

REINVENTING OURSELVES TO
OFFER THE BEST

ANNUAL REPORT 2016 | BGFIBank Group



BGFIBank
Your partner for the future

BGFIBank GROUP

"The 2016 performance was achieved in spite of economic conditions that were often worsened by a down-trend in prices of commodities and regulatory or political instability." Henri-Claude Oyima

IN MILLIONS

	2014 XAF	2015 XAF	2016 XAF	2016 conversion EUR	2016 conversion USD
BALANCE SHEET TOTAL	3,076,648	2,991,783	2,935,184	4,475	4,712
Overall net position	287,847	307,431	329,643	503	529
Net position, Group's share	227,637	240,912	260,725	397	419
Customer deposits	2,443,776	2,230,645	2,007,481	3,060	3,223
Loans to customers	1,905,234	1,976,959	1,908,453	2,909	3,064
Net banking income (NBI)	186,336	218,149	220,569	336	360
Overheads	-109,314	-115,410	-131,750	-201	-215
of which amortisation	-10,316	-9,851	-11,987	-18	-20
Gross operating profit	78,059	106,920	91,601	140	149
Net provisions created	-33,291	-47,877	-30,845	-47	-50
NET PROFIT	24,223	30,080	39,424	60	64
NET PROFIT, GROUP'S SHARE	15,712	20,511	28,553	44	47

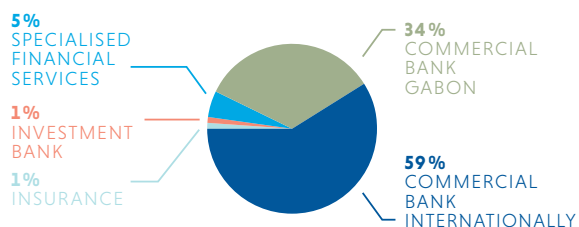
Gross cost/income ratio → overheads including amortisation / NBI	59 %	53 %	59 %
Solvency ratio → equity capital / banking risks	14 %	16 %	17 %
Return on equity → net profit / net position excluding profit for the period	9 %	11 %	14 %
Return on equity → net profit / net position excluding profit for the period Group's share	7 %	9 %	12 %
Rate of return → net profit / balance sheet total	0.8 %	1 %	1 %

EUR/XAF fixed
exchange rate: 655.957

USD/XAF exchange rate:
 • "Balance sheet" data are converted at the closing rate at 31 December 2016:
 USD/XAF = 622.8522
 • "P&L" data are converted at the average rate for December 2016:
 USD/XAF = 613.4752

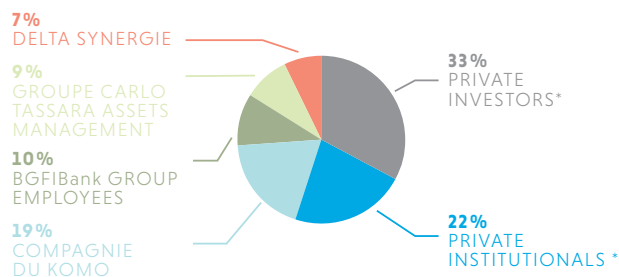
Contributions to net banking income

AT 31/12/2016



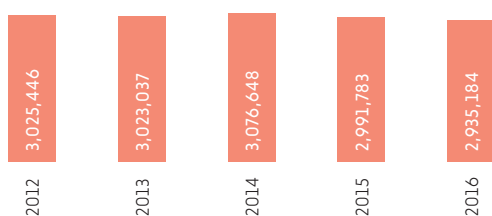
BGFI Holding Corporation share ownership

AT 31/12/2016

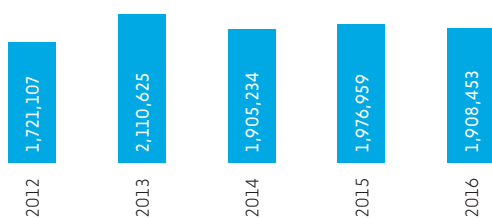


* No private investor owns more than 5% of the share capital

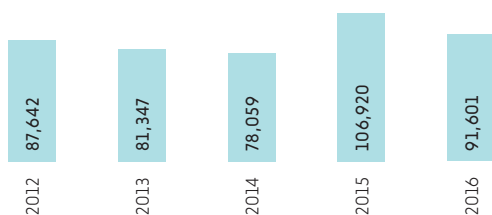
KEY FIGURES



TOTAL BALANCE SHEET



CUSTOMER LOANS



GROSS OPERATING PROFIT



CUSTOMER DEPOSITS



NET BANKING INCOME



NET PROFIT

■ Net profit
■ Net profit, Groups's share

The graphics are presented in XAF million.

Summary of 2016 annual report

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1 ANALYSES AND PROSPECTS OF THE BGFIBank GROUP

EXCELLENCE AT THE SERVICE OF THE BGFIBank
GROUP SUMMARISED IN SIX POINTS

AN IDEAL : the perpetual search for excellence

A VISION : build an African financial group for the world

FOUR BUSINESS LINES : Commercial bank, Investment bank,
Specialised financial services, Insurance

FOUR ZONES OF ESTABLISHMENT : Gabon, CEEAC (economic community of
Central African States), CEDEAO (economic community of West African States) and EAMOI
(Europe/Asia/Middle East/Indian Ocean)

FOUR POLICIES : commercial excellence policy, human excellence policy,
organisational excellence policy and forecasting excellence policy

ONE FOUNDATION : governance



EDITORIAL

FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER HENRI-CLAUDE OYIMA

Excellence in forecasting and reorganisation: 2016, commitments achieved



ALL OF OUR ACTIONS MUST BE CARRIED OUT WITH EMPHASIS ON OUR COMMON IDEAL: THE CONSTANT SEARCH FOR EXCELLENCE

The achievement of our objectives set in the “Excellence 2020” plan (see below) obviously requires constant vigilance. However, for each of the policies, tangible achievements have been made, which all represent objectives reached. Thus, within the field of commercial excellence, 2016 saw the launch of BGFExpress and Mobile Banking; concerning the human excellence policy, the second internal employee survey was carried out on problems of management, working conditions and career management at the group scale; the organisational excellence policy is illustrated by the appointment of a Deputy Chief Executive Officer to work alongside me; and lastly, concerning forecasting excellence, in 2016, we implemented regulation N°01/CEMAC/UMAC/COBAC dated 27 March 2015 relative to the supervision of financial holdings and cross-border supervision.

It is with pride and confidence that I conclude this 2016 financial year, taking advantage of this column in the activity report to give you an update and to put both our activity and some background elements into context.

Firstly pride, for the exceptional results obtained in spite of the economic, political and regulatory difficulties. Pride which I would like to share with the 2,000 employees of the group and all of the directors. The “Excellence 2020” objective is within reach and it is its commercial, human, organisational and forecasting components which, deployed in the African market, will enable it to be achieved.

Then confidence in our strategic vision, which has never departed from principles of reality. BGFIBank’s very nature drives it to move upmarket and become more powerful in Africa, but not at any price. It is our forecasting expertise, a genuine corporate culture which, in particular, involves our knowledge of risks and our operational performance, which results in profitability shared by all of our business lines and subsidiaries.

2016 was the year of reorganisation and 2017 will be the year of transformation. Two management procedures which bear witness to our culture of adaptation, but which never alter the strategic course.

“ The ‘Excellence 2020’ objective is within reach and it is its commercial, human, organisational and forecasting components which, deployed in the African market, will enable it to be achieved. ”

"I like to compare this route to that of a navigator who must adapt to the unpredictable vagaries of the weather."

I like to compare this route to that of a navigator who, without ever forgetting his port of destination, must adapt to the unpredictable vagaries of the weather. The weather in our case corresponds to the economy, the legal and regulatory environment and the political context, which may hinder or help our progress. This is clearly what we did in 2016 by transforming the holding company into a subject entity in order to proceed with supervision on a consolidated basis. The vessel is sound and its crew is reliable and competent.

OUR MAIN OBJECTIVE IN 2017: TO GUARANTEE THE PERFORMANCE AND CONTINUITY OF THE BGFIBank GROUP

For 2017, our guiding principle is to move from Reorganisation (2016) to Transformation (2017), which is tangibly expressed by one issue, seven challenges, twenty specific objectives and twelve fundamental projects.

- ▶ The issue is supervision on a consolidated basis, which now gives the group greater transparency.
- ▶ The seven challenges are focused on the control of risks in matters of governance, credit, growth, skills interruption, operational, IT and accounting and financial challenges.
- ▶ The year 2017 will have an emphasis on Transformation, which aims to effectively support the general objective of ensuring profitability, to guarantee the continuity of the BGFIBank Group. This general objective breaks down into 20 specific objectives.
- ▶ Lastly, twelve fundamental projects summarise the issue, the challenges and the objectives assigned to BGFIBank Holding Corporation S.A. in order to modernise and adapt the tools of the BGFIBank Group.

In this context of high strategic coherence, performance was, of course, achieved in spite of economic conditions that were often worsened by a down-trend in prices of commodities and regulatory or political instability. Our performance ratios are therefore 1.6% of cost of risk (credit and operational),

14% of profitability on equity capital, 17% of solvency and 59% of working ratio. Our prudential ratios are 116% of liquidity, 13% of risk coverage, 88% of long-term transformation and 175% of coverage of capital assets.

TRAIN AFRICA'S FUTURE BANKERS IN AFRICA

Throughout this 2016 activity report you will, of course, find other indicators by sector or subsidiary which all illustrate potential management of all of our activities. The objectives are always exceeded. It is a matter of which I am very proud, that I would like to share here with my colleagues, that the average age is 37. They are young, just like the African population. There are also many women in management positions. This is another point of pride for the BGFIBank Group, which sees itself as a reflection of African society which is often revitalised by women. As the BGFIBank Group is a reflection of African excellence, it cannot neglect young talent whose only handicap was to be born poor. Of course, the BGFIBank Group will not change the order of things but it also wants to leave its mark as a socially-responsible entity. Its Banking Training College, a training centre in excellence for the entire sub-region, as well as its scholarships given through our BGFIBank Foundation, bear witness to this. This is another point of pride.

BUILD AN AFRICAN FINANCIAL GROUP FOR THE WORLD

Although Africa is often seen by the countries of the OECD as a new frontier, for Africans, it is their own. The economy must be developed by Africans, for Africans, but also for the world. For this, there must be more regional integration (measures for the simplification of trade and financial exchanges are required) and the BGFIBank Group is applying itself to implementing this, as its resources allow, through its geographical organisation model and by setting up regional divisions with shared services as well as by mixing the populations of its managers.

Exchanges and sharing dissipate prejudices, bring teams together and optimise resources. It is for politicians to do the same thing by increasing the opening of borders. The opening is therefore done in spirit and a coherent and regulated economic zone will emerge.

The BGFIBank Group has been preparing for this for a long time.

HENRI-CLAUDE OYIMA
Chairman and Chief Executive Officer



FOCUS ON THE "EXCELLENCE 2020" STRATEGIC PLAN: "BUILD AN AFRICAN FINANCIAL GROUP FOR THE WORLD"

The enterprise plan gives direction to the company by enabling it to mobilise and unite the teams and form the basis of all political and strategic approaches. Ultimately, it is the common perception that the company gives of its directors, managers and employees.

The BGFIBank Group's strategic plan is entitled "Excellence 2020" and it aims to "Build an African financial group for the world". The ideal of the constant search for excellence is expressed by 5 key values broken down under the acronym "WITRT":

WORK : It designates the effort and involvement necessary to satisfy the stakeholders and reach excellence. It enables performance to be reached at all levels with the committed involvement of everyone and with constant requirements and rigour.

INTEGRITY : Integrity is the honesty and attachment to the rules of conduct of the BGFIBank Group, which promote relationships based on trust.

TRANSPARENCY : Transparency designates the model for the management and governance of the BGFIBank Group,

which is used to communicate regularly on its commitments, its results and its methods

RESPONSIBILITY : Responsibility is the duty to respond to an event, to keep one's promises and take responsibility for one's decisions.

TEAM SPIRIT : This means sharing a common vision which engages the team in an ambitious momentum within which everyone finds the direction that they wish to give to their personal achievements in a collective project. It also means pooling skills, taking advantage of synergies and diversity and increasing the loyalty of all employees of the group.

THE "EXCELLENCE 2020" STRATEGIC PLAN also drives a vision that is broken down into 4 strategic policies:

- **Commercial excellence:**
The best business lines and products for financing adapted to the economy;
- **Human excellence:** The best talent at all levels sharing the same sense of responsibility;
- **Organisational excellence:**
The best systems to properly organise the company and drive it forward;
- **Forecasting excellence:** The best systems for internal and external risk control.

NINE CHALLENGES ARE EMERGING BY 2020, that the bgfibank group is preparing to meet:

- The optimisation of governance;
- Strengthening the equity capital of subsidiaries;
- Regulatory compliance enablement;
- Management and control of risks;
- Optimisation and consolidation of IT systems;
- Consolidation and strengthening of human capital;
- Diversification of business lines;
- Cross-border expansion;
- Development of innovation.

THREE PILLARS FOR MEASURING PERFORMANCE:

➤ **Pillar 1: Compliance with prudential regulations in all territories of establishment**

- Regulatory compliance of governance
- Compliance with the level of equity capital
- Compliance with prudential ratios
- Compliance with the rules on the classification and provision of debt
- Compliance with the internal control system

➤ **Pillar 2 : Compliance with the operating ratios defined by the group**

- Solvency ratio $\geq 12\%$
- Profitability of equity capital $\geq 12\%$
- Specific cost of risk $\leq 1.5\%$
- Working ratio $\leq 55\%$

➤ **PILLAR 3 : Implementation of the following performance indicators on the 4 strategic policies**

- **Commercial excellence (Seize new opportunities)**
 - Digital innovation
 - Client relationships
 - Income diversification
 - Multichannel distribution

- **Human excellence (Support the development of the group through competitive human capital)**

- Talent management system
- Projected management of jobs and skills
- Transfer and development of skills
- Automated process for the management of human capital

- **Organisational excellence (The best systems to properly structure the group)**

- Supervision on a consolidated basis
- Efficient, secure and integrated IT system
- Industrialisation of processes and quality approach
- Task separation for all activities

- **Forecasting excellence (Strengthen the internal control system)**

- Promote the culture of control
- Deploy efficient systems for controlling and managing risk
- Ensure the soundness of equity capital
- Implement a system of coordinating financial information



EXCELLENCE 2020 : SUMMARY OF SIGNIFICANT EVENTS OF 2016 AND PROSPECTS FOR 2017



"Excellence 2020:
a course shared
by all employees."

The "Excellence 2020" plan sets a course shared by all employees who are working to implement it in all sectors and countries in which the BGFIBank Group is established. The four excellence policies were able to flourish in spite of mixed economic, legal and regulatory circumstances. Snapshot.

▶ COMMERCIAL EXCELLENCE

- the development of BGFIBank International with the extension of the approval granted by the ACPR in Paris and the change of corporate name to "BGFIBank Europe";
- the signature of an agreement to market assistance/insurance products backed by VISA bank cards;
- the diversification of the range of products and services with the launch of BGFIBank Express, Mobile Banking and BGFIBank Notes.

▶ HUMAN EXCELLENCE

- the roll-out of four strategic training programs: MFT, ITB, CESA Management, Business Seminar and training on the new regulations applicable and dissemination of the control culture;
- the strengthening of the HR IT system through the acquisition of a centralised and common tool for managing human resources for all of the companies of the group;

- the implementation of a second internal employee survey on problems of management, working conditions and career management at the group scale.

▶ ORGANISATIONAL EXCELLENCE

- the strengthening and pooling of the information system in all of the subsidiaries, with SIMAO, SIMAC and SIMPA.
- the gradual roll-out of the budgetary analysis and consolidation tool: integrated core banking, Sopra Banking Amplitude and Business Object reporting.

▶ FORECASTING EXCELLENCE

- the appointment of independent directors within the boards of directors of all subsidiaries in accordance with the regulations;
- the entry into force of regulation N°01/CEMAC/UMAC/COBAC dated 27 March 2015 relative to the supervision of financial holdings and cross-border supervision;
- the launch of the project to set up group crisis scenarios.

ECONOMIC PROSPECTS

The commitments achieved in 2016 will be extended in 2017, in spite of mixed growth prospects in the various zones of establishment.

Although Gabon risks continuing to suffer from the drop in commodity prices, it will remain a melting pot for the development of sources of growth, notably with the take-up of digitalisation and specialised financial services.

In central Africa, Congo and Cameroon will certainly see their economies continue to improve through basic investments.

In West Africa, the Côte d'Ivoire and Senegal economies will continue their growth and the move upmarket of the sub-region's subsidiaries will be included in this virtuous circle.

Madagascar and São Tomé-et-Príncipe are characterised by small economies which are nevertheless stable, which provides visibility to the subsidiaries established there.

Europe is repositioning as a hub for the group and the investment bank should take advantage of the excellent image of the BGFIBank Group to continue first-rate bank syndication to support the economic take-off of Africa.

"The commitments achieved in 2016 will be extended in 2017, in spite of mixed growth prospects in the various zones of establishment."



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2 THE PERFORMANCE OF THE FOUR BUSINESS DIVISIONS OF THE BGFIBank GROUP

BRIEF OVERVIEW

Since it was founded in 1971 in Gabon, the BGFIBank Group has always been able to combine growth and financial performance through constant adaptation to market expectations and regulatory requirements.

The BGFIBank Group has set up four separate business divisions covering a wide range of problems:

BGFIBANK Commercial Bank, which itself has four types of banking services, namely the corporate bank, the retail bank, the private bank and the bank for states and institutional organisations;

BGFI INVESTMENT BANKING and its three business lines, which are financial engineering, consulting and brokerage;

SPECIALISED FINANCIAL SERVICES: Finatra, which offers consumer credit, equipment loans, financial leasing, leasing and factoring, and Loxia, which offers micro-finance services.

INSURANCE with Assinco which offers services in the fields of fire, accident, miscellaneous risks and transport.

THE COMMERCIAL BANK AND ITS INTERNATIONAL NETWORK

The clear intention of Chairman Oyima to “Build an African financial group for the world” has resulted in geographical establishments which support this promise. BGFIBank’s network is active in four major regional divisions which are each coherent from a socio-economic perspective:

- The Gabon region, which includes BGFIBank Gabon and the financial services of Finatra and Loxia which supplement its banking services, and Assinco, an integrated insurance company;
- The CEEAC (Economic Community of Central African States), which includes Congo, the DRC, Equatorial Guinea, São Tomé-et-Principe and Cameroon;
- The CEDEAO (Economic Community of West African States) with Côte d’Ivoire, Benin and Senegal;
- The EAMOI (Europe – Indian Ocean) region, which associates BGFIBank Madagascar with BGFIBank Europe.

In order to provide the group with coherence, transparency and visibility, each region is led by a regional director who ensures that the group’s general policies and strategy are cor-



rectly implemented at the local level. In this regard, they are also members of the executive committee of BGFI Holding Corporation.



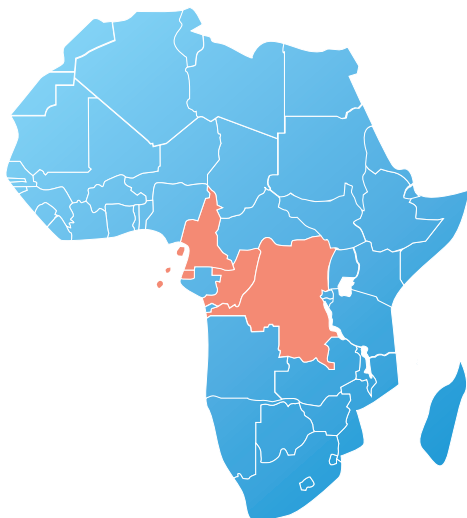
“The BGFIBank commercial bank (corporate bank, retail bank, private bank and bank for states and institutional organisations) is active in four main regional divisions.”

THE GABON ZONE

The leader in the Gabonese market, BGFIBank Gabon is a historical player present for more than 45 years, which has built this position by ceaselessly adapting and supplementing its range of services. With Finatra, banking services have been usefully supplemented by activities providing equipment loans, financial leasing, leasing and factoring. With Loxia, the service meets the needs of the informal economy by offering innovative savings and micro-credit packages. Lastly, with Assinco, the bank has adopted the bancassurance model, broadening the spectrum of its product range by offering insurance services covering fire, accident, miscellaneous risks and transport.



THE CEEAC ZONE



The historical home of the BGFIBank Group and location of the Group’s head office, Gabon, although it belongs to the CEEAC (Economic Community of Central African States), remains a zone in its own right.

This is why the regional subsidiaries in Congo, the Democratic Republic of Congo, Equatorial Guinea, São Tomé-et-Principe and Cameroon constitute a coherent regional unit represented by Mr Narcisse Obiang, who is both regional director of this zone and Chief Executive Officer of the Congo subsidiary.

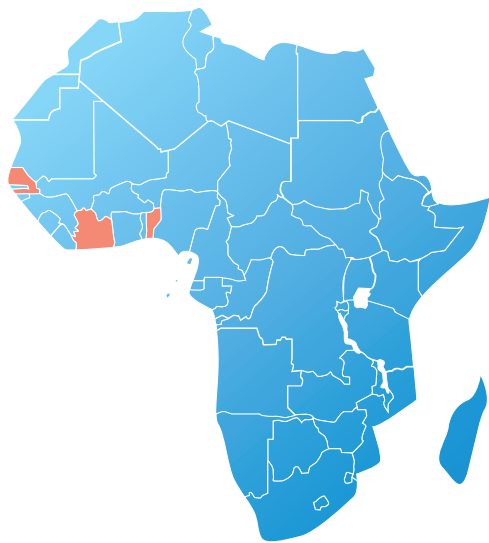
BGFIBank Congo remains leader in the Congolese banking market and an important contributor to the group’s net banking income.

From the macroeconomic point of view, Equatorial Guinea remains too dependent on oil and has not been able to begin diversification.

São Tomé-et-Principe is a very small country, politically stable but which still lacks a medium-term vision.

The Democratic Republic of Congo is an African giant whose economy is running far below its capacity, which is immense. Its economy still remains dominated by informal trade and, like its counterparts who are rich in commodities, it has been the victim of the collapse in commodity prices over the last three years. In 2017, the development of consumer credit and leasing is planned with Finatra and subsequently, Assinco will open with its range of insurance services.

THE CEDEAO ZONE



Like the CEEAC, the CEDEAO (Economic Community of West African States) is a coherent geographical and economic zone from which BGFIBank cannot be absent. Three geographical subsidiaries are established there: BGFIBank Benin, BGFIBank Côte d'Ivoire and BGFIBank Senegal.

A stable and prosperous region, it can rely on the brand and expertise of BGFIBank for its enhancement and development. A regional director, Mr Malick Ndiaye, who is also manager of the Côte d'Ivoire subsidiary, is in charge of coordinating the sub-region.

THE EAMOI ZONE

EUROPE / ASIA / MIDDLE EAST /
INDIAN OCEAN

The EAMOI zone brings together, in the same division, BGFIBank Europe located in Paris and BGFIBank Madagascar.

The old relationships which bind Madagascar to France make this association appropriate.

Thus, in 2017, the objective of BGFIBank Europe is to turn itself into an investment bank in its own right with three client segments: for trade finance transactions with financial institutions (transfer and repatriation transactions), by also becoming the correspondent bank of "orphan" African banks and a corporate bank of the commercial banking type. Missions that are clearly expected, among others, by the Madagascar economy.

In 2016, BGFIBank Madagascar underwent strong development in e-cash, an extension of the network with new branches and openings in retail banking.

In April 2015, BGFIBank Europe obtained the extension of approval that enables it to extend the activity of BGFIBank Europe throughout Africa in matters of processing flows and repatriation, giving it complete autonomy for deposit collection transactions. Ultimately, it is a credit institution in its own right which performs nearly all financial transactions, except in the retail clients segment.



THE INVESTMENT BANK



BGFI Investment Banking is what is known as a merchant bank. In fact, it is an entity of the BGFIBank Group, which includes two subsidiaries: BGFICapital and BGFIBourse. During the 2016 financial year, the same team of twelve employees successfully worked on BGFI Investment Banking.

A LARGE BANK AMONGST LARGE BANKS

At the bank syndication level, BGFI Investment Banking was lead arranger in partnership with the BDEAC for financing 34.6 billion CFA francs for the ore terminal at Owendo built by GSESZ, a subsidiary of OLAM International.

The merchant bank was also co-arranger of a 250 million dollar coalition with ORION Oil in Congo, in partnership with two other pan-African banks AFREXIM and UBA.

"BGFI Investment Banking is positioning itself as one of the three large merchant banks in Africa."

BGFI Investment Banking was lead bank at a level of 10 billion CFA francs, for the benefit of Compagnie du Komo "CDK". This syndication involved the Union Gabonaise des Banques, ECOBANK and BICIG.

Another syndication of 29.5 billion CFA francs for the benefit of the Republic of Benin represented a first large-scale transaction in West Africa for BGFI Investment Banking.

For a pan-African syndication, BGF Investment Banking was also lead bank for an amount of 62.5 billion CFA francs for infrastructure projects in Gabon for the benefit of GSEZ Infra, such as electrical power lines and water pipelines.

In collaboration with BGFIBank Gabon, the merchant bank subsidiary was also co-arranger of a revolving credit for the DRC of 500 billion CFA francs.

In an economic context characterised by significant challenges, BGFIBourse was appointed co-lead bank for the bond loan of the Republic of Gabon, which aimed for 98 billion CFA francs and which was oversubscribed at 131 billion CFA francs, BGFIBank being the primary subscriber. We also note that BGF Investment Banking was co-lead bank and co-arranger of the bond loan for Congo Brazzaville at 150 billion CFA francs. These were the largest capital market transactions carried out in the sub-region during the year 2016.

All of these contracts definitively position BGF Investment Banking as one of the three large merchant banks in Africa, with more than 1,000 billion CFA francs raised for the benefit of its strategic clients, who are States, large companies, public/private partnerships, etc.

RESULTS THAT EXCEED OBJECTIVES

In terms of financial results, the specialised subsidiary has exceeded its objectives with a net result which increased by more than 40% compared to the previous financial year, and this in a difficult context. This demonstrates both the high-quality work done by the employees of the merchant bank as well as the great confidence placed in them by major African economic players, each time with fund raising objectives achieved and even exceeded in most cases. BGF Investment Banking has never been unsuccessful in the mandates assigned to it, with structures that are always prudent and sound. This is doubtless due to the competence of the employees, which is identical to that which we may find in establishments present in the most competitive markets, but also thanks to understanding of the specifics of the local market and the requirements of African clients.

This is what Marlène Ngoyi Mvidia calls “glocal”, a contraction of the words “global” and “local”, which demonstrates this ability to handle problems with world-class quality of service while considering local specifics. All trained within large banks and large audit firms, the employees took into consideration the complexity of globalised business that they were able to combine with very good knowledge of the African economic sectors of which they are in charge.

Added to these skills is BGFIBank’s banking network, which can structure and document an extremely competitive and sound offer because it provides solutions to clients and protection to investors. We move skills, not a continent: this is what BGF Investment Banking has understood and implements.

Also, success breeds success and in 2016, we noticed a virtuous circle of transactions which led to others. In terms of volumes of transactions handled, this results in 10 to 15 transactions per year for a workforce of 12 staff, including seven merchant bankers, which is an extremely high-performance ratio of cases handled to staff. The 30% overrun of objectives is related to the sense of opportunity, the intensity of the work, aggression in an extremely competitive market and the team spirit of employees who are 100% focused on their mission.

Amongst the innovations was the launch of BGF Trading, which in one year has already contributed 30% of the turnover in financial products, which is quite exceptional over such a short period. This once more demonstrates that these new and complementary activities benefit from the high level of expertise of a committed and competitive team as well as the brand and network of BGFIBank, which offers its investor and entrepreneur clients a single point of contact for their business projects.

THE REPUTATION OF MISSIONS ACCOMPLISHED AND PREMIUM TEAMS AS DRIVERS OF GROWTH IN 2017

For 2017, BGF Investment Banking remains ambitious, with the obvious objective of retaining its rank as the third-largest merchant bank in the CEMAC zone and of entering the top 3 in the West Africa zone (Senegal, Côte d’Ivoire and Benin), as well as developing its asset-management and trading activities to extend them to the entire sub-region. To do this, the merchant bank has organised itself so that all of the members of the executive committee can promote all of these new products. For the following years, if BGF Investment Banking wants to become number one, it will have to still further improve synergies within the BGFIBank Group, notably by better explaining its business lines to all of its subsidiaries while maintaining its high level of expertise because the market is becoming more and more competitive with the arrival of new and highly aggressive pan-African merchant banks. In this type of business, each transaction counts and as there is no specific business portfolio but rather the constant acquisition of new transactions, the effort and working intensity must be kept constant, together with the level of skills, expertise and trust.

With regard to the size of the amounts committed and the importance of its clients, it is also very important to state that it is the Chairman and CEO of the BGFIBank Group, Mr Henri-Claude OYIMA, who chairs the board meetings of the entities of BGF Investment Banking.

SPECIALISED FINANCIAL SERVICES

**BGFIBank: AN AFRICAN BANKING GROUP
PRESENT IN ALL SEGMENTS OF ITS MARKET**



As a banking group, BGFIBank must offer appropriate products and services to its markets. This is the case of Finatra and Loxia who supplement the range of banking services by offering different forms of complementary loans.

- **Finatra** offers a range of consumer loans, equipment loans, financial leasing and, from the beginning of 2017, factoring.
- **Loxia** is specialised in the micro-finance business.

The activities of these two specialised subsidiaries present until now only in Gabon, are coordinated by the Gabon regional director in order to optimise the management and complementary synergies of these two entities.

"Finatra and Loxia supplement the range of banking services by offering different forms of complementary loans."

INSURANCE ASSINCO

Founded in 1997 and a subsidiary of the BGFIBank Group since 2011, Assinco is an insurance company covering fire, accident, miscellaneous risks and transport, which is in the 4th rank out of seven Gabonese insurance companies. With 62 staff whose average age is 34, this subsidiary of the BGFIBank Group specialised in insurance, backed by its dynamic human resources and its very large equity capital (more than 10 billion FCFA) is able to cope with economic difficulties while preparing its development, notably bringing bancassurance products to the market.



Assinco is known and recognised in the market by brokers, reinsurers, intermediaries and professionals. Its primary target is companies, with property damage and liability insurance.

TRANSPARENCY



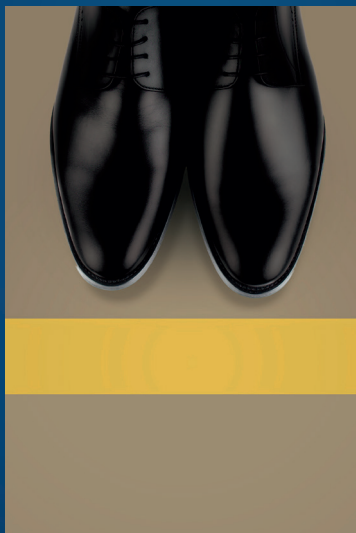
WORK



RESPONSIBILITY



INTEGRITY



TEAM SPIRIT



THE FIVE VALUES OF THE BGFIBank GROUP

3 GOVERNANCE, THE BASIS OF EXCELLENCE IN THE BGFIBank GROUP

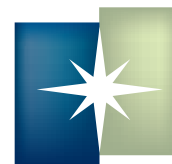
The organisation of the BGFIBank Group is directed towards performance. By decision of the board of directors on 13 December 2016, effective from 1 January 2017, a new organisation and a new organisation chart – notably with the creation of a position as Deputy CEO (read the interview with Ms Huguette Oyini on pages 8 and 9) – has been put in place. The activities of the group are organised in three business divisions (Operational activities, Central functions, as well as Risk and Control), attached to the general management of BGFI Holding Corporation. This organisation responds to the imperative of ensuring better supervision of the group on a consolidated basis, as well as regulatory requirements and instructions.

THE MISSIONS OF BGFI HOLDING CORPORATION

The BGFIBank Group is an international financial group present in Commercial Banking, Specialised Financial Services, Investment Banking and Insurance.

Currently present in 11 countries and composed of more than 2,000 employees, the BGFIBank Group offers an extensive range of banking and financial services.

In order to structure its strong growth, the BGFIBank Group has been organised since 2011 around a holding company, BGFI Holding Corporation (BHC), whose missions are regulation, coordination and control.



BGFI Bank
Your partner for the future

Regulation

The BHC teams are in charge of defining strategies, policies, methods and tools to be deployed in all companies of the group according to a top-down approach.

A general framework is defined on all activities and must apply to each company so that the BGFIBank model and the associated quality of services are the same in each company of the group.

Coordination

In order to support the companies of the group in the deployment of strategies, policies, methods and tools at the local level, an ongoing dialogue has been put in place between all players in the context of procedures providing expertise. The procedures are a standardised framework for exchanges between BHC and the subsidiaries, which are intended to share best practices and function as part of a continuous improvement system. In addition, seminars, training courses and instruction sessions are regularly organised by BHC.

Control

Control is an integral part of the tasks of all employees of BHC. BHC must guarantee its regulator and shareholders that it permanently and periodically controls all of the companies that compose the group. BHC has therefore set up six supervisory pillars which are described in the rest of the present document.

To fulfil its various missions, BHC has nearly a hundred employees in permanent contact with companies of the group, both to support them and to supervise the correct application of the Group strategies, policies, methods and tools.

Also, in order to permanently monitor the subsidiaries of the group, executive employees of BHC and non-executive directors have joined the boards of directors of the various subsidiaries of the group.

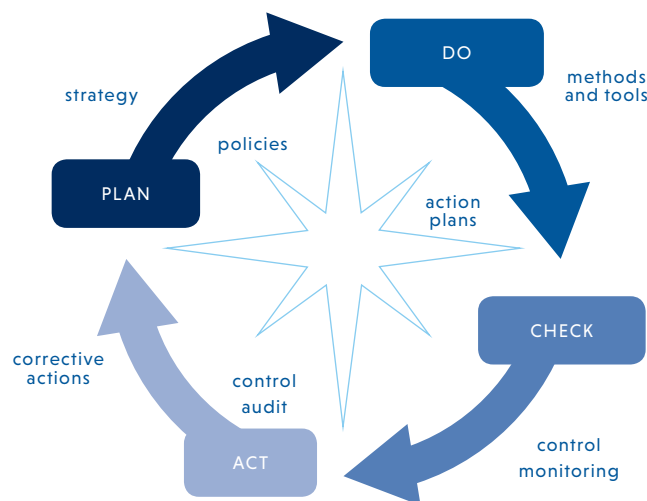
“In order to permanently monitor the subsidiaries of the group, executive employees of BHC and non-executive directors have joined the boards of directors of the various subsidiaries of the group.”

The PDCA of the group’s holding company

BGFI Holding Corporation serves the growth ambitions of the group over the long term by organising the group’s methods and tools and guaranteeing their compliance at the scale of the group.

The main missions of the holding company, the linchpin of the group, are the following:

- ▶ Define and control the **strategy** of the group
- ▶ Coordinate the implementation of **policies**
- ▶ Deploy the **Group methods and tools** at the service of subsidiaries
- ▶ Define and coordinate the **budgets** and perform **consolidation**
- ▶ Organise **risk-management** and **control** systems
- ▶ **Constantly monitor the entities of the group**



AN ORGANISATION FOCUSED ON MONITORING

The structural principles of the organisation of the BGFIBank Group

The deliberative body of BGFI Holding Corporation is organised around a board of directors and four specialised committees, which are:

- ▶ The audit and internal control committee
- ▶ The risks committee
- ▶ The human resources and remuneration committee
- ▶ The corporate governance and appointments committee

The executive body of BGFI Holding Corporation is organised as follows:

- ▶ **The general management** is performed by the Chairman and Chief Executive Officer and the Deputy CEO;
- ▶ **Three control functions** (internal audit, risks and compliance) are attached to the general management;
- ▶ **The operational division** is in charge of the profit centres, development and the management of the business lines:
 - Commercial Bank
 - Investment Bank
 - Specialised Financial Services
 - Insurance
- ▶ **The central functions division** is in charge of coordinating and managing cross-disciplinary projects:
 - Finance
 - Human capital
 - IT systems
 - Strategy and development
 - Communication
 - Governance and organisation
 - Legal
 - Credit
 - Quality
 - General administration
- ▶ **A shared services centre** grouping IT, real estate, corporate sponsorship and training activities is also set up within the BGFI Holding Corporation.

AT THE HEART OF GOVERNANCE

The code of ethics of the BGFIBank Group: RECONCILE ETHICS AND ECONOMIC REALITIES

The code of ethics of the BGFIBank Group is not limited to legal obligations. It is a common tool which forms an integral part of the corporate culture and way of doing business. It is based on respect for five principles:

1. respect for the five values of the group,
2. respect for the quality and environmental policy,
3. respect for the laws and regulations,
4. respect for privacy and confidentiality,
5. respect for the organisation and image.

To do this, it develops and specifies what the ethics, values, rules and duties must be.

4 AN AFRICAN FINANCIAL GROUP WHICH KNOWS HOW TO COMBINE PROFITABILITY AND SOCIAL RESPONSIBILITY

Exercising the occupation of banker is always demanding. Exercising it in Africa, for Africans, adds a strong and inclusive societal requirement to the requirement for good management.

The BGFIBank Group expresses its socially-responsible commitment in tangible form through a view of its employees as human capital who are the focus of attention because they are at the core of the creation of value.

Its commitment is also focused on the training of young Africans, particularly the training of future African bankers. The BBS school, the Banking Training College, is a shining example of this.

Lastly, the BGFIBank Foundation takes an interest in the most impoverished to give them a second chance. The scholarships for pupils and students illustrate this investment in the future.

THE BGFIBank GROUP'S SOCIAL RESPONSIBILITY REPORT

The concept of human capital is specific to the holding company. It is indeed a capital resource which must be developed like the other assets of the company. It is at the core of the "Excellence 2020" strategic plan and expresses the importance that the group attaches to human resources. This last name is also maintained in all of the subsidiaries.

"The concept of human capital is at the core of the Excellence 2020 strategic plan."

The main significant events of 2016

Several events punctuated the 2016 financial year, which was particularly rich in events and innovations:

- ▶ The launch of the human resources IT system
- ▶ The roll-out of training for talented individuals
- ▶ A new loyalty-building system
- ▶ Meet the challenge of managing digitalisation
- ▶ Constant support to employees

"The first phase of the training courses were rolled out for high-potential individuals known as Managers For Tomorrow, as well as for members of the executive committee of the subsidiaries."

The social responsibility report in figures

On 31 December 2016, the BGFIBank Group had 2,014 employees, up by 4% compared to 2015, representing net job creation of 75 positions.

WORKFORCE PER COMPANY ON 31 DECEMBER 2016

COMPANIES	Workforce 2015	Workforce 2016	Projected workforce end 2017
Assinco	60	62	69
BBS	27	23	28
BGFIBourse	9	9	9
BGFICapital	4	3	4
BGFI Holding Corporation	74	83	85
BGFIBank Europe	21	30	25
BGFIBank Bénin	124	128	131
BGFIBank Cameroun	117	128	132
BGFIBank Congo	239	246	265
BGFIBank Côte d'Ivoire	74	96	111
BGFIBank Gabon	614	594	614
BGFIBank GE	163	160	186
BGFIBank Madagascar	79	88	80
BGFIBank RDC	133	142	160
BGFIBank Sénégal	37	41	47
BGFIBank STP	19	21	20
Finatra	60	57	60
Fondation BGFIBank	3	3	3
Hedenia	7	6	10
Loxia	74	94	105
SUM TOTAL	1,938	2,014	2,144

THE WORKFORCE BY GENDER

In 2016, the group remained faithful to its human resources policy in matters of male/female parity with a total workforce composed of 49% men and 51% women.

So the UN's target "for a 50/50 world in 2030" was achieved in 2016 within the BGFIBank Group.

For equal skills, the BGFIBank Group does not hesitate to give responsibility to women at all levels.

The only guiding principle: **"have the best talent at all levels, with the same sense of responsibility"**.

WORKFORCE BY NATIONALITY

The diversity of the 21 nationalities within the BGFIBank Group is representative of the geographical location of the group.

The majority ratio of 46% of the Gabonese (931 jobs) is in line with the distribution of the 46% of the ten Gabonese companies.

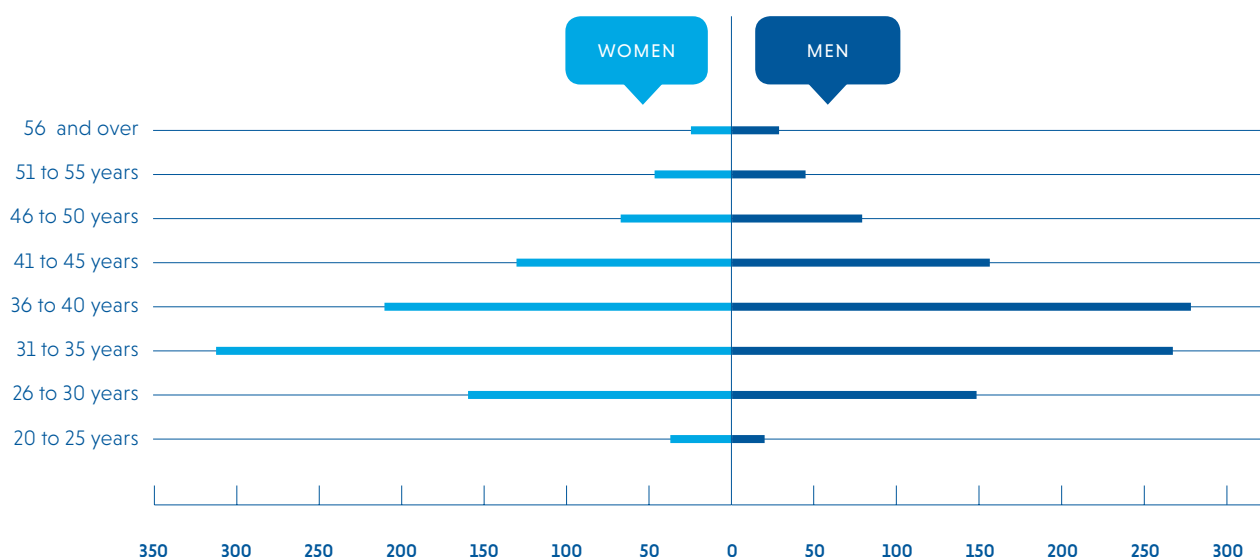
THE AGE PYRAMID

The average age is 37, as in 2016.

The shape of the age pyramid shows a concentration of the workforce within a range between 26 and 40, corresponding to 1,378 employees, representing 68% of the overall workforce.

The youth of the workforce is a source of innovation and dynamism for continuing to ensure the development of the group.

83% of the overall workforce has seniority of between 0 and 10 years, representing an overall average seniority of 6 years.



BBS, the Banking Training College


Historically, BBS was the BGFIBank Group's continuation training school. Between 2008 and 2012, it was transformed into a business school and, since 2016, BBS has become the Banking Training College with two main first-rate partnerships, the EDHEC Business School and the CFPB (Centre de Formation de la Profession Bancaire).

For BBS, forecasting excellence consists of anticipating and preventing interruptions in the skills of employees. The College is the group's talent pool and it must constantly supply operational skills compliant with the group's quality requirements, while strengthening the skills of current employees and providing generational renewal.

The BGFIBank Foundation

The BGFIBank Group has been committed, for several years, to a corporate social and environmental responsibility (CSR) approach. Although this societal commitment involves a social dimension focused on the requirements and well-being of employees, and an environmental dimension focused on environmental protection, it is not only that. This is what Mr Henri-Claude OYIMA, Chairman of the BGFIBank Foundation, emphasised when he stated that: "We are aware of the issue that our commitment represents and the necessity of helping local people wherever we are present".

KEY FIGURES 2016


 **54,079** children examined in Gabon to help with research into the frequency of epilepsy during an infectious disease

10,500 educated on the environment for the preservation of biodiversity in Gabon's marine protected areas



9,755 disadvantaged pupils enrolled in 30 schools in Madagascar

3,000 books on "The history of Gabon told to our children" distributed in libraries and primary and secondary schools in Gabon

 **3,000** books on "The history of Congo told to our children" distributed in libraries and primary and secondary schools in Congo

3,000 books on "The history of Cameroon told to our children" published, to be distributed in libraries and primary and secondary schools in Cameroon

2,000 visitors to the community natural reserve of the Valley of Sitatunga educated on the protection of Benin's environment

350 orphaned children schooled in Cameroon

333 childbirth kits offered to the Fith-Mith maternity hospital in Senegal

120 beds offered to inmates at the Mariama Bâ reform school in Senegal

100 minor children in social difficulty educated in Gabon

80 NGO managers trained in social entrepreneurship in Gabon

55 eco-guides trained in Gabon, as part of the management of national parks and their natural resources, providing support in the African equatorial forest.



40 young students trained in the bakery trade in Benin

30 street children taken in charge and schooled in Benin

23 study scholarships assigned to Gabon students for research in the national parks of Gabon

20 disabled children supported in the context of getting children with learning difficulties in Côte d'Ivoire into school

15 social scholarships assigned to students from disadvantaged families continuing their studies at BBS, the Banking Training College, in Gabon


7 state schools equipped in Côte d'Ivoire and Equatorial Guinea

4 excellence prizes assigned for the most innovative scientific and technological research in Gabon

3 excellence scholarships assigned to students who obtained the best results in the competitive examination for entry to the BBS, the Banking Training College, in Gabon

3 state schools entirely renovated and equipped in Cameroon and Madagascar

3 orphanages equipped in Congo and Gabon

 **1** nursery school built and equipped to an excellent standard for displaced children from Kintélé in Congo

1 equipped ambulance given to the Congo Assistance Foundation to take charge of elderly persons

1 school library created and equipped within the Terre Rouge Association for orphaned and abandoned children in Benin

1 training centre in the bakery trades equipped in Benin

1 mathematics manual published, intended for children in the final year of the economics option in Gabon

5 FINANCIAL PERFORMANCE

THE ANNUAL ACCOUNTS OF BGFH HOLDING CORPORATION

FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2016

BGFH Holding Corporation assets

IN MILLIONS OF CFA FRANCS

ASSETS

	Gross	Amort /Prov	at 31/12/2016 Net	at 31/12/2015 Net	Variations	Variations in %
INTANGIBLE ASSETS	255	44	211	222	-11	-5%
Patents, licences, software	127	44	84	0	83	24,126%
Capitalised expenses	127	-	127	222	-94	-43%
TANGIBLE ASSETS	8,326	3,419	4,906	4,861	46	1%
Land	3,748	-	3,748	3,748	-	0%
Buildings	492	-	492	2	491	28,252%
Installations and fixtures	1,640	1,085	555	693	-138	-20%
Equipment and furniture	1,157	1,274	-116	324	-440	-136%
Transport equipment	1,288	1,061	228	94	134	142%
ADVANCES AND PREPAYMENTS ON FIXED ASSETS	1,566	-	1,566	953	613	64%
Tangible assets in progress	1,566	-	1,566	953	613	64%
LONG-TERM INVESTMENTS	229,838	8,495	221,343	221,579	-235	0%
Equity interests	182,977	8,100	174,877	186,194	-11,317	-6%
Other long-term investments	46,861	395	46,467	35,385	11,081	31%
TOTAL FIXED ASSETS (I)	239,985	11,958	228,027	227,615	412	0%
Clients	-	-	-	-	-	-
Other receivables	12,811	13	12,798	16,379	-3,581	-22%
TOTAL CURRENT ASSETS (II)	12,811	13	12,798	16,379	-3,581	-22%
Cash – assets	-	-	-	-	-	-
Banks, post office accounts, cash in hand	16,937	-	16,937	7,073	9,865	139%
TOTAL CASH – ASSETS (III)	16,937	-	16,937	7,073	9,865	139%
☉ SUM TOTAL (I+II+III+IV)	269,733	11,970	257,763	251,067	6,696	3%

BGFI Holding Corporation liabilities

IN MILLIONS
OF CFA FRANCS

LIABILITIES

	at 31/12/2016	at 31/12/2015	Variations	Variations in %
EQUITY CAPITAL AND RELATED RESOURCES				
Capital	141,618	141,618	-	0%
Premiums and reserves	29,745	25,505	4,241	17%
Unavailable reserves	28,324	23,771	4,553	19%
Carried forward + or -	1,422	1,734	-312	-18%
Net profit for the year (profit + or loss -)	12,369	9,276	3,093	33%
TOTAL EQUITY CAPITAL (I)	183,733	176,399	7,334	4%
FINANCIAL DEBTS AND RELATED RESOURCES				
Borrowings	68,316	68,316	-	0%
TOTAL FINANCIAL DEBTS (II)	68,316	68,316	-	0%
TOTAL STABLE RESOURCES (I+II)	252,049	244,715	7,334	3%
Current liabilities				
Accounts payable	2,592	2,687	-94	-4%
Tax payments	590	604	-14	-2%
Social security payments	490	2,416	-1,926	-80%
Other items payable	2,041	645	1,397	217%
TOTAL CURRENT LIABILITIES (III)	5,714	6,352	-638	-10%
TREASURY - LIABILITIES				
Banks, overdrafts	-	-	-	-
TOTAL CASH - LIABILITIES (IV)	-	-	-	-
➤ SUM TOTAL (I+II+III+IV)	257,763	251,067	6,696	3%

BGFI Holding Corporation income statement

IN MILLIONS
OF CFA FRANCS

INCOME STATEMENT

	at 31/12/2016	at 31/12/2015	Variations	Variations in %
OPERATIONS				
Other purchases	-207	-177	-30	17%
Transport	-461	-454	-7	2%
External services	-3,524	-3,570	46	-1%
Tax and related expenses	-795	-212	-583	275%
Other expenses	-570	-561	-9	2%
Wages and salaries	-5,896	-6,046	150	-2%
Depreciation, amortisation and provisions covering securities	-730	-757	27	-4%
TOTAL OPERATING COSTS	-12,183	-11,777	-406	3%
Work, services sold	16,297	16,534	-237	-1%
Accessory products	77	0	77	-
REVENUES	16,373	16,534	-161	-1%
Writebacks of operations-related provisions	248	916	-668	-73%
TOTAL OPERATING INCOME	16,622	17,451	-829	-5%
OPERATING PROFIT (+ OR -)	4,439	5,674	-1,235	-22%
Financial expenses	-3,447	-3,417	-30	1%
Depreciation, amortisation and provisions covering securities	-3,000	-2,600	-400	15%
TOTAL FINANCIAL EXPENSES	-6,447	-6,017	-430	7%
Financial income	20,517	12,530	7,987	64%
Reversals of provisions for securities	0	0	-	-
Charge transfer	64	0	64	-
TOTAL FINANCIAL INCOME	20,581	12,530	8,051	64%
FINANCIAL RESULT (+ OR -)	14,134	6,513	7,621	117%
Expenditure excluding ordinary activities	-4,797	-1,829	-2,968	162%
Income excluding ordinary activities	16	997	-981	-98%
RESULT EXCLUDING ORDINARY ACTIVITIES (+ OR -)	-4,781	-832	-3,949	475%
Tax on income from securities (IRCM)	-318	-2,079	1,761	-85%
Taxes on profit or loss	-1,105	0	-1,105	-
SUM TOTAL OF INCOME	37,218	30,978	6,240	20%
NET PROFIT	12,369	9,276	3,093	33%

Audit report from the external auditors on the annual financial statements of BGFI Holding Corporation

FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2016

To the shareholders in BGFI Holding Corporation, Libreville

Ladies and gentlemen, in execution of the mission assigned to us by your ordinary general meeting, we hereby present our report covering the financial year ending on 31 December 2016 on:

- the audit of the annual financial statements of BGFI Holding Corporation as they are attached to the present report;
- the specific checks and the information specified by the law.

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

OPINION

We have performed the audit of the annual financial statements of BGFH Holding Corporation, comprising the balance sheet as of 31 December 2016, the income statement, the off-balance-sheet commitments, the notes to the financial statements, the summary of the main accounting methods and other supplementary information relative to the financial statements.

In our opinion, the annual financial statements are regular and sincere and give a true image of the results of the transactions of the financial year on 31 December 2016 and the financial situation and assets of the company at the end of this financial year in accordance with the accounting rules and methods published by the Chart of Accounts of Lending Institutions.

BASIS OF THE OPINION

We performed our audit according to international auditing standards (ISA) and in accordance with the regulations applicable to Gabon. The responsibilities incumbent upon us pursuant to these standards are more fully described in the section "Responsibilities of the external auditor relative to the audit of the annual financial statements" in the present report.

We are independent of BGFH Holding Corporation in accordance with the code of ethics of accounting professionals from the International Ethics Standards Board for Accountants (IESBA) to which we are subject, and the code of ethics which governs external auditors, and we have satisfied others according to these rules.

We consider that the conclusive elements that we have obtained are sufficient and appropriate to form the basis of our opinion on the audit.

RESPONSIBILITIES OF THE MANAGEMENT AND BOARD OF DIRECTORS RELATIVE TO THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements were prepared by the management and approved by the board of directors.

The management is responsible for the preparation and sincere presentation of the annual financial statements in accordance with the rules laid down by the COBAC and the provisions and general principles of the Chart of Accounts of Lending Institutions, and for the internal control that it

considers necessary to enable the preparation of annual financial statements that do not contain significant anomalies, whether these result from fraud or error.

When preparing the annual financial statements, it is incumbent upon the management to assess the ability of the company to continue its operation and to supply, where applicable, information relative to the continuity of operation and to apply the basis for the continuity of operation, unless the management intends to put the company into liquidation or cease its activities or if there is no other realistic alternative solution open to it.

It is incumbent upon the board of directors to monitor the process of preparing the company's financial information.

RESPONSIBILITIES OF THE EXTERNAL AUDITOR RELATIVE TO THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance that the annual financial statements, taken as a whole, do not contain significant anomalies, whether these result from fraud or error, and to issue an audit report containing our opinion.

"Reasonable assurance" corresponds to a high level of assurance, which nevertheless does not guarantee that an audit carried out in accordance with "ISA" standards will always be able to detect all existing significant anomalies. Anomalies may result from fraud or error and are considered significant when it is reasonable to expect that, taken individually or combined, they may influence economic decisions that the users of the annual financial statements take based upon them.

We have carried out our work in accordance with the professional standards applicable in Gabon. These standards require the performance of checks intended to verify the concordance of information that was given to us with the basic documents from which it was taken.

Libreville, 21 April 2017
The external auditors:

PricewaterhouseCoopers

Anaclet Ngoua, certified public accountant
approved by Cémac

Ernst & Young

Ludovic Ngatse, certified public accountant approved
by Cémac
Erik Watremez, Partner

THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2016

The consolidated financial statements are established in accordance with the accounting rules and principles of the PCEC (chart of accounts of lending institutions), notably the COBAC 2003/01 regulation.

Consolidated assets

IN MILLIONS OF CFA FRANCS

ASSETS

	at 31/12/2014	at 31/12/2015	at 31/12/2016	Variations	Variations in %
CAPITALISED ASSETS	161,069	153,296	279,580	126,284	82%
Intangible assets	18,996	24,467	32,134	7,667	31%
Depreciation and amortisation	-11,657	-13,214	-13,578	-364	3%
Tangible assets	104,278	132,797	171,975	39,178	30%
Depreciation and amortisation	-46,085	-61,296	-54,602	6,694	-11%
Equity interests	23,035	6,253	5,169	-1,084	-17%
Equity interests in insurance companies	2,651	2,734	2,441	-293	-11%
Other long-term securities	71,735	66,262	139,175	58,078	88%
Provisions	-3,189	-5,789	-7,418	-1,628	28%
Mandatory subscription shareholdings	1,305	1,084	4,285	3,201	>100%
LOANS TO CUSTOMERS	1,905,234	1,976,959	1,908,453	-68,507	-3%
Leased fixed assets	42,274	31,393	19,042	-12,350	-39%
Long-term loans	30,455	56,313	38,177	-18,136	-32%
Medium-term loans	1,012,689	1,004,622	997,931	-6,691	-1%
Short-term loans	267,583	394,998	494,998	100,000	25%
Debit accounts and other monies payable	622,664	587,392	480,610	-106,782	-18%
Provisions	-70,430	-97,758	-122,305	-24,547	25%
OTHER CURRENT ASSETS	46,692	45,217	53,259	8,042	18%
Accruals accounts and miscellaneous debtors	48,208	44,749	54,455	9,706	22%
Provisions	-1,638	-1,127	-1,196	-68	6%
Cheques and bills for collection	123	1,596	0	-1,596	-100%
CASH	963,654	816,310	693,892	-122,418	-15%
Long-term cash	136,240	158,788	282,307	123,519	78%
Cash on demand	827,413	657,522	411,585	-245,937	-37%
TOTAL BALANCE SHEET ASSETS	3,076,648	2,991,783	2,935,184	-56,599	-2%

Consolidated liabilities

IN MILLIONS
OF CFA FRANCS

LIABILITIES

	at 31/12/2014	at 31/12/2015	at 31/12/2016	Variations	Variations in %
PERMANENT CAPITAL	385,888	411,942	436,146	24,203	6%
NET POSITION	287,847	307,431	329,643	22,211	7%
Reserves, Group's share	211,925	220,402	232,172	11,770	5%
Result, Group's share	15,712	20,511	28,553	8,042	39%
Reserves, minority shareholdings	51,699	56,949	58,047	1,097	2%
Résultat part des minoritaires	8,511	9,570	10,871	1,301	14%
OTHER PERMANENT CAPITAL	98,041	104,511	106,503	1,992	2%
Provisions for contingencies and losses	19,564	33,171	35,175	2,004	6%
Other permanent resources	78,477	71,340	71,328	-12	0%
INSURANCE TECHNICAL RESERVES	12,684	13,241	12,418	-823	-6%
Premiums	1,455	2,557	2,697	140	5%
Insured losses	11,229	10,685	9,721	-963	-9%
Cancelled premiums	0	0	0	0	
CUSTOMER DEPOSITS	2,443,776	2,230,645	2,007,481	-223,164	-10%
Cash certificates	9,116	10,958	19,390	8,432	77%
Deposit accounts	801,440	817,357	839,579	22,221	3%
Demand accounts	1,542,745	1,306,909	1,066,808	-240,101	-18%
Savings accounts	31,570	41,652	47,747	6,095	15%
Other customer accounts	58,904	53,770	33,958	-19,812	-37%
OTHER CURRENT ASSETS	65,255	69,745	68,317	-1,428	-2%
Accruals accounts and sundry creditors	63,306	69,092	67,457	-1,635	-2%
Accounts payable	1,950	653	859	207	32%
CASH	169,045	266,209	410,822	144,613	54%
long-term	127,633	139,109	355,171	216,062	>100%
on demand	41,411	127,100	55,651	-71,449	-56%
TOTAL BALANCE SHEET LIABILITIES	3,076,648	2,991,783	2,935,184	-56,99	-2%

Consolidated off-balance-sheet

IN MILLIONS
OF CFA FRANCS

OFF-BALANCE-SHEET

	at 31/12/2014	at 31/12/2015	at 31/12/2016	Variations	Variations in %
TRANSACTIONS WITH CORRESPONDENTS	263,928	228,627	215,051	-13,576	-6%
Commitments upon order from correspondents	118,978	95,104	107,883	12,779	13%
Commitments received from correspondents	144,951	133,523	107,168	-26,355	-20%
TRANSACTIONS WITH CLIENTS	1,094,260	905,065	937,693	32,628	4%
Commitments upon order from clients	564,843	512,432	599,579	87,147	17%
Commitments received from clients	392,711	292,302	279,235	-13,067	-4%
Surety	38,246	27,713	12,377	-15,336	-55%
Guarantees and sureties received from clients	47,782	42,859	27,210	-15,649	-37%
Securities managed on behalf of clients	1,350	-	-	-	-
Other guarantees received from clients	49,329	29,758	19,292	-10,467	-35%
FINANCIAL LEASING COMMITMENTS	51,766	31,612	22,615	-8,997	-28%
Financial-lease charges remaining to run	-	0	0	-	0%
Commitments received from clients	51,463	31,316	22,430	-8,886	-28%
Commitments given to clients	17	46	-	-46	-100%
Adjustment accounts	286	250	185	-65	-26%
TRANSACTIONS IN CURRENCIES	829,629	5,955	31,998	26,043	>100%
Spot foreign exchange transactions	829,622	5,948	31,986	26,038	>100%
Forward foreign exchange transactions	-	-	-	-	-
Loans and borrowing in currencies	-	-	-	-	-
Carry forward/backwardation	6	7	11	5	68%
OTHER COMMITMENTS	146,144	112,643	61,982	-50,661	-45%
Money market commitments	-	-	8,000	8,000	-
Transactions on securities	-	-	-	-	-
Commitments received from the State and specialist organisations	136,272	102,196	9,447	-92,749	-91%
Doubtful commitments	9,872	10,447	44,535	34,088	>100%
➤ TOTAL OFF-BALANCE-SHEET	2,385,727	1,283,903	1,269,339	-14,564	-1%

Consolidated income statement

IN MILLIONS
OF CFA FRANCS

INCOME STATEMENT

	at 31/12/2014	at 31/12/2015	at 31/12/2016	Variations	Variations in %
Income from operations with customers and leasing operations	169,268	188,331	185,296	-3,035	-2%
Expenses linked to operations with cust. and leasing operations	-56,836	-48,245	-45,943	2,302	-5%
Margin on operations with customers and leasing operations	112,432	140,086	139,353	-733	-1%
Income from cash and interbank operations	10,120	10,910	15,539	4,629	42%
Expenses linked to cash and interbank operations	-7,697	-8,991	-13,550	-4,559	51%
Margin on cash and interbank operations	2,424	1,919	1,989	70	4%
Income from securities operations	4,465	5,039	6,716	1,677	33%
Expenses linked to permanent resources	-4,089	-4,049	-3,608	441	-11%
Margin on securities operations	377	989	3,107	2,118	>100%
INTEREST MARGIN	115,232	142,994	144,449	1,455	1%
Income from transfer operations, commission and other income	97,793	94,262	84,845	-9,418	-10%
Expenses linked to transfer operations, comm. and other income	-32,611	-24,652	-11,646	13,006	-53%
Margin on transfer operations, commission and other income	65,183	69,610	73,199	3,589	5%
Premiums or subscriptions acquired, paid or covered by provisions	10,049	8,884	8,766	-118	-1%
Cost of services net of transfers and retrocessions	-4,611	-5,850	-6,703	-853	15%
Net allocated investment returns	484	2,510	857	-1,653	-66%
Net margin on insurance business	5,921	5,544	2,920	-2,624	-47%
NET BANKING INCOME	186,336	218,149	220,569	2,420	1%
Miscellaneous and ancillary income	1,038	4,181	2,782	-1,399	-33%
OVERALL OPERATING INCOME	187,373	222,330	223,351	1,021	0,5%
Wages and salaries	-44,084	-48,448	-56,856	-8,408	17%
General operating costs	-52,153	-54,094	-58,548	-4,453	8%
Tax and related expenses	-2,761	-3,016	-4,359	-1,343	45%
Overheads excluding depreciation and amortisation	-98,998	-105,559	-119,763	-14,204	13%
Depreciation and amortisation	-10,316	-9,851	-11,987	-2,136	22%
Total overheads	-109,314	-115,410	-131,750	-16,340	14%
OPERATING PROFIT	78,059	106,920	91,01	-15,319	-14%
Allocations to provisions of a general character	-9,566	-11,868	-8,992	2,876	-24%
Allocations to provisions of a specific character	-37,624	-44,192	-44,922	-731	2%
Allocations to provisions for risks and charges	-3,456	-35,721	-14,536	21,185	-59%
Allocations to provisions for risks and charges	5,600	-	-	-	-
Reversals of provisions of a specific character	9,528	21,347	19,071	-2,276	-11%
Reversals of provisions for risks and charges	7,321	22,558	15,772	-6,786	-30%
Other profits and losses	-5,094	-2,295	2,764	5,059	>100%
PRE-TAX PROFIT	44,768	56,748	60,756	4,009	7%
Corporation tax	-20,545	-26,667	-21,332	5,335	-20%
PROFIT FOR THE YEAR	24,223	30,080	39,424	9,344	31%
- of which group's share	15,712	20,511	28,553	8,042	39%
- of which minority shareholdings	8,511	9,570	10,871	1,301	14%

Report from the external auditors on the consolidated financial statements

FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2016

To the shareholders in BGFI Holding Corporation, Libreville

Ladies and gentlemen,

In execution of the mission assigned to us by your ordinary general meeting, we hereby present our report covering the financial year ending on 31 December 2016 on:

- the audit of the consolidated annual financial statements of BGFI Holding Corporation as they are attached to the present report;
- the specific checks and the information specified by the law.

1. AUDIT OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

OPINION

We have performed the audit of the consolidated annual financial statements of BGFI Holding Corporation and its subsidiaries, comprising the consolidated balance sheet as of 31 December 2016, the consolidated income statement, the off-balance-sheet commitments, the notes to the consolidated financial statements, the summary of the main accounting methods and other supplementary information relative to the financial statements

In our opinion, the consolidated annual financial statements are regular and sincere and give a true image of the results of the transactions of the financial year on 31 December 2016 and the financial situation and assets of the group at the end of this financial year in accordance with the accounting rules and methods published by the COBAC Regulation R-2003/01.

BASIS OF THE OPINION

We performed our audit according to international auditing standards (ISA) and in accordance with the regulations applicable to Gabon. The responsibilities incumbent upon us pursuant to these standards are more fully described in the section "Responsibilities of the external auditor relative to the audit of the consolidated annual financial state-

ments" in the present report. We are independent of BGFI Holding Corporation and of its subsidiaries in accordance with the code of ethics of accounting professionals from the International Ethics Standards Board for Accountants (IESBA) to which we are subject, and the code of ethics which governs external auditors, and we have satisfied others according to these rules.

We consider that the conclusive elements that we have obtained are sufficient and appropriate to form the basis of our opinion on the audit.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE IN CHARGE OF GOVERNANCE RELATIVE TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements were prepared by the management and approved by the board of directors.

The management is responsible for the preparation and sincere presentation of the consolidated annual financial statements in accordance with the rules laid down by the COBAC and the provisions and general principles of the Chart of Accounts of Lending Institutions, and for the internal control that it considers necessary to enable the preparation of consolidated annual financial statements that do not contain significant anomalies, whether these result from fraud or error.

When preparing the consolidated annual financial statements, it is incumbent upon the management to assess the ability of the group to continue its operation and to supply, where applicable, information relative to the continuity of operation and to apply the basis for the continuity of operation, unless the management intends to put the company into liquidation or cease its activities or if there is no other realistic alternative solution open to it.

It is incumbent upon the board of directors to monitor the process of preparing the company's financial information.

RESPONSIBILITIES OF THE EXTERNAL AUDITOR RELATIVE TO THE AUDIT OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance that the consolidated annual financial statements, taken as a whole, do not contain significant anomalies, whether these result from fraud or error, and to issue an audit report containing our opinion.

“Reasonable assurance” corresponds to a high level of assurance, which nevertheless does not guarantee that an audit carried out in accordance with “ISA” standards will always be able to detect all existing significant anomalies. Anomalies may result from fraud or error and are considered significant when it is reasonable to expect that, taken individually or combined, they may influence economic decisions that the users of the consolidated annual financial statements take based upon them.

2. CHECKS AND SPECIFIC INFORMATION

We also made the specific checks provided for by the law.

We have no comments to make on the sincerity and concordance with the consolidated annual financial statements of the information given in the management report from the board of directors, and in the documents sent to shareholders on the financial situation and the consolidated annual financial statements.

Libreville, 21 April 2017

The external auditors:

PricewaterhouseCoopers

Anaclet Ngoua, certified public accountant
approved by Cémac

Ernst & Young

Ludovic Ngatse, certified public accountant
approved by Cémac
Erik Watremez, Partner

THE RESOLUTIONS

APPROVED BY THE ORDINARY GENERAL MEETING OF 18 MAY 2017

FIRST RESOLUTION

The general meeting, after having heard the reading of the reports from the board of directors and the external auditors, approves the consolidated accounts for the 2016 financial year as presented and which show a balance-sheet total of two thousand nine hundred and thirty-five billion one hundred and eighty-four million one hundred and twenty thousand two hundred and ten (2,935,184,120,210) CFA francs, a net situation of three hundred and twenty-nine billion six hundred and forty-two million seven hundred and eighty seven thousand five hundred and thirty-seven (329,642,787,537) CFA francs, including a net profit of thirty-nine billion four hundred and twenty-four million one hundred and forty thousand five hundred and fifty (39,424,140,550) CFA francs.

SECOND RESOLUTION

The general meeting, after having heard the reading of the reports from the board of directors and the external auditors, approves the individual accounts of BGFH Holding Corporation S.A. for the 2016 financial year as they were presented and which show a balance sheet total of two hundred and fifty-seven billion seven hundred and sixty-two million six hundred and ninety-three thousand seven hundred and fifty-eight (257,762,693,758) CFA francs, a net situation of one hundred and eighty three billion seven hundred and thirty-two million seven hundred and ninety thousand nine hundred and nineteen (183,732,790,919) CFA francs, including a net profit of twelve billion three hundred and sixty-nine million fifty-eight thousand one hundred and ninety-seven (12,369,058,197) CFA francs.

THIRD RESOLUTION

The general meeting, after having read the special report presented by the external auditors on the agreements covered by article 438 of the OHADA Uniform Act relative to commercial company law and economic interest groupings, approves the terms of the said report.

FOURTH RESOLUTION

The general meeting decides to assign the earnings for the financial year ending on 31 December 2016, namely a net profit of twelve billion three hundred and sixty-nine million fifty-eight thousand one hundred and ninety-seven (12,369,058,197) CFA francs as follows:

- Allocation to the retained earnings account: 12,369,058,197 CFA francs

Following this assignment, the accounts below have the following balances:

- Registered capital: 141,618,240,000 CFA francs
- Legal reserve: 28,323,648,000 CFA francs
- Retained earnings: 13,790,894,864 CFA francs
- Total capital and reserves: 183,732,782,864 CFA francs

The general meeting decides that a deduction will be made from the retained earnings account of eight billion six hundred and fifty-four million four hundred and forty-eight thousand (8,654,448,000) CFA francs for dividend distribution.

The gross dividend per share stands at five thousand five hundred (5,500) CFA francs, up by 71.87%, from which should be deducted tax on income from capital. This dividend shall be payable at the end of this general meeting.

Following this distribution of dividends, the accounts below will have the following balances:

- Registered capital: 141,618,240,000 CFA francs
- Legal reserve: 28,323,648,000 CFA francs
- Retained earnings: 5,136,446,864 CFA francs
- Total capital and reserves: 175,078,334,864 CFA francs

FIFTH RESOLUTION

The general meeting gives full and complete discharge to the directors for the execution of their mandates during the 2016 financial year.

SIXTH RESOLUTION

The general meeting decides to maintain, at five hundred and eighty-one million four hundred thousand (581,400,000) CFA francs, the gross amount of sessional allowances allocated to the board of directors for the 2017 financial year.

SEVENTH RESOLUTION

The general meeting gives the broadest powers to any bearer hereof in order to perform all mandatory legal formalities.

6 NETWORK AND POINTS OF CONTACT

HEAD-OFFICE ADDRESSES:

GROUPE BGFIBank / BGFI HOLDING CORPORATION S.A.

Bd Georges Rawiri – La Sablière
B.P. 25200 Libreville – Gabon
Tel. +241 01 44 17 08 – 01 44 17 10
Fax +241 01 44 17 11

BGFIBank BÉNIN

Ilot 4153 parcelle "a"
rue 100 porte 22-116-12
Quartier : Placodji Kpodji 133
Ex commune de Xwlacodji
5e arrondissement
B.P. 4270 R.P. – Cotonou 01
Tel. +229 21 31 33 54
+229 21 31 33 56
Fax +229 21 31 33 39

BGFIBank CAMEROUN

Avenue de Gaulle, angle rue Carras
B.P. 660 Douala – Bonanjo
Tel. +237 33 42 64 64
Fax +237 33 43 33 86

BGFIBank CONGO

Bd Denis Sassou Nguesso,
face Ambassade de France,
Centre-ville – B.P. 14 579 Brazzaville
Tel. +242 06 632 65 05

BGFIBank CÔTE D'IVOIRE

Plateau, Av. Joseph Anoma 01
B.P. 11 563 Abidjan
Tel. +225 20 25 88 00
Fax +225 20 32 62 92

BGFIBank GABON

1295, Boulevard
de l'Indépendance
B.P. 2253 Libreville
Tel. +241 01 76 23 26
Fax +241 01 74 44 56

BGFIBank GUINÉE ÉQUATORIALE

Carretera de Luba
B.P. 749 – Malabo
Tel. +240 333 09 63 52
Fax +240 333 09 63 73

BGFIBank MADAGASCAR

Explorer Business Park Ankorondrano
B.P. 770 – Poste Centrale
Antananarivo 101 – Madagascar
Tel. +261(0) 20 22 329 17
Fax +261(0) 20 22 329 13

BGFIBank RDC

128, Boulevard du 30 Juin
Kinshasa – Gombe
B.P. 7891 Kinshasa I
Tel. +243 826 18 00 00
+243 826 18 00 87

BGFIBank SÃO TOMÉ & PRINCIPE

Avenida Marginal 12 de Juho,
Museo Nacional
C.P. N°744, Cidade de São Tomé
Tel. +239 222 16 03
Fax +239 222 17 13

BGFIBank SÉNÉGAL

Dakar Plateau
122 rue Félix Faure,
angle avenue de la République
B.P. 21045 – Dakar
Tel. +221 23 839 97 00
Fax +221 33 822 48 28

BGFIBank EUROPE

10/12, Rue Général FOY
75008 Paris
Tel. +33 1 45 62 62 70
Fax +33 1 45 62 62 72

BGFIBOURSE

Bd du Bord de mer, 2^e étage
Immeuble " Les Dauphins "
Batterie 4
B.P. 2253 – Libreville – Gabon
Tel. +241 02 07 0768
+241 04 29 29 63

BGFICAPITAL

Bd du Bord de mer, 2^e étage
Immeuble " Les Dauphins "
Batterie 4
B.P. 25200 – Libreville – Gabon
Tel. +241 01 44 17 08
+241 01 44 17 10
Fax +241 01 44 17 11

FINATRA

Boulevard de l'Indépendance
Immeuble Concorde
B.P. 8645 Libreville – Gabon
Tel. +241 01 77 40 82
+241 01 77 53 96
Fax +241 01 77 40 87

LOXIA

Avenue Victor Schoelcher
Immeuble " Le Pekin II "
B.P. 2253 Libreville – Gabon
Tel. +241 01 74 08 58

ASSINCO

Boulevard de l'Indépendance
Immeuble Concorde
B.P. 7812 Libreville – Gabon
Tel. +241 01 72 19 25 / 26 / 28
Fax +241 01 72 19 29

HEDENIA

Boulevard Georges Rawiri
La Sablière
B.P. 25200 – Libreville – Gabon
Tel. +241 01 44 17 12
Fax +241 01 44 17 12

BBS, ÉCOLE SUPÉRIEURE DE LA BANQUE

Quartier Saint-Benoît
B.P. 25172 Libreville – Gabon
Tel. +241 01 76 90 33 / 34
Fax +241 01 75 90 35

FONDATION BGFIBank

Boulevard Georges Rawiri
La Sablière
B.P. 25200 Libreville – Gabon
Tel. +241 01 44 17 12
Fax +241 01 44 17 12



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