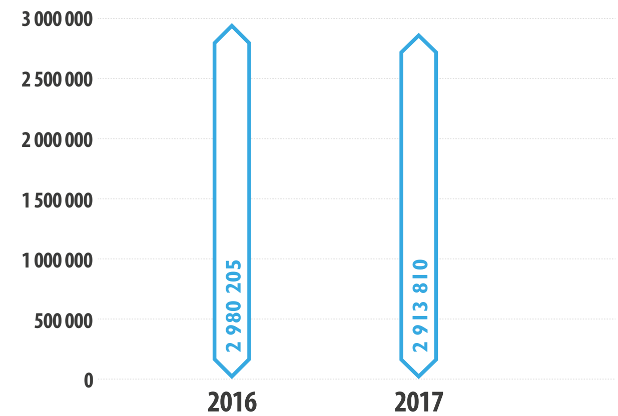
Financial and Operating Performances

Despite the tough economic landscape, our group kept up the improvement of its financial performance. Several indicators reflect the improvement.

Balance Sheet

Total Assets increased by 8 % in 2016, reaching up to 2,980 million Euros as at 31/12/2016.

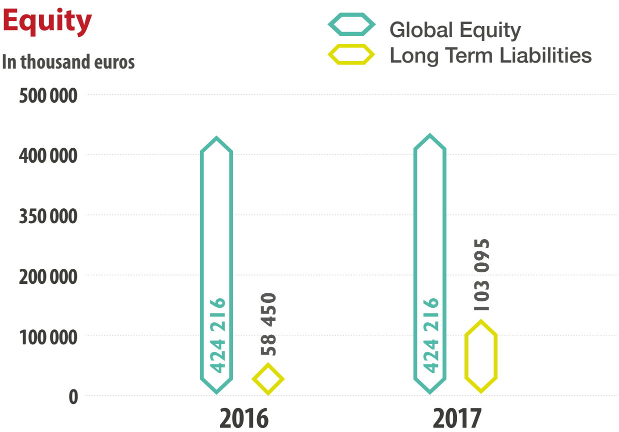
In thousand euros



Equity stood at 245 million Euros as at 31/12/2016, that is, a 6.4 % increase as compared to 2015.

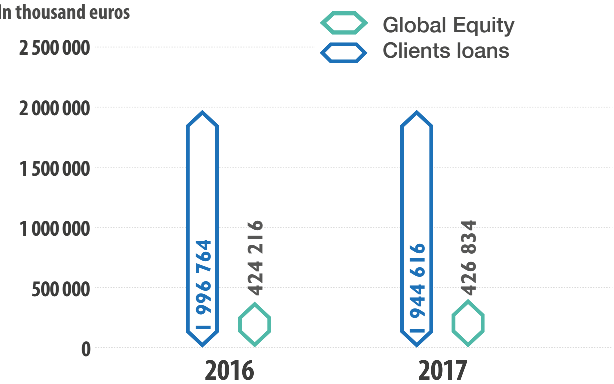
Equity

In thousand euros

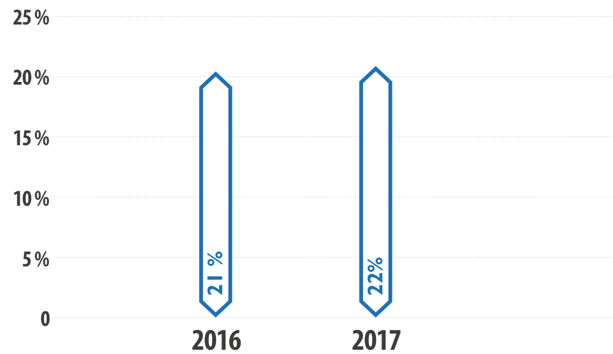


Capital adequacy

In thousand euros



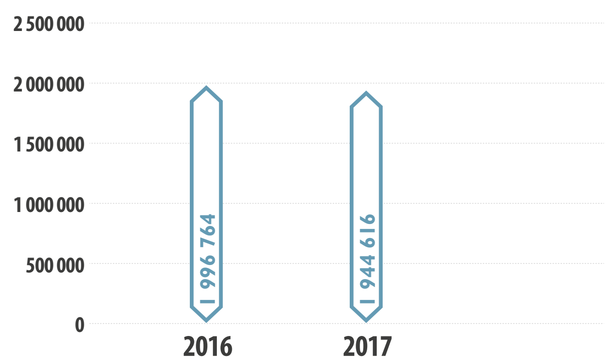
Capital adequacy ratio



Loans to customers increased by 7 %, reaching up to 2,006 million Euros as at 31/12/2016.

Total loans to customers

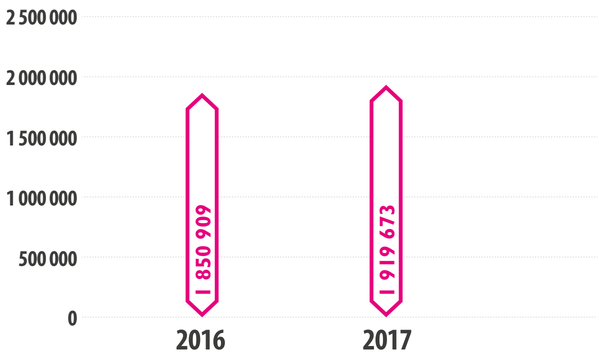
In thousand euros



Conversely, Customer deposits as at 31/12/2016 stood at 1,840 million Euros, that is, a slight drop of 3 % compared to 2015

Total customer deposits

In thousand euros

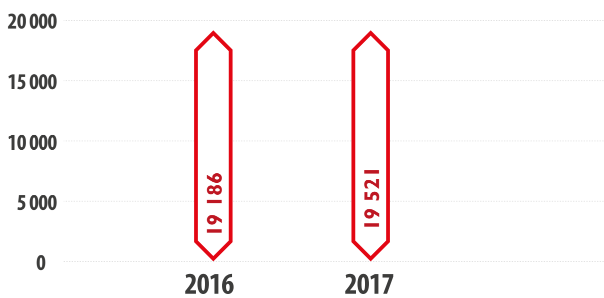


Operating account

- The company recorded a net overall profit of 19 million Euros as at 31/12/2016, a 5 % increase compared to 2015.

Net profit

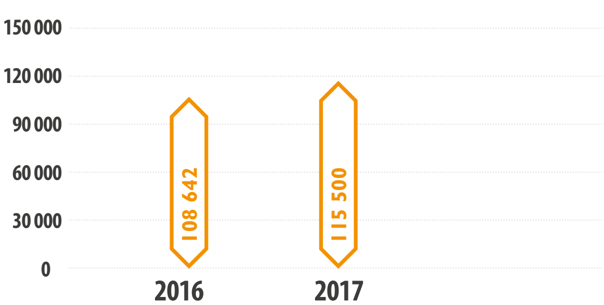
In thousand euros



- The increase of loans to customer partly contributed to the rise in interest income (+12 %), which stood at 144 million Euros as at 31/12/2016.

Interest income

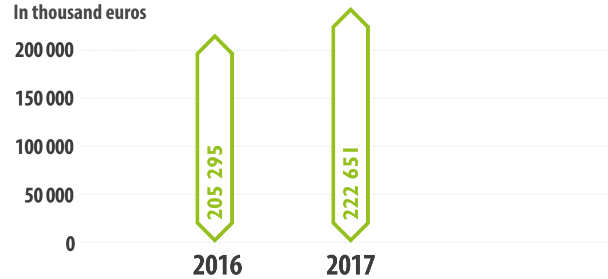
In thousand euros



- Operating income as at 31/12/2016 stood at 156 million Euros, a 4 % increase compared to 2015.

Operating income

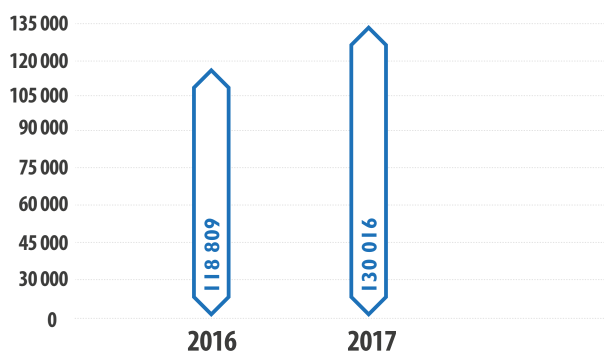
In thousand euros



- Operating costs were kept under control and stood at 69 million Euros as at 31/12/2016, that is a 5 % drop compared to 2015.

Operating costs

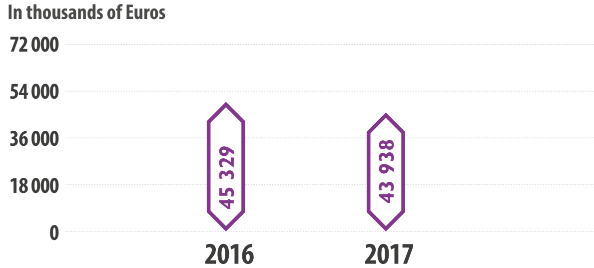
In thousand euros



- Gross profit is positive as at 31/12/2016 and stood at 86 million Euros, that is a 14 % increase.

EBIDTA

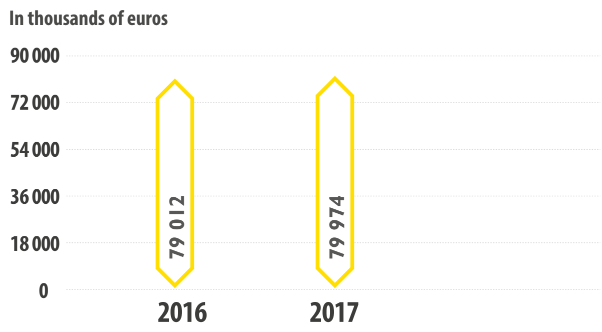
In thousands of Euros



Financial and Operating Performances

- Our prudential policy was translated by a 44 % increase of overall annual provisions that stood at 79 million euros as at 31/12/2016.

Provisions for Credit Risks



"Where there's a will, there's a way."

Winston Churchill

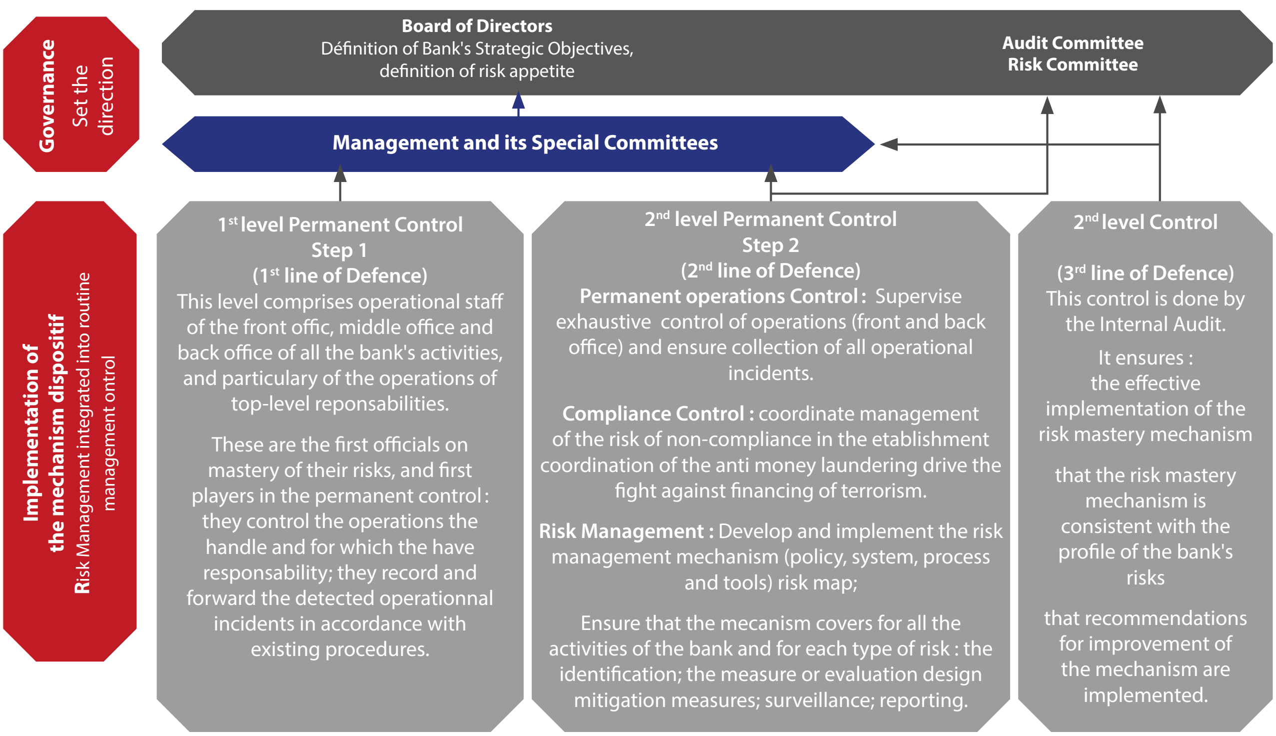
Given the evolution of the global economy, risks have become a matter of paramount importance within our group and we dedicate to them important technical and talented human resources to mitigate both their frequencies and impact, thus improving our hedging against the uncertainties of the future.

I. Risk Governance

The Risk Governance of Afriland First Group's Units is built upon the following set of principles :

- The strong implication of the Unit's top management in the risk management process and the culture of risk from the Board of Director's (BoD) to the Executives ;
- Rules and Internal procedures clearly defined ;
- Appointment of a Chief Risk Officer reporting directly to the CEO and the Board's Risk Committee, and independent from operational Units.
- The continuous monitoring of the risk management framework by independent Units (independence from other operational Units) in charge of managing risk faced by the Unit ;
- The risk management framework covers every activities of the Unit ;
- The elimination of conflicts of interest through the respect of the Group's Ethics Charter, and the systematic separation of tasks.
- Compliance to the local regulatory framework ;
- Every Unit's risk policy is in alignment with the General Group Risk policy.
  - Every Unit's Board of Director (BoD) has a Risk Committee which is in charge of following up the implementation of the risk policy ;
  - Every Unit's risk policy is adopted by its BoD, upon proposition of the Risk Committee.
  - In order to assess the quality of the risk management framework in each of its Units, the Group implements periodically qualitative and quantitative CAMEL evaluation.

Afriland First Group's risk management system is a three-line defense model with the following architecture:



The three defense lines are as follows:

1. First level of permanent control, step 1.

This level is made up of the operational staff and their supervisors. They bear primary responsibility for controlling operational risks inherent to the transactions they carry out. This defense line comprises two levels of control:

- Control before and after validation by the operations agent,
- Control by his line supervisor.

2. First level of permanent control, step 2.

This level is composed of three units that are independent from operational units, and report directly to the General Management and to the specialized committees of the Board of Directors.

- **Permanent control of operations :** The permanent control of operations *develops controls to be carried out* based on the risk map per processes and activities as prepared by the risk management department, *coordinates proximity controls, carries central level control, sees to thorough control of operations* by front and back office agents through field test missions.
- **The Compliance Control Department**

This department is in charge of coordinating the management of non-compliance risks. It is involved in the operational risk management system by monitoring outstanding transactions in accordance with AML regulations. It is also involved in ensuring full compliance to all applicable legal and regulatory requirements in each operational procedure.

- **The Risk Management Department**

This Department sees to the proper functioning of the risk management system. It develops management tools for each type of risk, proposes management policies for each type of risk, for adoption by the Board of Directors and monitors implementation of various risk policies. It also promotes a risk culture.

3. Second level control or periodic control

This control is performed by the internal audit. It ensures:

- effective implementation of the risk management system compliance with applicable regulatory requirements;
- consistency of the risk management system with the risk profile of the banking unit;
- observance of recommendations for improved system.

II. Politique de gestion du risque de crédit

II-1 Governance and Objectives of Credit Risk Management

The BoD of each Group's Units adopt each year Exposure Limits (in alignment with the overall Group Credit Policy) which defines:

- The ceiling for exposure to credit risk by business sector, country and region (the determination of the ceiling takes into account all commitments – balance sheet and off-balance sheet);
- The ceiling for exposure to credit risk by single counterparty or a Group of related companies;
- The pricing methodology.

The general objectives of credit risk management in Afriland First Group's Units are the following:

1. Allow portfolio growth in a sustainable way, increasing shareholders value in the long term.
2. Achieve portfolio diversification in terms of single counterparty exposure, industry and geographic region.
3. Corporate and retail Non Performing Loans (NPLs) portfolio shall not exceed the limits set in the credit policy;
4. Maintain strict compliance with internal norms and regulatory norms.
5. Ensuring that there are adequate Controls in all Credit Life Cycle from origination and disbursement to repayment and recovery from defaulted loans.
6. Assessing the quality of the Credit portfolio on a regular basis on normal and abnormal / stress conditions.

II-2 The Credit Risk Management Framework

The Credit Risk Management Framework of each Group's Unit is built upon the following set of principles:

- The implementation of KYC (Know Your Customer);
- Assigning each customer to a portfolio manager;

- Analysis of each loan application by the credit risk department;
- The strict respect of prudential ratios;
- The definition of internal norms at least as strict as international norms in aspects related to credit risk coverage;
- Preference of redeemable loans to Unit overdrafts;
- Collegiality in credit approval decision. Individual decisions are strictly forbidden.
- The independent monitoring of loan portfolio (top-down approach) by the department in charge of Risk.

II.3 Global Group Credit Risk Policy

Considering the Credit Risk Management Framework presented above, the Group has recently adopted a new approach to enhance Credit Risk Management in its Units. The key contents of this approach are as follows:

II.3.1 Capacity strengthening of Credit Decision at all levels

- Every loan application file must first of all be submitted to the risk department of the Unit for advice. The advice shall be justified, written, a part of the loan application file, and shall be binding on every credit committee, that is, the risk department shall only waive its objection to a file further to the provision of appropriate responses to its concerns prior to the decision of committee members.
- Every loan application file must first of all be analysed by the compliance department for advice. The advice shall be justified, written, a part of the loan application file, and shall be binding to every credit committee, that is, the compliance department shall only waive its objection to a file further to the provision of appropriate responses to its concerns prior to the decision of committee members.
- Every credit file that falls within the scope of the Board of directors of a given Unit must necessarily first of all be studied by the specialised committee appointed by the group. The committee shall provide justified written advice for every credit application file. Such advice shall be a component of the loan application file.

II.3.2 The Specific Policy Concerning Overdrafts

The tendency with new regulations is to scrape overdrafts for the benefit of redeemable or spot loans that offer advantages to the customer and to the Unit as well.

- Advantages to the customer:

- The amounts borrowed by the customer are allocated for specific use and thereby imply better management;
- The customer possesses a better mastery and control of his or her treasury plan;
- The interest on the loan is optimised (reduction of interest to be paid).

- Advantages to the Unit:

- Better risk management.

II.3.4 Necessary Precautions

- Forbid in anticipation, disbursement of a loan before all requirements of the committee are fulfilled;
- Preference for redeemable loans ;
- Provide financing only for businesses that are profitable over time. The customer's collateral is just an additional precaution;
- All redeemable or spot loans, in the case of disbursement, must be preceded by a promissory note signed by the order of the customer and cashable at maturity.

The sound implementation of our credit risk management policy has led to the following achievements in terms of diversification, NPLs ratios, risk coverage ratio and collateral coverage ratio:

II-4 Credit risk monitoring tools

Tool	Primary Objective	Secondary Objectives	Frequency
Quarterly assessment of the claims history of the credit portfolio	Contribute to the minimization of sectoral risk in the financing granted by the banking unit	Inform the credit decision-making chain of the banking unit on Sector Risk by customer segment and propose guidelines.	Quarterly
		Periodically evaluate Outstanding Debt Rates by Business Line with the aim of identifying the least risky sectors of activity and the riskiest sectors of activity.	
		Update and Monitor Sector Boundaries	
		Evaluate the concentration by sector of activity at unit level	
Monthly Monitoring of Credit Portfolio Concentration	Minimize the Concentration Risk of the Credit Portfolio	Ensure compliance with the set concentration limits.	Monthly
		Detect Units with upward trends in the concentration of their portfolio on the one hand, and units that do not comply with concentration limits, on the other hand.	
		Define back-to-normal strategies and deadlines	
Monthly Monitoring of Commitments Portfolio 20/80	Individualized monitoring of the client portfolio representing in volume 80% of the unit's commitments	Ensure individualized monitoring of clients in this portfolio	Monthly
		Ensure the deconcentration in number, and by geographical area, of the customers constituting this portfolio	
		Monitor the loss ratio of this portfolio.	
Quarterly Assessment of the Recovery Effort	Contribute to the minimization of unpaid claims	Periodically review the activities of First Bank's debt collection chain	Quarterly
		Provide each link in the recovery chain with the points to improve its activity	
		Establish a basis for objective comparison of all links in the recovery chain	
Monthly Review of Prudential Ratios and Major Risks	Ensure compliance of the banking unit with prudential ratios	Periodically analyze the Bank's Major Risks, Detect the elements that may be at the origin of the non-compliance with the different prudential ratios or internal management standard	Monthly
		Determine the large variations in the level of Large Risk Commitments	
		Propose a compliance plan in the event of non-compliance with the Thresholds for Major Risks; Detect and correct any inconsistencies existing in the different ratios.	
Annual assessment of Credit Decisions	Ensure good decision-making and proper implementation	Determine periodically, in Amount, the rate of Good Decision taken (Amount of Credits Granted Fairly / Amount of Credits Granted) and Default Rate Amount (Amount of Default Credit / Amount of Credits Granted) by GFC, by Analyst, by Unit, by Region and by Committee.	Annual
		Observe indicators such as the rate of credits passed in arrears from the first due date, overdrafts in default.	

These tools are implemented in the Group's banking units.

II-5 the Group Credit Risk Sub Committee

A specialized committee has been set up within the Group, and is chiefly in charge of pre-examining, using a risk compliance approach, any loan application submitted to banking units and whose decision is within the competence of their Board of Directors.

This specialized committee, known as the Group Credit Risk Subcommittee, is mainly aimed at helping units achieve:

- an added value in terms of credit risk identification, compliance and prevention of legal risk.
- Fairness in terms of credit rates, optimized hedging of risk exposure by appropriate guarantees;
- compliance with sector limits.

This multidisciplinary subcommittee consists of:

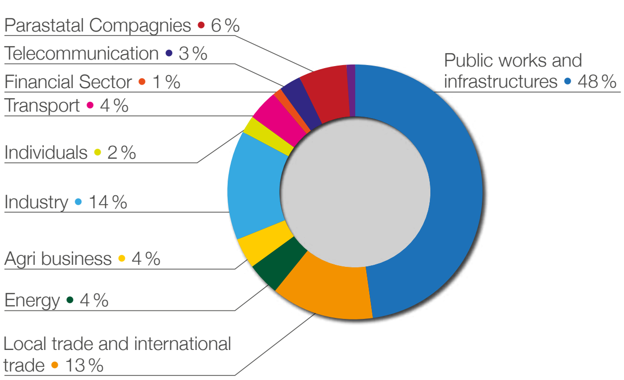
- Two Executive Vice-Presidents of the Group;
- A Chief Executive Officer of the Group's largest subsidiary;
- Two Group executives versed in credit risk management;
- The Group Compliance Manager;
- The Group Risk Manager, serving as Rapporteur;

The Group Risk Subcommittee meets every Monday. Its gives a reasoned and written opinion on each credit application file, which forms part of the credit file to be submitted to the Board of Directors of the unit concerned.

The sound implementation of our credit risk management policy has led to the following achievements in terms of diversification, NPLs ratios, risk coverage ratio and collateral coverage ratio:

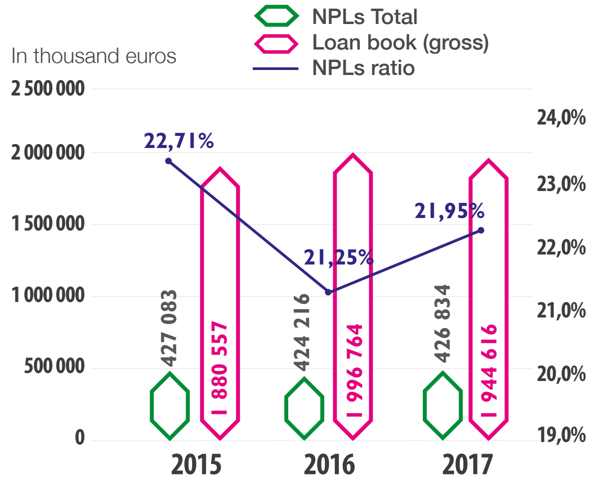
Diversification of our consolidated loan book

Our performance in terms of diversification as of the 31.12.2017



Evolution of NPLS Ratio

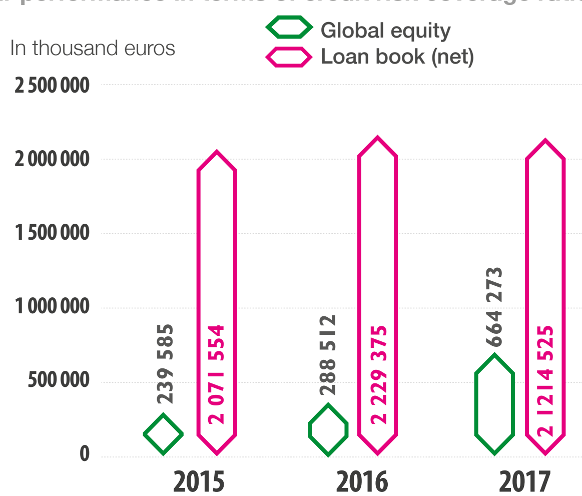
Our performance in terms of NPLs ratio



Though we are still above the international benchmark of 6 % NPLs ratio, we are convinced that the continuous implementation of our policy will in the medium term bring our performance below the 6 % norm.

Evolution of risk coverage ratio

Our performance in terms of credit risk coverage ratio



III. Operational Risk Management policy

III-1 General Objectives and Strategy for Operational Risk Management (ORM)

Afriland First Group's Units have a prudent approach towards operational risk. Our Units seek to avoid operational losses by:

- Iproper operation of procedures,
- a process-based organization of Units,
- applying operational, regulatory and internal risk management tools,
- developing controls to be carried out based on a risk mapping ;
- monitoring the actual enforcement of controls.

The general objectives of the ORM is to mitigate operational risks to the maximum extent possible through a robust system of operational and system controls, in the same time being mindful of the strains these additional controls are putting on operational efficiency and service quality.

In order to achieve the General Objective, the ORM Department or each Unit aims at :

- Creating operational risk awareness within the organization, including annual training for all employees
- Ensure compliance with the legislative, regulatory and best practices requirements for operational risk.
- Monitoring and strengthen the internal control systems to ensure that appropriate operational risk controls are maintained
- Ensuring that all operations run smoothly in all conditions by having appropriate Business Continuity plan.
- Mitigating the operational risks which the Unit is exposed to, by having appropriate insurance coverage for third-party claims resulting from errors and omissions, employee or third-party fraud, and natural disasters
- Developing and tracking key risk indicators (KRIs), where appropriate, to act as early warnings of increased risk of potential losses.
- Establishing effective monitoring and internal reporting of operational risks.
- Establishing controls to mitigate the risks during a New Products Approval process to each new product, activity, process and system, or their amended versions, that should be identified and assessed, and mitigating.
- Monitoring operational risk events by having operational risk incidents data base and KRIs.

III-2 The organization in place to manage operational risks

The organization in place in each Group's Unit to manage operational risk covers all the activities and personnel of the Unit. The principle is that each employee is at his level a risk manager. The control of operational risks is based on the following principles :

- The strict application of KYC (Know Your Customer) procedures " Know Your Customer " ;
- The definition of strict (written) procedures for each operation ;
- The existence of five control levels within each Unit of the Group ;
- The mapping of operational risk by the Risk Department ;
- The definition and follow up of Key Risk Indicators (KRIs) ;
- The definition of internal prudential norms linked to the coverage of operational risks. These prudential norms are at least as strict as international norms ;

III-2.1 The KYC (Know Your Customer) Procedure

This procedure applies immediately when the customer enters into relationship with the Unit. It entails a legal obligation for our Units to know :

- The exact identity of the customer, their address, and their location ;
- their activity and a justification of the origin of funds ;
- their legal capacity, level of indebtedness as well as their relatives ;
- their commercial environments ;

The implementation of this procedure serves as a preventive measure and enables the Unit to identify risky customers. This procedure is also an indispensable instrument in the fight against money laundering and the financing of terrorist activities, which is one of the main preoccupations of our group.

III-2.2 Procedures

Strict procedures are defined for each transaction, and each agent is bound to the strict respect of each of them. The procedures are written with respect to regulatory requirements pertaining to the operation, internal requirement of the Group, and studies and requirements of the Risk Department. A strict implementation of procedures enables the Unit to minimize operational risks.

III-2.3 Control Levels

The objectives of control consist in:

- Ensuring that procedures are respected during the execution of transactions;
- Identifying and correcting errors occurred during operations;
- Identifying frauds;
- Ensuring that accounting information is reliable.

In each of our Units, there are five levels of control and these levels are implemented progressively with the development of the business:

1. The first level is operational control, which can be divided into two sub levels:

- Control done by operational agent themselves before validating the transaction;
- Control done by the operational agent's manager;

2. The second level of control is done by the proximity accounting controller. This is implemented at the branch level where the operation is being done.
3. The third level is done by the computer analyst
4. The fourth level of control is done by the central accounting Unit. The accounting documents of the various operations carried out in the various branches are forwarded for control in this Unit before being filed.
5. The fifth level of control is done by the Internal Audit Department. The Audit Department reports both to the Board via the audit Committee and to the General Manager of the Unit.

III-2.4 Mapping of operational risks by the Risk Department

Under the ISO 9001 (2015) standard, a process is defined as any set of interrelated or interactive activities through which inputs are converted into outputs.

Operational process mapping involves a graphical representation of all processes interrelated by logical information, matter or production links. **It provides an overview of the company's business and enables to have a clear idea on how the work is organized.**

It is a management tool used to assessing the performance of each process, and identifying risks by process and activities.

This mapping of processes has been implemented in the main units of the Group, and is part of the process approach the units are progressively adopting.

A software to enable management, among others, of process and risk mapping, incident database ... etc. has been acquired for one of our largest banking units and will in the future be extended to other units, as their business will grow.

This software, through its various modules, enables :

- an overall monitoring of the company's organization;
- to organize and monitor the overall IS architecture;
- to design and draft operational procedures (in BPM language)
- to manage all risk management and mapping stages in accordance with the prescribed methodology: definition of the risk environment, risk identification, analysis, classification (according to the Basel categories), evaluation and processing.
- to centralize incidents and follow-up implementation of action plans;
- to manage internal control system assessment

III-2.5 Operational risks mapping by the Risk Department:

Depending on the level of its business development, AFG's Units implement an operational risk mapping which is periodically updated. We have this already done in the biggest Units and we will repeat the operational risk mapping tool in other Units progressively as they will be growing their business.

IIII-2.5 Definition and Follow up of Key Risk Indicators (KRIs)

As we have now set up risk and compliance departments in our main Units and also at the Group level, we are now considering the implementation of KRIs, starting with the biggest Units.

Key risk indicators shall provide information on the risk of potential future losses. They shall identify areas with elevated risks early on and to take appropriate measures. Thresholds (" triggers") will be defined for KRIs wherever practical/possible. Trends in KRIs will serve as indicators in early-warning systems for ORM. More specifically the KRIs shall serve the following purpose:

- Track changes in the risk profile of certain processes
- Analyze trends and anticipate losses
- Model risks, controls and losses
- Create a "no-surprise" environment and integrate risk management and measurement effectively,
- Clarification of the risk appetite (by setting KRI thresholds and triggers for action) and the day-to-day management of routine risks in various business and support processes.

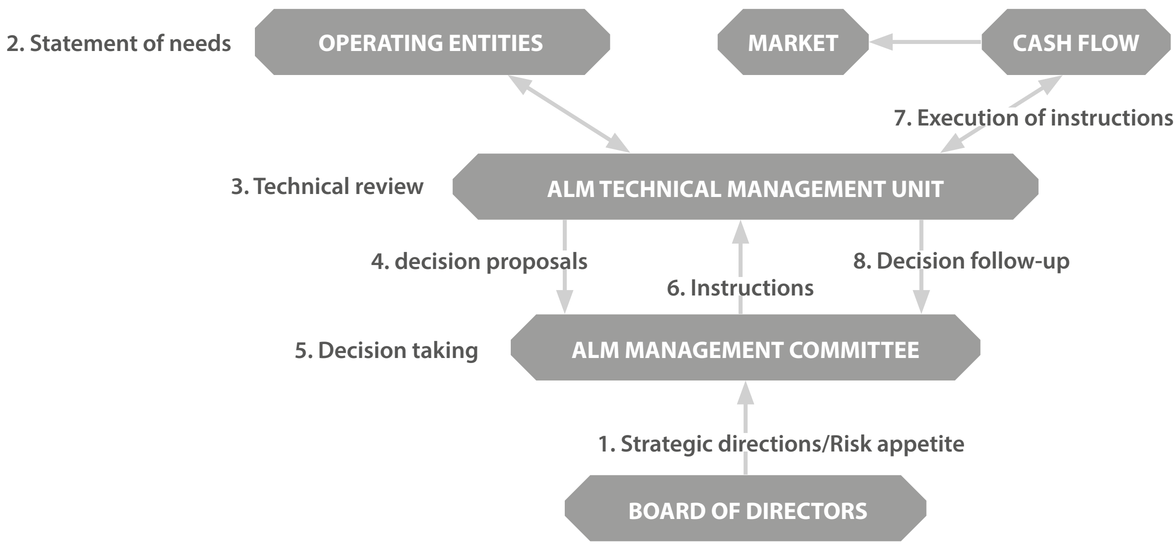
Given the growing uncertainty affecting the international environment, our Units have for several years committed into a policy of important reserves for general risks (at least 1% of the loan book on an annual basis) in order to cushion against the future's uncertainties.

By the end of 2017, our cushion in terms of provision for general risks amounted to .... EUR.

III.Management of Liquidity, Interest and Foreign Exchange rate Risks: Asset-Liability Management Policy

Asset-liability management (ALM) is a strategic management tool for managing liquidity, foreign exchange and interest rate risks.

The Bank's ALM management tool operates as summarized in the diagram below:



IV-1 Mandate and functioning of the ALM Committee

The asset-liability management policy of Afriland First Group's banking units is based on an Asset Liability Committee (ALCO) set up by the General Management of each banking unit, and tasked with coordinating all activities towards protecting the unit's balance sheet value.

The man mission of the ALCO committee are :

- Proposing to the Board of Directors a policy for collecting resources and distributing credits, in line with prudential regulations and categories of assets and liabilities operated by the bank;
- Review the adequacy between the different categories of assets and liabilities in the balance sheet, particularly in terms of maturity and rate;
- Reviewing rules for the disposal of different categories of assets and liabilities and the results of stress scenarios developed in this respect.
- Making decisions as to the proposed actions;
- Still with regard to the global balance sheet objectives, whether present or future, assessing the relevance of commercial or financial proposals;
- Arbitrating on differences between commercial and financial functions: some commercial actions entail financial risks that must be minimized or hedged. Conversely, excessive financial constraints may hinder commercial development. Depending on the overall balance sheet balances, the committee makes arbitrations.

- Monitoring execution of firm decisions. The committee makes decisions and ensures it has what it takes to follow up their timely execution, to promptly mitigate any unwanted effect, or even change direction where the initial projections are no longer relevant.
- Proposing to the General Management and the Board of Directors a cash management and financing policy, including the types of facilities the treasury department may provide, and the exposure limits set.

The ALCO Committee meets once a month, or upon being convened by its Chair.

IV-2 ALM Technical team

The ALM technical unit is a multidisciplinary team made up of a risk analyst, a treasurer, a financial controller, and an accountant. These people are responsible for preparing ALM committees and monitoring the Asset-Liability risk indicators.

To this end, they are assigned with the following missions:

- Conducting regular (monthly) diagnoses using Asset-Liability management tools. This is achieved through collecting and reprocessing all balance sheet and off-balance sheet data.
- Defining and updating the credit pricing grid. This aims at a more accurate determination of the base lending rate by maturity.
- Preparing ALM risk indicator monitoring reports for ALM committee members.

IV-3 Standard ALM Committee composition and meeting agenda

> Standard ALM Committee composition

The ALM Committee shall be comprised of the following full membres:

Chairperson : The General manager or one of his/her deputies
Members : The Accounting Officer
The Credit and Commitments Officer
The Treasury Officer
The Risk Officer
The Officer in charge of permanent monitoring of operations

> Standard meeting agenda

- Follow-up of implementation of previous committee decisionss
- Update on issues
- Changes in balance sheet and interest margin
- Credit profitability
- Financial risk management
  - Liquidity risk
  - Rate risk
  - Exchange risk
- Equity
- Compliance
  - Monitoring of regulatory ratios
  - Regulatory watch on areas covered by ALCO
- Medium-term objectives
- Any other business

We have already implemented this policy in two of our largest banking units, and we are gradually extending same to other banking units.

Our corporate governance principles are designed to support our objective of sustainable profitability, as well as to create value and protect the interests of our stakeholders.

We strongly believe that only transparency, integrity, fairness and responsibility can secure the trust of our stakeholders. The way we interact with the latest is therefore crucial for our business and our development. We strongly believe that good and transparent corporate governance help stakeholders to assess the quality of our institution and our management.

Afriland First Group corporate governance complies with the Swiss and internationally accepted standards.

Our Corporate Governance Framework

Our corporate governance philosophy, policies and procedures are laid out in a series of documents governing our organization and management.

These corporate documents include the Articles of Association, the Organizational Guidelines and Regulations, the Charters of the Board of Directors and of each of its Committees, and the Code of Conduct which is: The Guide de l'Agent.

The Board of Directors has adopted a set of Corporate Governance Guidelines aimed at explaining and promoting sound understanding of our governance structure.

Our Shareholders

We are really committed to shareholders participation in our decision-making process. We fully subscribe to the principle of equal treatment of all shareholders and we place no restriction on share ownership and voting rights.

The notice for general shareholders meetings is sent at least 21days before it takes place to make sure that they have enough time to participate in the decision making.

The Board of Directors is committed to submit complete and comprehensive financial and management information in order to facilitate the communication with shareholders and within the company, to support shareholders decision making process.

As part of our permanent efforts on good corporate governance promotion, we encourage investors to actively participate in the Annual General Meeting and to execute their voting rights.

The Board of Directors

The Board of Directors has ultimate responsibility for the success of the Group and for delivering sustainable shareholder value, within a framework of prudent and effective controls.

The Board of Directors decides on the strategy and is responsible for the overall direction, supervision and control of the company and its management, as well as for supervising compliance with applicable laws, rules and regulations.

Shareholders elect each member of the Board individually, as well as the members of the Committee.

NAME	***Year Appointed***	***Role***
Dr Paul KAMMOGNE FOKAM	2008	Chairman
Mr Elson Ng KENG KWANG	2012	Director Non executive
Dr Abdelhakim Ben HAMMOUDA	2015	Director Executive
Mr Bernadeus ZWINKELS*	2010	Director Non executive
Mr Valery KAMMOGNE FOKAM	2009	Director Non executive
Mr Thomas VOGEL	2016	Director Non executive

In 2017, the Board of Director comprised 6 persons

The Board of Directors in turn appoints Board committees and their respective Chairpersons, and the Group Company Secretary.

The Board of Directors has two standing Committees: Audit and Risk Committee and Corporate Governance and Human Resources Committee.

Audit Committee

The Audit Committee supervises the work done by Internal Audit, ensures that Internal Audit has the resources and skills it needs to fulfil its duties and acts as an interface between the Board of Directors and the Auditing Body.

One third of the members are independent Directors. The Audit and Risk Committee meets at least 3 times per year.

** until June 2017*

Audit and Risk Committee

NAME	Year Appointed	Role
Mr Elson Ng KENG KWANG	2013	Chairman
Mr Bernadeus ZWINKELS*	2013	Director
Mr Valery KAMMOGNE FOKAM	2013	Director

Corporate Governance Committee

NAME	Year Appointed	Role
Mr Valery KAMMOGNE FOKAM	2016	Chairman
Mr Thomas VOGEL	2016	Director
Mr Joseph TOUBI	2016	

The independence of the members of the Board of Directors is governed by specific principles.

The Board consists of four non-executive directors over seven within the Group, of which three are determined to be independent. In its independence determination, the Board takes into account the factors set forth in the Corporate Governance Guidelines, and applicable laws and listing standards.

Our independence standards are also periodically measured against other emerging best practice standards.

In our Group, a director will not be considered independent, if he or she

- is or has been an employee of the Group within the last three years.
- has an immediate family member who is or has been an executive officer in our institution within the last three years.
- has received or has an immediate family member who has received during any twelve-month period within the last three years more than CHF 120,000 in direct compensation from the Group (other than director and committee fees).
- is a current partner or a current employee of our internal or external auditors.
- has an immediate family member who is a current partner or a current employee of the Group internal or external auditors.
- or an immediate family member is or has been within the last three years employed as an executive officer of a company where any of the Group's present executive officers at the same time serves or served on that company's compensation committee.
- has an immediate family member who is a current executive officer of a company that has made payments to or received payments from the Group in any of the last three fiscal years in excess of the greater of CHF 1 million or 2% of the consolidated revenues of the director's company.
- has entered into consulting contracts with the Group.
- holds any other Board mandates that might infringe on his independence.

In 2017, the Board of Director comprise 2 independent directors

NAME	Year Appointed	Role
Mr Bernadeus ZWINKELS*	2016	Director - Independent
Mr Thomas VOGEL	2016	Director-Independent

Procedures and Chairmanship of the Board of Directors

In order to enable Directors to fully exercise their skills and to ensure the full effectiveness of the contribution of each of them, a Director's Charter in ten points has been established in accordance with the rules of independence, ethics and integrity expected of them.

- **Administration and social interest**

Any Director must act under all circumstances in the social interest of the company. He must, regardless of his mode of designation, see himself as representing all the shareholders and should also takes into account the expectations of other stakeholders.

** until June 2017*

• Respect of laws and statutes

The Director must take the full measure of his rights and obligations. He must know and respect the legal provisions and regulations relating to his function, the codes and good governance practices applicable, as well as the rules peculiar to the Institution from its statutes, ethical system and the rules of procedure of the Board of Directors.

• Performance of duties

The Director shall perform his duties with independence, integrity, loyalty and professionalism.

• Independence, courage and duty of expression

The Director shall preserve its independence, analysis, judgment, decision and action in all circumstances. He shall not be influenced by any foreign element to the social interest mission is to defend.

He alerts the Board of Directors on anything of his knowledge appearing such as to affect the interests of the company.

It is his duty to express clearly his questions and opinions. He tries to convince the Board of the relevance of its positions. In case of disagreement, he ensures that they are recorded explicitly to the minutes of the deliberations.

• Independence and conflict of interest

The Director tries to avoid any conflict between the Institution and its moral and material interests. He shall inform the Board of Directors of any conflict of interest in which he may be involved. In cases where he cannot avoid being in a conflict of interest, he refrains from participate in discussions as well as to any decision on the matters concerned.

• Loyalty, good faith and duty to reserve

The Director acts in good faith under any circumstances and does no initiative that could be damaging to the interests of the Institution.

He is personally committed to respect the total confidentiality of the information he receives, discussions and decisions in which he participates.

It is prohibited to use privileged information to which he has access to his personal benefit or for the benefit of anyone. In particular, when he holds on the Institution where he operates as Director nonpublic information. It is prohibited to use them to perform himself or by a third, transactions on the Institution's securities.

• Professionalism and involvement

The Director undertakes to devote to his duties the time and attention necessary.

He ensures that the number and the burden of its administrator warrants leave him sufficient availability, particularly if he also exercises executive functions.

He is informed on lines and the specificities of the business, its issues and its values, including by querying the company's senior executives.

He participates in the meetings of the Board of Directors and the specialized committees of which he is a member with diligence and care.

He attends the General meetings of shareholders.

He strives to get items that he considers essential to his information to deliberate in the Board of Directors in full knowledge within the appropriate time.

He attaches to update the knowledge that are useful and asked the company trainings which are necessary for the proper exercise of its mission.

• Professionalism and effectiveness

Director contributes to collegiality and the effectiveness of the work of the Board of Directors and of the specialized committees eventually incorporated within. He makes any recommendation appearing to improve the terms of operation of the Board of Directors, including on the periodic evaluation. He accepts the assessment of its own action in the Board of Directors.

He ensures, with other members of the Board of Directors, that guidance and control missions are accomplished with efficiency and without barriers. In particular, he ensures that are in place in the business procedures, the control of compliance with the laws and regulations in the letter and in the spirit.

He shall ensure that the positions adopted by the Board of Directors are, without exception, of formal decisions, properly motivated and transcribed in the minutes of its meetings.

• Application of the Charter

With regard to principles essential to the proper functioning of a Board of Directors, the Directors strive to ensure the correct application of this Charter on the boards in which they participate.

Where a Director is no longer in position to exercise his functions in accordance with the Charter, either of his own making, or for any other reason including holding to the rules specific to the Institution where he operates, he must inform the Chairman of the Board, seek solutions to remedy and, if no solution is found, do take the personal consequences on the exercise of his mandate.

- **Group's values**

The Director adheres to the group's values: professionalism, partnership, team spirit, creating value and ethics; he is committed to promote and to ensure their implementation. As a result, he takes into account in his decisions the financial and economic impact of these, but also considers their implications towards social relations, the satisfaction of customers and the general interest of the communities where the Group operates. Each Director adheres to this Charter by accepting his function. A Director who is no longer in accordance with the present Charter shall draw conclusions and deliver his mandate available to the Board of Directors.

Board of Directors' evaluation

- **Meeting attendance**

The members of the Board are expected to attend all meetings of the Board and the committees on which they serve. The Chairman may approve exceptions. The Chairman attends selected committee meetings as a guest.

The table below shows the attendance for the year under review.

NAME	Number of Meetings	Attendance
Dr Paul KAMMOGNE FOKAM	3	3
Mr Elson Ng KENG KWANG	3	3
Dr Abdelhakim Ben HAMMOUDA	3	3
Mr Bernadeus ZWINKELS	1	1
Mr Valery KAMMOGNE FOKAM	3	3
MrThomas VOGEL	3	3

- **Other criteria**

In our institution, Director's evaluation is a self-evaluation. The evaluation process involves identification of areas for evaluation; formulating a questionnaire on the areas for evaluation; obtaining responses of individual directors to the questionnaire on a rating scale.

The Board deliberates on the report, develops an action plan

The other main parameters for Directors' evaluation are:

- Contribution of the Director to the Board's strategic thinking,
- Contribution to the business development
- Contribution to risk management

Dealing with conflicts of interest and advanced information

Our most valuable asset is our reputation for integrity and fair dealing. Our institution encourages its employees to report violations of laws, rules, regulations or the Code of Conduct internally.

Reports should be made directly to the relevant line managers and the members of the Legal and Compliance Department or, where appropriate, directly to the corresponding higher level in accordance with our policies and procedures.

This year we will create The First Group Integrity Hotline, another tool to escalate potential legal, regulatory or ethical misconduct.

In the case of alleged violations by the Chief Executive Officer or senior financial officers (Chief Financial Officer, Head of Accounting or Controlling and persons performing similar functions) reports should be made to the President or to the Audit Committee of the Board of Directors.

In our Group, retaliation against any employee for report made in good faith is prohibited.

The whistle-blowing process is subject to supervision by the Audit Committee of the Board of Directors.

Persons outside our institution who wish to report violations of laws, rules and regulations or Group's Code of Conduct may address their reports in writing directly to the Secretary to the Board of Directors.

Auditing

• Internal Audit

In our Group, Internal Audit is an independent and objective function that performs an independent and objective assurance function that is designed to add value to our operations. It also supports the Group in achieving its strategic, operational, financial and compliance objectives, and the Board of Directors in discharging its governance responsibilities.

Using a systematic and disciplined approach, the Internal Audit team evaluates and enhances the effectiveness of our risk management, control and governance processes.

Internal Audit is responsible for carrying out periodic audits in line with the Charter for Internal Audit approved by the Audit Committee.

Based on the results of its assessment, Internal Audit develops detailed annual audit objectives, defining key risk themes and specifying resource requirements for approval by the Audit Committee.

The Head of Internal Audit reports to the Audit Committee more frequently as appropriate. Internal Audit coordinates its operations with the activities of the External Auditor for maximum effect.

• External Audit

Audit is an integral part of corporate governance.

While safeguarding their independence, the External Auditors closely coordinate their work with Group Internal Audit. The Audit Committee, and ultimately the Board of Directors, supervises the effectiveness of audit work.

Our statutory External Auditor is Deloitte SA, Rue du Pré-de-la-Bichette 1, 1202 Geneva, Switzerland. The mandate was first given to Deloitte for the business year.

Alongside our corporate culture made up of African values and a commitment to the emergence of an African social capitalism capable of driving Africa's independence, adherence to our group (the First Family) is also due to our dynamic human resources strategy.

In AFG, the human resources management strategy concentrates on valuing, developing our staffs and making them responsible. We consider them the main asset of our group.

AFG's human resources management strategy is laid down in the Employee's Manual, which is an essential document that defines new approaches to staff performance evaluation with emphasis on self-evaluation. The manual defines our group's philosophy and its commitment to putting the customer's interest first in order to ensure the latter optimal satisfaction.

The manual contains ethical and professional rules and standards the staffs have to respect in the exercise of their duties. The manual clearly spells out that in the exercise of their duties, staffs must not practise discrimination based on race, ethnic origin, gender, religion, age, disability, or political belief.

The manual emphasises staff autonomy, the prevention of conflicts of interest and the prohibition of money laundry and the financing of terrorism.

Our human resources is articulated in four main components :

1. Definition of Clear and Competitive Recruitment Procedures :

Our group has laid down a five-phase clear recruitment procedure.

1. Analysis and selection of applications
2. Written test
3. Oral test
4. Training in a specialised school
5. Successful candidates are absorbed by the Group (the First Family)

These procedures ensure the transparency of the process and make them just and fair.

2. Definition of a Staff Development System :

AFG pays great attention to staff development. In this regard, a partnership was signed with the Business Excellence Academy (BEA) of the Business School of a high profile university, which offers precise and specialised diverse technical, management and philosophical workforce training six-month programmes.

Alongside the foregoing provision, the Group has equally provided an annual training programme for senior staffs.

3. Definition of a Career Plan :

AFG has defined a career plan for all staffs that ensures their autonomy, liberty and independence and guarantees personal fulfilment and team cohesion.

4. Definition of a Self-Evaluation System :

The First Family grants the staff liberty and responsibility to act and to evaluate himself or herself. That is why a self-evaluation system or a Standard Expected Performance (SEP) assessment was defined.

It implies enabling every staff to set his or her objectives at the beginning of every period on the basis of the pre-determined standards and personal ambition ; after which, the staff will personally proceed to assess their results and compare them with the predefined objectives and then draw the relevant conclusion. The possible conclusions that can be cited, without being exhaustive are : the need for additional training, promotion, or demotion. The role of the Human Resources Department in the self-evaluation process is to ensure consistency of the data provided by the staff with the available accounting statistics. On the basis of the staff's data and those of the Human Resources Department, the Annual Evaluation Committee approves the evaluation and their application.

This system grants the staff great liberty, great autonomy to act and think and protects staffs from any form of pressure and harassment.

The group's objective is to apply a Human Resources Management policy that combines African culture and values and modern management techniques.

Compliance

In order to maintain and further develop customer and partner trust, Afriland First Group is continually faced with numerous challenges relating to compliance with international standards and legal norms in force in the areas where its subsidiaries operate. In 2017, several challenges stemming from the reforms of CEMAC Regulation 2016/01 and WAEMU instructions on anti-money laundering and the financing of terrorism as well as COBAC Regulation R2016-04 on internal control have been the focus of activities carried out by Afriland First Group's compliance function..

In general, Afriland First Group compliance activities in 2017 were centred on the following thrusts:

- Organization of the compliance function;
- AML and KYC diligences;
- FATCA ;
- Corporate governance;
- Staff training and sensitization;
- Ethics and professional deontology;
- Compliance audit and regulatory watch;

I. IMPLEMENTATION OF THE COMPLIANCE FUNCTION

•Intensification of the compliance culture in the various Afriland First Group subsidiaries was one of the priority activities in 2017. Afriland First Bank Liberia thus adopted a new compliance policy and Charter that we drafted to comply with the instructions of its regulator.

Beforehand, it is necessary to specify the effectiveness of the compliance function in each subsidiary.

Compliance Structure and Functional Organization

UNIT	POLICY	CHARTE	COMPLIANCE OFFICER	STAFF	POSITIONNEMENT
First Bank S.A	approved	approved	Vacancy	12	Risk Department
CCEI BANK GE	approved	approved	Appointed	01	Legal Affairs Department
First Bank CI	approved	approved	Appointed	01	Risk Department
First Bank RDC	approved	approved	Appointed	01	Legal Affairs Department
First Bank Guinea	approved	approved	Appointed	01	Legal Affairs Department
First Bank Liberia	approved	approved	Appointed	01	Risk Department
First Bank STP	approved	approved	Appointed	01	Legal Affairs Department
First Bank South Soudan	approved	approved	Appointed	01	n.a.

II. KYC AND AML/CTF MONITORING MEASURES

1. Know Your Customer

Within our subsidiaries, KYC policies and procedures establishing the necessary steps for entering into business relations with customers comply with international standards, including the GAFI standards and the regulatory requirements established by the banking regulators. However, generally, the KYC controls in place require additional automation.

Moreover, an automated filtering tool is being extended to our subsidiaries. These tools operate based on sanctions lists from OFAC, the European Union and the United Nations, and needs to be updated regularly. For more efficiency, we intend to streamline these tools into our subsidiaries' core banking.

In addition, an AML/KYC questionnaire was prepared and sent to subsidiaries for compliance with the Wolfsberg Principles and FATF Recommendations 10 and 13 within the context of business relationships with correspondent banks.

2. 1. Anti-money laundering and combating terrorism financing (AML/CTF)

Au regard de la menace terroriste et du blanchiment des capitaux ambiante dans les juridictions où les filiales exercent leurs activités, la lutte contre le blanchiment des capitaux des capitaux et le financement du terrorisme a été dense en 2017. Toutefois, nous comptons renforcer notre action dans ce domaine en dotant nos filiales d'un outil automatisé de gestion du risque LAB/FT.

AML/CTF in subsidiaries

UNITS	POLICIES AND PROCEDURES	SUSPICIOUS TRANSACTION REPORT /RESPONSE TO INQUIRIES
First Bank S.A	Follow-up of compliance of procedures with the new CEMAC CEMAC R-2016/01 regulation	Completed
CCEI BANK GE	Updating of the AML procedures and policy specifically for PEPs and casual customers	Completed
First Bank CI	Updating of AML procedures	Completed
First Bank RDC	Updating of procedures based on proposals and recommendations from missions carried out in 2016	Completed
First Bank Guinea	Updating of procedures based on proposals and recommendations from missions carried out in 2016	Completed
First Bank Liberia	Following instructions from the Central Bank, Afriland First Group and the Compliance Officer collaborated to provide First Bank Liberia with new AML policy and procedures.	Completed
First Bank STP	NTR	NTR
First Bank South Soudan	NTR	NTR

III. FATCA (Foreign Account Tax Compliance Act)

FATCA is a US tax law designed to prevent tax evasion by US taxpayers (taxed on their worldwide income) by investing in foreign investment vehicles. During the 2017 fiscal year, the FATCA declaration for the 2016 fiscal year was completed. This declaration was made thanks to the electronic tools acquired for that purpose. The table below shows the FATCA inventory for the various units.

FATCA SUMMARY TABLE

UNITS	GIIN	Recording	IMPLEMENTATION	REPORTING
First Bank S.A	ok	ok	Failure to implement all due diligence	ok
CCEI BANK GE	ok	ok	Failure to implement all due diligence	ok
First Bank CI	ok	ok	Failure to implement all due diligence	ok
First Bank RDC	ok	ok	Failure to implement all due diligence	ok
First Bank Guinea	ok	ok	Failure to implement all due diligence	ok
First Bank Liberia	ok	ok	Failure to implement all due diligence	ok
First Bank STP	ok	ok	Failure to implement all due diligence	ok
First Bank South Soudan	ok	ok	Failure to implement all due diligence	ok

IV. GOVERNANCE

One of our Group's main objectives for 2017 was the strengthening of corporate governance within the subsidiaries. The Corporate Governance Charter, the Directors' Charter, the Governance and Compensation Committee Charter and the Social and Environmental Responsibility Policy were put in place for Afriland First Bank SA.

V. ETHICS AND DEONTOLOGY

Afriland First Group's Guide de l'Agent lays down several ethical and professional standards to which all directors, officers, employees and all other partners in the different subsidiaries must comply. Accordingly, perpetrators of acts that are prejudicial to the interests of the customer and damaging to the image of the Group are punished: corruption, conflicts of interest and other unruly behaviours. The abuses and shortcomings noted in the reports of subsidiaries have thus led to the launching of a vast sensitization campaign on the ethical standards and values of Afriland First Group.

VI. STAFF TRAINING AND SENSITIZATION

Staff training and sensitization are part of Afriland First Group's compliance priority actions to intensify the compliance culture. Several KYC/AML training sessions are organized for staff in subsidiaries. Also worthy of note is the admission of Afriland First Group employees from various subsidiaries into the BUSINESS EXCELLENCE ACADEMY of the PKF Institute of Yaounde. However, the training offer was more intense at First Bank Cameroon owing to the compliance campaign, during which branch managers were sensitized to ethics and deontology, AML and FATCA.

The year 2017 was also marked by the participation of two Afriland First Group employees and Afriland First Bank RDC and CCEI Bank compliance officers in the training seminar on the management of non-compliance risk organized by the Banking and Finance Training Institute (BFTI).

VII. CONTRIBUTION OF THE MASTERY OF NON-COMPLIANCE RISK IN FINANCING

The compliance culture was particularly developed in 2017 through the analysis of the non-compliance risk with regard to credit. The compliance analysis form designed and prepared within the holding company was sent to the subsidiaries for exploitation. In this regard, a compliance check to examine the completeness and credibility of the documents in the file is now required before any discussion at the credit committees attended by compliance officers.

VIII. 2018 OUTLOOK

What is the 2018 outlook for Afriland First Group compliance?

It will be appropriate during this new year to organize the *"Afriland First Group compliance"* forum, whose maiden edition will be held in Yaounde. The idea is for all the compliance officers of the various subsidiaries to share their experiences, discuss common difficulties and together seek solutions thereto. The year 2018 will be devoted to the intensification of the compliance culture and implementation of FATCA diligences. As such, each subsidiary will receive at least one conformity assessment mission during which AML, professional ethics and FATCA training and sensitization sessions will be held.

2017 Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2017

with comparative figures for the year 2016

(Expressed in Euro)

ASSETS	Notes	2017	2016
CURRENT ASSETS			
Cash and cash equivalents	4	93'627'380	135’099’798
Amounts due from money-market papers		7'259'105	10’653’473
Amounts due from banks		233'423'593	340’470’750
Amounts due from customers	5	1'944'615'752	1'996'764'431
Securities and precious metals held for trading	6	100'791'576	28’498’948
Accrued income and prepaid expenses		37'413'184	51'448'799
Other assets		28'375'290	21’517’690
Total current assets		*2'445'505'880*	*2'584'453'889*
NON-CURRENT ASSETS			
Non-consolidated investments	3	2'714'975	421’981
Investment in associate	3	1'630'684	841’217
Tangible assets, net of depreciation	2.2	111'419'294	96’839’831
Intangible assets, net of depreciation	2.2	42'060'304	45’307’594
Financial investments	7	310'479'563	252'340'680
Total non-current assets		*468'304'820*	*395'751'303*
TOTAL ASSETS		**2'913'810'700**	**2’980’205’193**

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2017

with comparative figures for the year 2016

(Expressed in Euro)

LIABILITES AND SHAREHOLDERS'EQUITY	Notes	2017	2016
CURRENT LIABILITIES			
Checks and bills payables		7'223'419	9'839'102
Amounts due to banks		312'773'425	508'976'718
Amounts due to customers savings or deposits		699'034'236	505'396'742
Amounts due to customers	8	1'012'779'078	1'142'323'269
Saving bonds		207'859'255	203'188'807
Accrued expenses and deferred income		79'033'437	79'673'419
Other liabilities		31'877'203	29'240'297
Valuation adjustments and provisions		33'301'199	18'899'390
Total current liabilities		*2'383'881'252*	*2'497'537'744*
LONG TERM LIABILITIES			
Loans from third party		97'139'204	53'504'445
Shareholders' loans	9	5'955'926	4'945'777
Total long-term liabilities		*103'095'130*	*58'450'222*
Reserves for general banking risks		172'119'090	178'485'758
SHAREHOLDERS' EQUITY			
Share capital		92'630'084	92'630'084
Voluntary retained earnings		2'096'463	1'896'883
Optional retained earnings		84'002'242	70'659'436
Non-controlling interest	3.1	71'255'531	63'359'493
Translation reserve	3.2	-7'922'358	3'641'175
Group profit		12'653'264	13'544'398
Total shareholders' equity		*254'715'226*	*245'731'469*
TOTAL ASSETS		**2'913'810'700**	**2'980'205'193**

CONSOLIDATED OFF BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2017

with comparative figures for the year 2016

(Expressed in Euro)

OFF BALANCE SHEET TRANSACTIONS	2017	2016
Contingent liabilities	74'284'803	531’983’217
Irrevocable commitments	30'003'485	62’152’439
Confirmed credits	435'338'643	-
Total off-balance sheet transactions	**539'626'931**	**594’135’656**

These are guarantees, endorsements and other signature commitments issued by Group companies.

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED AT DECEMBER 31,2017

with comparative figures for the year 2016 (Expressed in Euro)

	Notes	2017	2016
RESULT FROM INTEREST OPERATIONS			
Interest and discount income		83'662'164	87'133'180
Interest and dividend income from financial investments		31'837'715	21'509'013
Interest expenses		-40'481'941	-33'231'204
Total net results from interest operations		***75'017'938***	***75'410'989***
RESULT FROM COMMISSION AND SERVICE FEE ACTIVITIES			
Commission income from credit operations		65'198'452	61'762'435
Commission income from securities and investments		1'430'544	65'380
Commission income from other services		35'498'070	25'517'387
Commission expenses		-13'091'475	-11'451'994
Total net results from commission and service fee activities		***89'035'591***	***75'893'208*** Repayment of loans
RESULT FROM TRADING OPERATIONS			
Result from trading operations		***16'497***	***-32'012***
OTHER ORDINARY RESULTS			
Other ordinary income		5'007'534	9'339'283
Other ordinary expenses		-1'637'840	-4'565'974
Total other ordinary results		***3'369'694***	***4'773'309***
OPERATING EXPENSES			
Personnel expenses	10	-25'550'307	-23'778'155
Other operating expenses		-49'254'134	-45'781'917
Total operating expenses		-74'804'441	-69'560'072
Depreciation and write-offs on non-current assets		-13'149'005	-11'988'285
Valuation adjustment, provisions and losses		-79'973'774	-79'012'126
GROSS PROFIT		**-487'500**	**-4'514'988**
Net result from investment under equity method		-134'047	-407'697
Extraordinary income	11	33'664'515	40'826'171
Extraordinary expenses		-2'253'600	-2'562'924
Taxes		-11'268'227	-14'154'607
NET PROFIT FOR THE PERIOD		**19'521'141**	**19'185'956**
Group net profit		***12'653'261***	***13'544'398***
Minority shareholders' profit		***6'867'880***	***5'641'558***

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

with comparative figures for the year 2016

(Expressed in Euro)

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	19'521'141	19'185'955
Provisions	79'973'774	79'012'126
Depreciation and write-offs on non-current assets	13'149'005	11'988'285
Reserves for general banking risks	-86'340'442	-97'612'173
Accrued income and prepaid expenses	7'178'020	-6'752'480
Accrued expenses and deferred income	16'398'734	36'710'316
Total cash flow from operating activities	**49'880'231**	**42'532'029**
CASH FLOW FROM INVESTING ACTIVITIES		
Investments	**-238'097'048**	**-207'407'429**
- Investment in tangible assets	-19'533'111	-17'554'962
- Investment in intangible assets	-5'565'987	-1'279'856
- Investment in financial assets	-107'400'055	-182'833'253
- Investment in securities portfolio and precious metal held for trading	-105'597'896	-5'739'357
Sales	**80'101'899**	**19'450'918**
- Divestment in tangible assets	3'883'951	1'022'792
- Divestment in intangible assets	8'527'173	4'718'676
- Divestment in financial assets	40'243'366	12'319'872
- Divestment in securities portfolio and precious metal held for trading	27'447'409	1'389'579
Total cash flow from investing activities	**-157'995'150**	**-187'956'511**
Free Cash flow	*-108'114'918*	*-145'424'482*
CASH FLOW FROM FINANCING ACTIVITIES		
CASH FLOW FROM CLIENT LOANS	**162'590'206**	**-73'028'457**
Increase in receivables	**-48'125'906**	**-176'518'100**
- Increase in due from banks	-19'791'851	-9'754'570
- Increase in due from customers	-28'298'369	-166'013'022
- Increase in receivables from money market papers	-35'686	-750'508
Cash flow from customers' deposits	**210'716'113**	**103'489'643**
- Decrease in due from banks	126'839'009	52'834'623
- Decrease in due from customers loans	80'447'049	49'806'235
- Decrease in receivables from money market papers	3'430'055	848'786
CASH FLOW FROM CUSTOMERS' DEPOSITS	**-130'055'226**	**137'387'748**
Increase in amounts	**424'787'604**	**313'712'563**
- Increase in amounts from money-market papers	-	1'037'706
- Increase in amounts due to banks	37'778'086	217'264'570
- Increase in amounts due to customers savings or deposits	232'586'086	14'078'838
- Increase in other amounts due to customers	143'390'808	60'987'953
- Increase in cash certificates	13'479'000	20'343'496
Decrease in amounts	**-557'289'206**	**-176'324'814**
- Decrease in amounts from money-market papers	-2'615'683	-848'786
- Decrease in amounts due to banks	-233'981'379	-21'457'677
- Decrease in amounts due to customers savings or deposits	-38'948'592	-3'426'135
- Decrease in other amounts due to customers	-272'935'000	-145'977'986
- Decrease in cash certificates	-8'808'552	-4'614'332
Cash flow from banking activities	*32'534'980*	*64'359'291*
CASH FLOW FROM LOANS	**44'644'908**	**46'499'760**
- New loans	60'643'132	46'499'760
- Repayment of loans	-15'998'223	-
CASH FLOW FROM EQUITY	**1'026'147**	**-2'469'067**
- Increase in share capital made in the subsidiaries	2'055'354	965'957
- Distribution of dividends by the subsidiaries	-309'902	-3'435'024
- Repurchase of the minority shares	-89'398	-
- Deconsolidation of subsidiary	-629'908	-
Sub-total cash flow not related to banking activity	*45'671'055*	*44'030'693*
TOTAL CASH FLOW FROM FINANCING ACTIVITIES	**78'206'035**	**108'389'984**
CHANGE IN CASH AND CASH EQUIVALENTS	**-29'908'883**	**-37'034'498**
Cash and cash equivalents on 1 January	135'099'798	173'116'930
Effect of foreign exchange rate changes	-11'563'534	-982'635
Cash and cash equivalents on 31 December	93'627'380	135'099'798

1. Activities of the Company

Afriland First Group SA ("the Company) was created on March 19, 2008 and is headquartered at 7 Route des Falaises, 2000 Neuchâtel. Its registered capital is CHF 138'439'707 and its activity is the purchase, administration, management and the sale of participations in Switzerland and abroad.

The Company has invested in several companies, banking and non-banking institutions, in Switzerland and abroad, mainly in Africa.

2. Summary of significant accounting policies

2.1 Basics

The consolidation principles applied in the preparation of consolidated financial statements of the Group are in accordance with the new Swiss Code of Obligations.

The consolidated accounts of Afriland First Group SA are derived from the audited financial statements of the holding company and its subsidiaries as at December 31, 2017.

Certain comparative information for the year ended December 31, 2016 has been reclassified in order to conform to the current year presentation and in order to improve the quality of information given on the face of the balance sheet.

2.2 Specific accounting policies

Tangible assets

Tangible assets: Facilities and equipment are stated at cost of acquisition or internal production, net of accumulated depreciation.

Set-up cost and other capitalized costs are recorded at their acquisition costs and filing fees and protection after deducting accumulated depreciation. The goodwill arising on first consolidation is depreciated during 20 years.

Depreciation is calculated on a straight-line basis according to the following categories:

	Annual rate
Installation and fixtures	***5 % - 10 %***
Office equipment	***10 % - 25 %***
Telecommunication equipment	***25 %***
Computer equipment	***33.33 %***
Transport equipment	***25 %***

The Company performs at least once a year, impairment tests to test the value of goodwill. Similarly, whenever an indication of impairment is identified, an impairment test for identifying a potential difference between the carrying amount and the recoverable amount of an asset is realized. Where appropriate, necessary value adjustments are performed.

3. Consolidation principles

3.1 Scope of consolidation

The subsidiaries, in which the Company holds an investment of greater than 50% of the total voting shares, are subject to full consolidation. Assets and liabilities, and expenses and the revenues are fully recorded (100%). The third-party shareholders' interests (minority interests) are recorded separately in the consolidated balance sheet and in the consolidated statement of income.

The investments in associates where the Company holds a participating interest of 20%-50% of total voting shares are subject to the equity consolidation method. An equity investment is initially recorded at cost and is subsequently adjusted to reflect the investor's share of the net profit or loss of the associate.

Minor holdings, or ongoing investments as well as those where the holding is less than 20%, are recorded under non-consolidated investments at their purchase price, after deduction of appropriate provisions, if any.

FOR THE YEAR ENDED DECEMBER 31, 2017

3.2 Participations consolidées

The percentage of shares held by the Group in its twelve subsidiaries using the full consolidation method excepted Afriland First Bank South Sudan and Intelligentsia who are using the equity consolidation method.

Investment in Afriland First Bank Ivory Coast

During 2017, Afriland First Group SA has invested EUR 2'555'705 as its proportionated share of capital increase in the capital.

Investment in Afriland First Bank Democratic Congo

Afriland First Group SA has invested USD 358'500 as its proportionated share of capital increase in 2017.

Investment in Afriland First Bank Guinea

Cette année, Afriland First Group SA a acquis des actions de la banque pour un montant de USD 104'000.

Investment in Afriland First Bank SA

During 2017, Afriland First Group SA has invested EUR 788'192 as its proportionated share of capital increase in the capital of Afriland First Bank in Cameroun.

Change of consolidation method for Intelligentsia SA

The percentage of Afriland First Group went from 48.48%en 2016 to 16.41% in 2017. Intelligentsia SA is controlled at the level of 22.22% by Afriland First Group SA at 31 December 2017. This participation is now being equity method and no more global integration.

Closing date

The closing date for all companies is 31 December

Currency conversion

The consolidated financial statements of the group are expressed in the Company's functional currency which is the Euro.

The financial statements of companies in the portfolio are presented in the respective local currencies. The table below summarizes the reporting currency of each subsidiaries:

FCFA (XAF)	Afriland First Bank SA, Yaoundé, Cameroon CCEI Bank SA, Malabo, Guinée Equatoriale Afriland First Bank SA, Abidjan, Ivory Coast CCEI Benin, Cotonou, Benin Intelligentsia, Yaoundé, Cameroon African Leasing Company, Yaoundé, Cameroon
STD	Afriland First Bank, Sao Tomé & Principe, Sao Tomé
CDF (RDC)	Afriland First Bank CD SA, Kinshasa, Democratic Republic of Congo
LRD	Afriland First Bank Liberia Ltd, Monrovia, Liberia
GNF	Afriland First Bank Guinea, Conakry, Guinea
SSP	Afriland First Bank South Sudan, Juba, South Sudan
CHF	Afriland First Group Management SA, Geneva, Switzerland
EUR	Afriland First Group SA
USD	Afriland First Holding

The Group reports in Euro. Transactions in non-Euro currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in non-Euro currencies are retranslated to Euro at the rate of exchange ruling at the reporting date. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised in the consolidated income statement in the period in which they arise.

The individual financial statements of each Group company are maintained in the currency of the primary economic environment in which it operates (its functional currency). Assets and liabilities of non-Euro consolidated subsidiaries are translated to Euro at the rate of exchange ruling at the reporting date. Revenue and expenses are translated at the average exchange rates for the year. All resulting translation differences are included in a translation reserve in equity.

Closing and average annual conversion rate are:

CCY	Closing year 31.12.2017	Avergae rates 2017	Closing year 31.12.2016	Avergae rates 2016
CDF/ EUR	1877.95	1635.01	1241.88	1060.12
STD/ EUR	24297.36	24416.26	24480.10	24289.68
CHF/ EUR	1.16	1.11	1.07	1.09
FCFA/EUR	656.00	656.00	656.00	656.00
USD/EUR	1.19	1.12	1.05	1.10
LRD/EUR	149.83	116.79	95.69	99.32
SSP/EUR[2]	152.21	126.41	87.64	54.28
GNF/EUR	10720.56	10206.96	9854.5	9164.10

- **Elimination of intercompany positions and internal transactions**

All internal balances such as debts, claims, provisions of the parent company, subsidiaries and between the affiliates are eliminated.

1- The South Sudanese pound is South Sudan's official currency

• ***Goodwill / Badwill***

During the first consolidation of each unit and, if necessary, to the date where Afriland First Group SA has purchased additional shares, goodwill (goodwill or badwill), is calculated by taking the difference between the purchase price of participation and its fair value. Any positive difference, called 'goodwill', is accounted in the category of "intangible assets" and amortized over a period of 20 years for all the goodwill recorded prior to January 1, 2015, and over a period of 10 years for all new goodwill accounted after January 1, 2015. The negative goodwill, also known as "badwill" is accounted as a liability and depreciated over a period of 5 years

4. Cash and cash equivalent	2017	2016
Current account at the central banks	18'443'526	67'956'484
Cash	75'183'854	67'143'313
TOTAL CASH AND CASH EQUIVALENTS	**93'627'380**	**135'099'798**

5. Amount due from customers	2017	2016
Client's loans	1'550'251'273	1'940'863'557
Overdue and doubtful loans	664'273'679	288'512'122
Provisions	-269'909'201	-232'611'248
NET CLIENT'S LOANS	**1'944'615'752**	**1'996'764'431**

6. Securities and precious metals held for trading and short-term investment	2017	2016
Treasury bonds	-	1'376'770
Equity investments	25'410'518	-
Money market papers	75'381'059	27'249'238
SECURITIES AND PRECIOUS METALS	**100'791'576**	**28'498'948**

7. Financial investments	2017	2016
Public Investment Securities	291'829'797	18'850'925
Privat Investment Securities	11'540'383	15'549'237
Bonds and treasury bills	5'701'739	217'940'518
nvestments held to maturity	7'350'408	-
GROSS FINANCIAL INVESTMENTS	**316'422'328**	**252'340'680**
Provisions	-5'942'764	-
NET FINANCIAL INVESTMENTS	**310'479'563**	**236'791'443**

[2] *The South Sudanese pound is South Sudan's official currency*

8. Amounts due to customers	2017	2016
Term deposit	65'893'892	155’873’671
Demand deposit	946'885'185	986’449’598
AMOUNTS DUE TO CUSTOMERS	**1'012'779'078**	**1’142’323’269**

9. Shareholders’ loans	2017	2016
Commitments from 1 to 5 years	-	-
Commitments over 5 years	5'955'926	4’945’777
SHAREHOLDERS’ LOANS	**5'955'926**	**4’945’777**

10. Personnel expenses

This corresponds to expenses of salaries and social insurances of the Group's employees. In 2017, the annual average number of staff is 1’441. (2016: 1’477)

11. Comments on extraordinary items

Exceptional income consists of the reversal of provisions that are no longer economically necessary. In particular, the Afriland First Group SA group dissolved EUR 15'000'000 of the reserve for general banking risks, which was not allocated to a specific risk or charge.

12. Fees for audit services and other services	2017	2016
Audit fees	1'183'062	648’697
Other services	139'286	-
AUDITORS FEES	**1'322'348**	**648’697**

13. Amounts due to pension funds

The subsidiary AFGM owes a debt to the institution LPP in an amount of EUR 20'394 (23'847 CHF) to 31 December 2017. (2016: 26'000 EUR).

14. Other legal information (Swiss Code of Obligations)

Due to the fact that the Group's foreign companies are subject to the laws and regulations of the countries in which they are incorporated, Afriland First Group SA is not able to present the information on pension funds and information related to leasing.

15. Subsequent events to the closing date

A thorough analysis of a contract signed in 2016 between Afriland First Group SA and a shareholder led the Management to consider it null and void under the law. No impact has been reported in the accounting.

This contract has been withdrawn and the consequences thereof cannot be estimated to date. Uncertainty still remains on this matter.

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English translation of the official French version

Report of the Statutory Auditor

To the General Meeting of
Afriland First Group SA, Neuchâtel

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Afriland First Group SA, which comprise the consolidated balance sheet as at December 31, 2017, and the consolidated income statement, cash flow statement and notes to the consolidated financial statements for the year then ended.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Afriland First Group SA
Report of the statutory auditor
for the year ended
December 31, 2016

Opinion
In our opinion, the consolidated financial statements for the year ended December 31, 2016 comply with Swiss law and the consolidation and valuation principles as set out in the notes.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In our opinion, an internal control system for the preparation of financial statements exists in accordance with the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

We draw attention to the fact that the annual General Meeting for the year ended December 31, 2015 was not held within six months following the balance sheet date, which is in breach of article 699 paragraph 2 CO.

Deloitte SA

Thierry Aubertin
Licensed Audit Expert
Auditor in Charge

Marie-Sophie Morin
Licensed Audit Expert

Geneva, June 22, 2017
THA/SMO/nvi

Enclosures : Consolidated financial statements (balance sheet, income statement, cash flow statement and notes)

Ce rapport est publié par Afriland First Group SA.

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