ANNUAL REPORT 2014

Afriland First Group

The Pact with Success

« I submit to you that if a man hasn't discovered something he will die for, he isn't fit to live »

Martin Luther King

Photo : African Renaissance Monument (Dakar-Senegal)

Contents

Making work a pleasure

Dr Paul K. FOKAM
Chairman

Message from The Chairman

Dear shareholders,

Dear partners,

As Chairman of the Board of Directors of Afriland First Group, and on behalf of my fellow Board members, I have the great pleasure to present to you the group's 2014 annual report.

The international economic situation in 2014 was less conducive to business development.

The global economy was marked by a weak recovery of the US economy, a slowdown in growth in China, a deepening of the crisis in Western Europe worsened by the Greek crisis, and the plunge in oil prices that caused African economies to shrink.

With regards to African economies specifically, the persistence of the Ebola epidemic, the overall drop in the prices of commodities, the volatility of major currencies, terrorist activities, and poor governance aggravated the already serious economic crisis.

The Swiss economy, however, maintained a growth rate of 1.8%, demonstrating the almost continuous relevance of monetary and economic policies.

Gentlemen and fellow colleagues, this hostile environment stoked concerns and fears about the global banking industry characterised by:

- A growing and fast-paced globalisation of financial services as well as the entry of the new non-bank players in the sector.
- A changing regulatory environment with new national and international banking regulations, each more complex than the other, in particulary with the entry into force of the Foreign Account Tax Compliance Act (FATCA).
- The growth of risk especially operational risk (fraud, tax avoidance ...)

Operational risk remains a major challenge in our business, both in terms of complexity and the size of losses. In 2014, losses suffered by the global banking sector due to operational risks were in the range of hundreds of billions of dollars, and this trend will continue over the coming years.

Accordingly, in 2014, the Board paid operational risk special attention due to its exponential increase. This focus will be intensified in 2015 and 2016, through capacity building and the enhancement of our operating and risk control systems.

Despite these negative trends, the development of new technologies boosted innovation and competition in the global financial sector, which continues to grow significantly.

Due to its low banking rate, Africa remains an important growth driver. The continent is now witnessing a scramble for market share due to its growth potential. New banking and the financial players are entering the market; the offer of financial and banking products mix is growing and modernising. Bank insurance, Islamic banking, e-banking, mobile banking, Solidarity finance and venture capital are boosting the African financial sector.

Despite a fierce competitive environment, we were able to stay the course. We continued to develop our business in line with our philosophy of prudence, niche markets, and corporate citizenship.

We consolidated our operations in Ivory Coast and Guinea. Our objective over the next three years is to cover all of the WAMU zone and become a major player in the West African sub-region.

With the support of some authorities and DEG, we continued our wealth creation activities among the underprivileged with the objective of helping over two million people break out of the vicious circle of poverty by 2018.

Fellow colleagues,

This year, we have strengthened our financial solidity by reinforcing our equity base by 15 % in 2014, raising it to EUR 420 million.

The amount of deposits at year end stands at EUR 1,847 million, a decrease of 15%, due to the unfavourable economic situation.

Total loans to customers have increased this year by 18% and stand at EUR 1,761 million at December 31, 2014.

At 31 December 2014, our group recorded a balance sheet total of EUR 2'701 million, a 5 % drop compared to 2013.

We end this year with net profit before tax of EUR 37 million against EUR 29 million in the previous year, an increase of 27%.

Fellow colleagues, your trust, support and commitment, as well as the perseverance and the thirst for success of our staff compel us to face the future with greater optimism.

Together, and with the blessing of the Almighty God, we shall win future battles for a prosperous and dignified Africa.

I would like to reiterate my deepest gratitude to my fellow board members, all executives of our institution and especially the commandos who spared no effort to achieve the results obtained. I know their determination, perseverance, and desire to succeed. By the grace of God, I commit them to new victorious battles for a great Africa.

The Chairman
Dr Paul K. FOKAM

Financial Highlights

Total Equity
420 Million €

Shareholders' Equity
212 Million €

Reserves for general banking risks
207 Million €

Net revenues
190 Million €

EBITDA
49 Million €

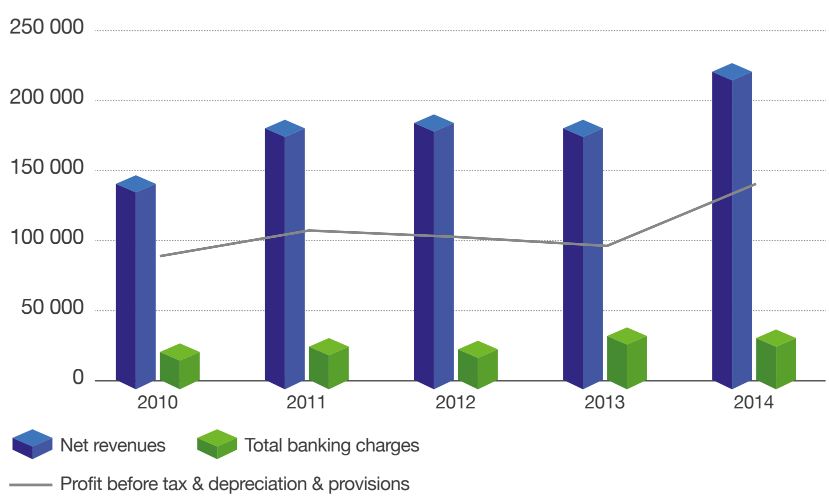
Total Equity

In thousands of Euros

Financial strength improving constantly

Income Statement

In thousands of Euros



Significant increase in profitability

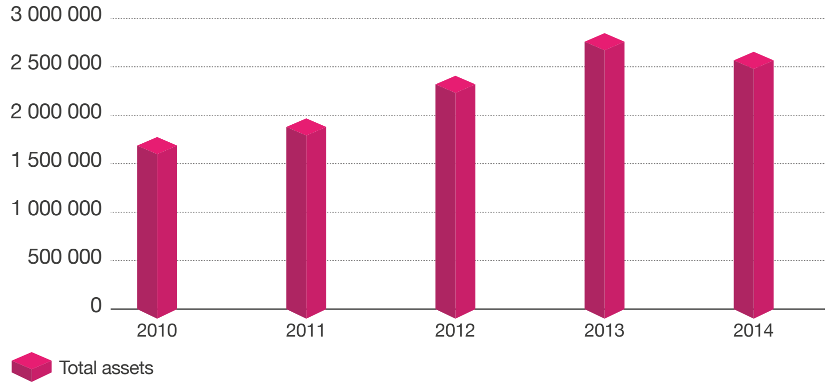
Financial Highlights

Total assets

2'701 Million €

Total Assets

In thousands of Euros



The growth of assets strengthens our financial stability.

Clients deposits

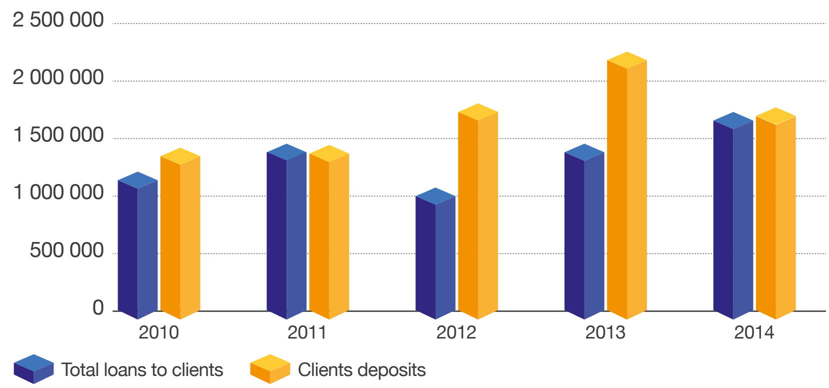
1,847 Million €

Total loans to clients

1,761 Million €

Loans & Deposits

In thousands of Euros



The drop in deposits in 2014 is due to the fall in prices of major raw materials that impacted on some African economies.

Return on Equity (ROE)

11 %

Tiers one ratio

12 %

Return On Equity

ROE has declined between 2011-2013 and recovered slightly in 2014.
This drop is due to our policy of prudence and strong Equity.
Our objective remains an annual ROE of 20%.

For a dignified and prosperous Africa

Our vision

The African Bank of the Third 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.
- Client's 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.

Photo : Board of Directors

Dr. Paul K.FOKAM

Président

Dr. Paul K. FOKAM is President of Afriland First Group, a researcher, founder and president of a pan African university, PKFokam Institute of Excellence. His vision is to restore Africa's dignity and the build of his research focuses on the cause of the poor: advocating for them and helping them create wealth. He developed the MC² Model, a driving force for wealth creation among the poor, which is being implemented across Africa with commendable success. He is a prolific writer and sits on the boards of many international organisations.

Mr ELSON NG KENG KWANG

Board member

Mr. Ng served GMG Global Ltd (a publicly listed company on the Singapore Stock Exchange) from 1998 through 2013 as Executive Director/President & COO, President & CEO and as President (Strategic Projects) & Chief Advisor. Before that, he spent 30 years in 5 International Banks, including 7 years with Wells Fargo Bank and 10 years with Bank of Hawaii where he managed the Asian Operations as the Regional CEO/ Country Manager.

Mr BEN ZWINKELS

Board member

Mr. Bernardus ZWINKELS was Senior Investment Officer for the Private Equity Department of FMO, during which he occupied various Corporate Positions in the Financial Sector of Africa. He is currently Chairman of the Group AfricInvest, as well as Director of Group Bank of Africa, and of Bank of Africa Madagascar, Bank of Africa Kenya and NMB Bank in Zimbabwe.

Mr ALBERT J. NIGRI

Board member

He was Chief Operating Officer at HSBC Private Bank in Luxembourg, Deputy Managing Director at Safra Republic Holdings SA and Vice President of Republic National Bank of New York.
Mr. NIGRI is the Managing Director of Fortune Investment Management SA and director of Afriland First Group Management.

Mr ERIC DELISSY

Board member & Corporate Secretary

Mr. Eric DELISSY is a senior counsel at Hornung Avocats. He is currently the chairman of Arcora Gestion SA and Equilibrium Wealth Advisory SA, two asset management companies in Geneva.

Mr JOSEPH CELESTIN TINDJOU

Board member

Mr. TINDJOU DJAMENI is a member of the Board of Directors of GIMAC and President of APEC GE. He is currently Chairman of the Board of Directors of Afriland First Bank STP, Afriland First Bank South Sudan, CCEI BANK BENIN and Managing Director of CCEI BANK GE.

Mr VALERY FOKAM

Board member

Mr. Valery FOKAM is General Manager of SITRACEL S.A. Electrotechnicien engineer, he is a member of Afriland First Group Management Committee and member of the Board of Directors, member of the Board of Directors of SAAR CAMEROUN. Mr. Fokam is also a member of the CCEI Bank GE Audit Committee.

Executive Management

Mr ALBERT J. NIGRI

Managing Director

Mr. NIGRI is the Managing Director of Afriland First Group. He was Chief Operating Officer at HSBC Private Bank in Luxembourg, Deputy Managing Director at Safra Republic Holdings SA and Vice President of Republic National Bank of New York.

Mr JEAN-PAULIN FONKOUA KAKE

Executive Vice President

Computer engineer, Mr. Jean-Paulin Fonkoua is the Executive Vice-President in charge of the Organization, Risk, Methods and Information Systems of Afriland First Group. He is also Chairman of the Board of Directors of Afriland First Bank Cameroon and lecturer at the PKFokam Institute of Excellence.

Mr JEAN-PAUL KAMDEM

Chief Financial Officer
& Chief Risk Manager

Mr. Jean-Paul KAMDEM is the Chief Financial Officer and Chief Risk Officer of Afriland First Group. He is also the Director of the Representation Office in Paris.

Mr JOSEPH TOUBI

Executive Vice President

Mr. Joseph is a graduate engineer from the Ecole Centrale de Paris. He is the Executive Vice President in charge of Risks, Development and International Relations.

Our social responsibility requires a commitment to ourselves, to our continent and to humanity.

It's for this reason that for the past 25 years, our group has always worked for the promotion of wealth in poor areas and in particular the female population that seems most vulnerable, with a real will to overcome poverty.

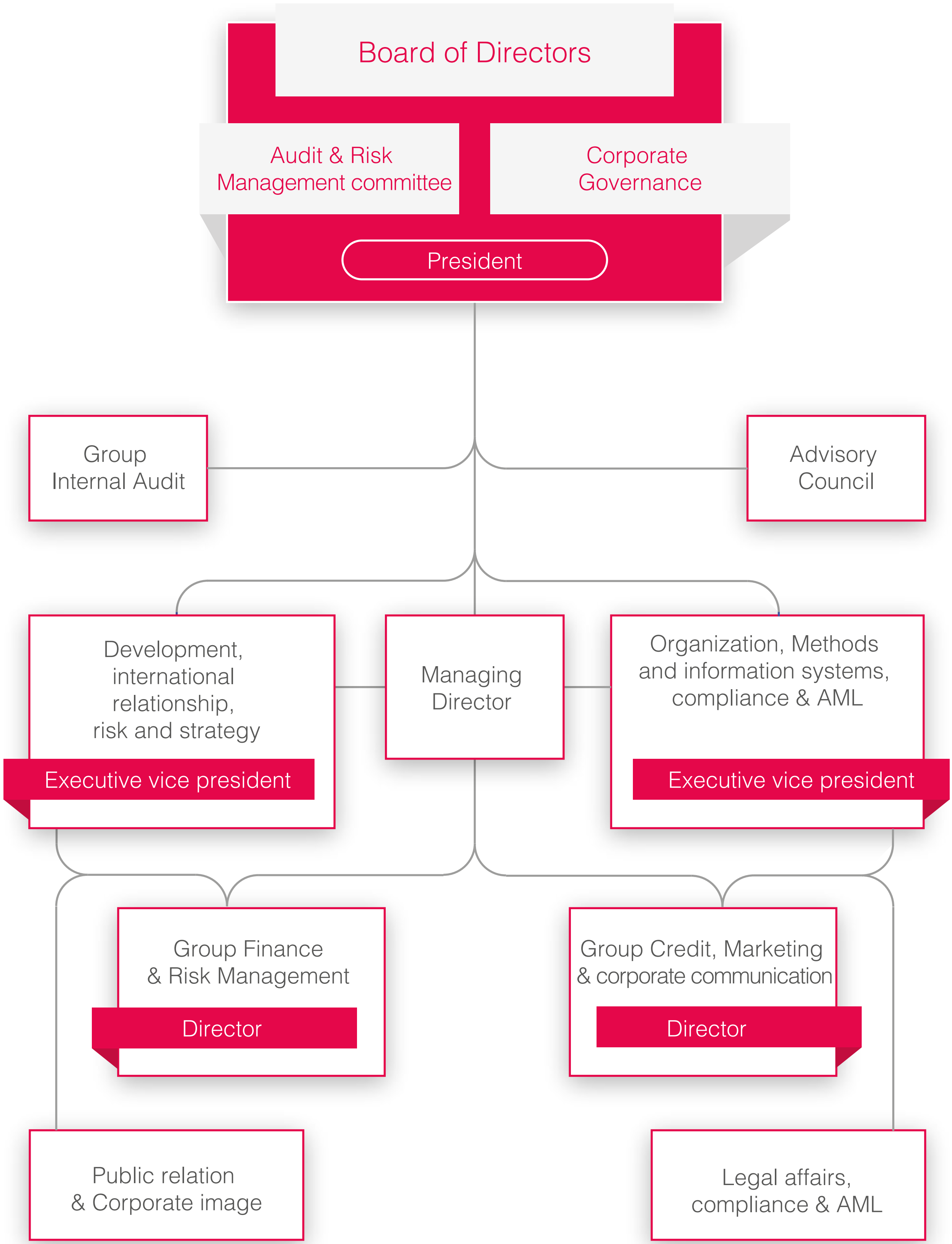
This is the case of MUFFA Ratoma, created with the support of Pr Alpha Condé, President of the Republic of Guinea and the tireless support of DEG and Miserior.

With DEG, Profits are not our sole concern, but above all, the equitable distribution of wealth within the community classes. The KABORO MC^2 project in Zambia, in partnership with the CARGILL group, is a collective mobilization experience to overcome poverty.

DEG, a privileged partner of the MC^2-MUFFA network

Inauguration of the MC^2- Muffa RATOMA by Pr. Alpha Condé President of the Republic of Guinea.

Building and river sand collected by the community for the construction at KABORO MC^2 (Zambia).


Board of Directors
Audit & Risk Management committee
Corporate Governance
President
Group Internal Audit
Advisory Council
Development, international relationship, risk and strategy
Executive vice president
Managing Director
Organization, Methods and information systems, compliance & AML
Executive vice president
Group Finance & Risk Management
Director
Group Credit, Marketing & corporate communication
Director
Public relation & Corporate image
Legal affairs, compliance & AML

International Economic Environment

The global economy continued to expand at a moderate pace in 2014, with a growth rate estimated at 3.4 %.

In the US, growth was stronger than expected, averaging about 4.0 % annualized rate in the last three quarters of 2014. The consumption, the main engine of growth, took advantage of job creation and income growth, the decrease in oil prices and the consumer confidence.

In Japan, growth in 2014 was close to zero due to weak consumption and the collapse in residential investment.

In the euro zone, activity was lower than expected and consumption was supported by lower oil prices and the increase in net exports.

In China, the activity was close to forecasts. In Latin America, Brazil was stagnating while growth in Mexico was low. The other countries of the region were barely growing.

Russia is affected by rising geopolitical tensions with embargoes by Western nations. The impact of the oil price drop weakens this economy.

However, prospects for the global economy remain good according to the International Monetary Fund (IMF). It is expected that global growth will increase slightly from 3.4 % in 2014 to 3.5 % in 2015 thanks to the decrease in oil prices.

In the USA, the projected growth in 2015 is 3.1 %. The projected growth in 2015 in other major developed countries is as follows:
1.6 % in Germany, 1.2 % in France and 1 % in Japan

In the so-called emerging countries and developing countries of Europe, growth is expected to accelerate slightly, from 2.8 % to 2.9% this year.

In China, growth is expected to fall to 6.8% this year and 6.3% in 2016. . In other Asian countries, growth in India will go from 7.2% last year to 7.5% this year, due to the growth benefits of recent reforms, the related investment recovery and lower oil prices.

In Latin America and the Caribbean, growth has slowed for the fourth consecutive year. Sub-Saharan Africa is expected to fall by 5% in 2014 and by 4.5% in year 2015, a significant downward overhaul to 1¼ percentage point.

AFRICA IN THE GLOBAL ECONOMY

Africa stands today as a key growth driver both by GDP growth levels we can observe that the young population. In 2014, the growth of the African economy has stabilized at 3.9%, although it is still far from the level of growth achieved in 2012, but up slightly from the level reached in 2013 (3.5%). This rate is slightly above the average growth rate of the global economy. However, this growth hides significant disparities between the various regions.

The East Africa which has the highest rate of growth and a real leap forward (7.1% in 2014 against 4.7% in 2013), driven by 3 countries Ethiopia, Rwanda and Tanzania (According to the ADB)
Growth in West Africa increased from 5.7% on average in 2013, at 6% in 2014, despite continuing conflicts in several parts of the region, the human and economic devastation caused by the Ebola epidemic and the collapse in prices of oil.
This growth was driven primarily by Côte d'Ivoire, which recorded a growth of 8.3% and Nigeria (6.3%)

In Central Africa, the average rate of growth was 5.6% in 2014, up 1.5 point compared to the level reached in 2013 (4.1%). It should be noted that this growth was driven by non-oil sectors in a general context of falling oil prices, coupled with insecurity at the borders of the main countries of the sub region.

Growth in Southern Africa increased to 2.7% in 2014, down about 1 point compared to 2013 (3.6%). South Africa, the driving force behind this sub-region, has not recorded a growth of 1.5%.

In spite of this improvement, Africa's economy will hardly achieve sustainable growth over the next three years, because of its over dependence on commodities, whose prices keep dropping

However, there is still home for hope considering major structural reforms in several African countries such as Rwanda, Côte d'Ivoire, South-Africa, Nigeria, and Mozambique.

Banking environment

The subprime crisis of 2008 and the subsequent European sovereign debt crisis from 2012 to 2013, have profoundly changed the banking sector and the strategies of the different actors. Afriland First Group has adapted to the new regulatory and environmental requirements. While making our priority the needs of our customers and partners, our group has had to adapt its commercial strategy by taking into account these developments.
This new situation also offers opportunities and challenges in the banking sector in general and for our particular group.

Banking industry transformation in response to the financial crisis

The new requirements and regulatory changes governing the capital, indebtedness, liquidity and planning, and the steps taken by the banks to comply with it, have been essential to the creation of a safer financial system and more robust. Since the last financial crisis, regulators and banks around the world have worked to significantly reduce systemic risk of bank failures, to ensure that future government bailouts will not be needed. There are separate concerns and sometimes conflicting demands from different jurisdictions and regulators. In this context, international banks must make deep structural reforms in order to remain competitive.

Trends, growth opportunities and challenges for industry

Despite these big changes, there are attractive growth opportunities in the financial
services sector, particularly on the African continent. Coupled with technological progress, the business landscape in Africa is changing at a rapid pace, which makes it particularly interesting. New stakeholders in the form of non-bank financial institutions have entered the market and have already taken market

share from traditional banks.

This change is a new challenge and requires traditional banking institutions to redefine their business lending and retail banking.

As a group with a rich heritage, Afriland First Group distinguishes itself from these new competitors through its ability to innovate. Given our experience in the banking sector, our growing network, our customers base, who put their trust in the group, the group being considered as their financial partner and our employees who provide high quality services and products.

One of the main challenges for the group in the near future will be to implement technology solutions that make network functionality and readily available resources for our customers, to ensure that the necessary financial data for their business are delivered quickly and efficiently to them.

In order to be prepared to fight these battles, we have started negotiations with financial partners including Afreximbank, China Development Bank, the International Finance Corporation, to develop financing for SMEs in Africa.

Always in the quest to meet the market needs, the group is working to diversify its product range. In this perspective, it opened in 2014 the first Islamic banking counter of its network and forecast to extend it to at least 10 countries within 5 years, thanks to its partnership with the Islamic Development Bank.

Afriland first group: progress and achievements in 2014

Throughout its history, Afriland First Group has changed its business model and organizational structure in response to changing customer needs, regulations and market conditions. In 2014, we continued with substantial progress in the execution of our strategy and the strengthening of our strategic plan over 5 years.

We have consolidated our Group with by the purchase of Afriland First Bank Côte d'Ivoire, our portal the biggest market in West Africa.

« Having only long ropes is not enough to build a hut, short ones are needed for a smooth finish of the corners. »

Besides Côte d'Ivoire, our banks in West Africa continued to make progress and have met with strong growth. As such, Liberia and Guinea have performed well taking two years ahead of our growth projection plane, despite the impact of Ebola in the economies concerned.

Our operations in South Sudan that began in late 2012 have become profitable in the first year in 2013. However, we experienced difficulties in this country due to the civil war that began in late 2013. We hope that peace will soon return to this country with great potential for growth and economic development.

In Central Africa, the banks remain in leadership positions in the market, particularly in Equatorial Guinea and Cameroon. Our bank follows an expansion to keep pace with the growth rate of these countries. We gain greater market share in these countries. This growth was accompanied in later this year by a consolidation of our credit portfolio and a significant strengthening of the coverage of our commitments.

In Southern part of Africa, our Zambian subsidiary, Intermarket Banking Corporation, continues to strengthen its capabilities in equity to take advantage of the growth of this country.

On another front, we have strengthened the group's management ability with the recruitment of highly qualified professionals. In addition, we partner with the Institute of Excellence “PKFokam” which developed and created the first "Business Academy". It is our own academy of excellence in business where our executives with great potential will go to reinforce and refresh their knowledge and skills.

In this extremely difficult context, and aware of the relevance of the African proverb that "If you want to go fast, go alone. If you want to go far, go with others ", our group decided to establish partnerships in different regions to actively and effectively participate in the development of Africa.

Albert Nigri
Managing Director

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

Doing business with integrity and communicating openly with all stakeholders	**Governance**
Promoting diversity, providing equal opportunities, rewarding talent and valuing team work	**Human Capital**
Promoting win-win relationship	**Partnership**
Focusing on customer satisfaction in everything we do	**Quality**
Being the driving force of wealth creation amongst the underpriviledged	**Civic Role**
Encouraging creativity, innovation and the use of new technologies	**Innovation**

Our future development

We set up guiding principles for 2014-2016, to contribute to the durable development of Afriland First Group in the near future, which are the following:

- Maintain the trend of a high profitability of existing entities
- Implementing as many geographical expansion successes as possible
- Take advantage of our alliances to enhance growth
- Raise the necessary financing to implement strong internal and external growth

With Afreximbank, Africa's future is today!

Photo : Signing of partnership agreements

2014
Financial Statements

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2014

(with comparative figures for 2013 period) (expressed in Euro)

ASSETS	Notes	2014	2013
CURRENT ASSETS			
Cash and cash equivalents	4	232,993,308	686,555,180
Amounts due from money-market paper		10,208,976	14,684,288
Amounts due from banks		386,275,841	351,554,399
Amounts due from customers, net of provision	5	1,761,068,131	1,485,669,588
Securities and precious metals held for trading	6	42,900,937	68,679,129
Financial investments	7	82,797,288	67,256,043
Accrued income and prepaid expenses		34,469,842	10,700,607
Other assets		17,573,349	26,237,555
Total current assets		**2,568,287,672**	**2,711,336,789**
LONG TERM AND FIXED ASSETS			
Non-consolidated investments	3.2	2,033,789	586,589
Fixed assets, net of depreciation	2.2	75,132,389	68,281,963
Intangible assets, net of depreciation	2.1 / 3.2	53,457,940	54,421,600
Total long term and fixed assets		132,748,579	123,290,152
TOTAL ASSETS		**2,701,036,251**	**2,834,626,941**

Consolidated balance sheet at december 31, 2014

(with comparative figures for 2013 period) (expressed in Euro)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2014	2013
CURRENT LIABILITIES			
Amounts due to money-market paper		10'046'881	8'332'198
Amounts due to banks		173'017'582	67'834'477
Amounts due to customers savings or deposits		450'194'574	415'518'959
Others amounts due to customers	8	1'397'208'528	1'778'057'471
Loan due to third parties	-	762'325	
Cash certificates		159'215'868	138'114'860
Accrued expenses and deferred income		38'884'981	13'225'302
Other liabilities		19'116'439	18'725'242
Valuation adjustments and provisions		31'988'573	32'464'075
Total current liabilities		**2'279'673'426**	**2'473'034'909**
LONG TERM LIABILITIES			
Negative goodwill, net		69'003	562'084
Shareholders' loan		565'135	568'029
Total long term liabilities		**634'138**	**1'130'113**
Reserves for general banking risks		207'756'269	176'671'847
SHAREHOLDERS' EQUITY			
Share capital		92'630'084	92'630'084
General reserve		1'434'233	962'918
Reserves issued from profit		49'215'382	36'069'119
Group profit		10'972'145	9'364'655
Non-controlling interest	3.1	58'492'661	46'629'688
Translation reserve	3.2	227'913	-1'866'392
Total shareholders' equity		**212'972'418**	**183'790'072**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2'701'036'251**	**2'834'626'941**

Consolidated off balance sheet at december 31, 2014

(with comparative figures for 2013 period) (expressed in Euro)

Contingent liabilities

Contingent liabilities

	2014	2013
	485’017’353	473’691’325

The Company and its subsidiaries have off balance-sheet commitments given to banks and third parties, which are generally secured on client assets or counter guarantees.

Long term borrowing

	2014	2013
Other commitment connected with a long term loan from a third party.	N/A	For memory

In 2009, the Company contracted a third party loan of XAF 6 billion, of which XAF 4 billion (EUR 6’098’890) were subscribed in 2009 and 2010. The Company subscribed XAF 850 million in 2012. The loan’s total duration is 60 months and carries an interest of 8% per annum. The outstanding amount at December 31, 2013 was CHF 0.9 million (XAF 0.5 billion or EUR 762’325). This outstanding amount was paid in June 2014.

Intermarket Banking Corporation (Zambia) Ltd

On October 9, 2009 and as approved by the Bank of Zambia, the Company took an irrevocable commitment to subscribe to 3,390,921 ordinary shares of Intermarket Banking Corporation (Zambia) Ltd, which represents 19.95% of the issued ordinary shares of the Bank. It was agreed that on the third anniversary of the Closing date, which took place on March 5, 2010, an amount of USD 800,000 would be due at the “exit date”, which was March 4, 2013. This amount was never paid. As Zambian regulations prevent Afriland First Group from having 100% ownership in a local bank as it is not listed on a stock exchange, this commitment to purchase the remaining 19.95% of the issued ordinary shares in the Bank was suspended.

Afriland First Group SA granted irrevocably to the seller a put option on the remaining shares, which in case of exercise of the put shall be equal to 19.95% of 1.25 times the book value of the Bank as at the “exit date”. The Seller has the right to exercise the put during a three month period from the “exit date”. Afriland First Group had no commitment at December 31, 2013 and 2014.

Consolidated statement of income for the year ended at december 31, 2014

(with comparative figures for 2013 period) (expressed in Euro)

	Notes	2014	2013
INCOME AND EXPENSE FROM ORDINARY BANKING OPERATIONS			
Net results from interest operations :		166’992’542	139’601’943
Interest and discount income		-	56’749
Interest and dividend income from trading portfolios		212’910	238’692
Interest expenses		-34’098’120	-30’463’133
Total net results from interest operations		**133’107’332**	**109’434’251**
Net results from commission and service fee activities :			
Commission income from credit operations		19’672’761	15’249’781
Commission income from securities and investments		-	1’050’862
Commission income from other services		17’023’964	15’338’138
Commission expenses		-381’511	-211’225
Total net results from commission and service fee activities		**36’315’214**	**31’427’556**
Results from trading operations		**7’622**	**893’838**
Other ordinary results			
Other ordinary income		22’972’172	9’445’935
Other ordinary expenses		1’705’358	-1’044’641
Total other ordinary results		**21’266’814**	**8’401’294**
Total operating income		**190’696’982**	**150’156’939**
Operating expenses :			
Personnel expenses		-16’655’572	-16’264’863
Other operating expenses		-50’857’265	-45’569’143
Total operating expenses		67’512’837	-61’834’006
Gross profit		**123’184’145**	**88’322’933**
Depreciation and write-offs on		-11’866’631	-9’884’792
non-current assets		-93’779’888	-55’217’341
Valuation adjustments, provision and losses		**17’537’626**	**23’220’800**
Investment under equity method		-4’809	192’698
Extraordinary income		22’521’865	6’094’070
Extraordinary expenses	10	-2’854’008	-181’290
Profit before taxes		37’200’674	29’326’277
Taxes		-12’993’761	-11’970’861
Net profit for the period		**24’206’913**	**17’355’417**
Including minority shareholders’ profit		**13’234’768**	**7’990’762**

1. ACTIVITIES OF THE COMPANY

Afriland First Group SA (“the Company) was created on March 19, 2008. The Company buys, holds and manages and sells investments and participations. The Company has invested in existing banking institutions or banking institutions which are in the process of incorporation in Africa.
Afriland First Group SA is headquartered at 7 Route des Falaises, 2000 Neuchâtel (previously Haldenstrasse 5, CH 6342 Baar until December 31, 2013).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of consolidation

The consolidation principles applied in the preparation of consolidated financial statements of the Group are in accordance with the Swiss Code of Obligations. The consolidated accounts of Afriland First Group (AFG) 2014 are derived from the audited financial statements of the holding company and its subsidiaries as at December 31, 2014.
The presentation of the financial statements has been optimized to present a better view of the banking and operational activities of the Group.
Certain comparative information for the year ended December 31, 2013 has been reclassified in order to conform to the current year.

2.2 Specific accounting policies

Fixed 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
Establishment Expenses	20%
Installation and fixtures	5%-10%
Goodwill	5%
Office equipment	10%-25%
Telecommunication equipment	25%
Computer equipment	33.33%
Property	4%
Transportation equipment	25%

3. CONSOLIDATION PRINCIPLES

3.1 Scope of consolidation

The subsidiaries, in which the Company holds an investment of greater than 50% of the total 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.

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.

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.

In the 2014 annual accounts, the following subsidiaries have been consolidated for the first time:

- African Leasing Company SA, Cameroon: Which is held by AFB Cameroon
- Intelligentsia SA, Cameroon: Which is held by AFB Cameroon

3.2 Consolidated participation

The percentage of shares held by the Group in its twelve subsidiaries using the full consolidation method, and one associate (Afriland First Bank South Sudan) using the equity consolidation method are:

	% de detention au 31 Décembre 2014			% de detention au 31 Décembre 2013			Auditeur(s)
	Direct	Indirect	Total	Direct	Indirect	Total	
Afriland First Bank, Yaoundé, Cameroon	73.86	-	73.86	73.86	-	73.86	Audité par Deloitte & Touche/Hubert Feze
CCEI Bank GE, Malabo, Equatorial Guinea	52.13	10.26	62.39	52.13	10.26	62.39	Audited by Hubert Feze & Universal Consulting
Afriland First Bank CD Sàrl, Kishasa, Democratic Republique of Congo	70.7	10.19	80.89	70.7	10.19	80.89	Audited by PricewaterhouseCoopers
Afriland First Bank STP, Sao Tomé, Sao Tomé	61.2	21.4	82.6	61.2	21.4	82.6	Audited by CGIC-Afrique
Intermarket Banking Corporation (Zambia) Limited Lusaka, Zambie	90	-	90	79.79	-	79.79	Audited by Deloitte & Touche
Afriland First Group Management SA, Geneva	85	-	85	85	-	85	Audited by Fiduciaire Rochat SA
Afriland First Asian American Bank Liberian Ltd, Monrovia, Liberia	74	-	74	74	-	74	Audited by PKF Liberia,
Afriland First Bank Guinea, Conakry, Guinea	55	14.79	69.79	55	-	55	Audited by Fiduciare
Afriland First Bank South Sudan, Juba, South Sudan	16	8.5	24.5	16	8.5	24.5	Audited by Goldstar & Partners
Afriland First Bank, Abidjan, Ivory Coast	96.81	-	96.81	96.81	-	96.81	Audited by KPMG CI, Afrique Audit & Consulting
African Leasing Company, Yaoundé, Cameroon		48.76	48.76				Audited by PricewaterhouseCoopers
Intelligentsia, Yaoundé, Cameroon		48.39	48.39				Fidaco
CCEI Benin, Cotonou, Benin	1	34.15	35.15				Non audited

New investment in Benin

In 2013, CCEI Bank GE has subscribed up to 54.75% in a newly created company, CCEI Benin, and paid up 100% of it as of share capital in 2014, that amounts to FCFA 10'000 million (EUR 15'243'902). The company subscribed directly 1% of it as of participation of FCFA 100 million (EUR 152'243). This entity is consolidated for the first time as at December 31, 2014.

New investment in Ivory Coast

In 2012, the Company paid an advance of USD 1,000,000 (EUR 755,640) to Access Bank, Nigeria for an investment in Access Bank Cote d'Ivoire. In 2013, the Company deposited on an escrow account the amount of EUR 3,414,200 in addition to the amounts deposited in 2012 (EUR 9,146,342).

During the 4th quarter 2013 and after getting the approval of Banque Centrale des Etats d'Afrique de l'Ouest (BCEAO), Afriland First Group purchased 96.81% of Access Bank Ivory Coast from Access Bank Plc, Nigeria. The bank changed its name from Access Bank Ivory Coast to Afriland First Bank Côte d'Ivoire. The above escrow account amounts were used to recapitalize the Afriland First Bank Ivory Coast with XOF 8.169 billion (EUR 12'452'743), on December 17, 2013, after the Ministry of Economy and Finance of the Ivory Coast officially approved the transaction.

Prior to this recapitalization, Access Bank Plc, Nigeria granted a loan to Afriland First Group for an amount of XOF 9'140490'000 (EUR 13'933'673) to cover all non-performing loans (NPLs) in Access Bank Ivory Coast' books.

Access Bank Plc, Nigeria will only be reimbursed from recoveries of those NPLs and there will be no impact for the Group. During 2014, AFG has injected EUR 846'550 as its proportionated share of a capital increase in Ivory Coast.

Investment in Afriland first bank Guinea

During 2014 AFG has injected EUR 1'733'421 as capital increase. It has changed the percentage of ownership to 69.79 (2013; 55) for the year 2014.

Investment in intermarket Zambia

During 2014 AFG has injected EUR 3'311'858 as capital increase. It has changed the percentage of ownership to 90.90 (2013; 79.79) for the year 2014.

Investment in AFB South Sudan

During 2014 AFG has injected EUR 1'542'683 as its proportionated share of a capital increase.

3.3 Consolidation principles

Closing date: For all companies the closing date is December 31.

Conversion of foreign currency: The consolidated financial statements of the group are expressed in the Company's functional currency which is the Euro. The table below summarizes the reporting currency of each subsidiaries:

FCFA (XAF, XOF)	Afriland First Bank Cameroon, CCEI Bank GE, Afriland First Bank Ivory Coast
STP	Afriland First Bank Sao Tomé
CDF (RDC)	Afriland First Bank Democratic Republic of Congo
ZMK	Intermarket Banking Corporation (Zambia) Ltd
LRD	Afriland First Bank Liberia
GNF	Afriland First Bank - Conakry
SSP	Afriland First Bank South Sudan
CHF	Afriland First Group Management SA

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 31.12.2014	Average rate 2014	Closing year 31.12.2013	Average rate 2013
FDC/ EUR	1104.62	1206.11	1248.58	1202.66
STP/ EUR	24219.00	24264.47	24471.40	24139.62
CHF/ EUR	1.20	1.21	1.23	1.23
FCFA/EUR	656.00	656.00	656.00	656.00
ZMK/EUR	7.73	8.13	7.13	6.94
USD/EUR	1.22	1.33	1.38	1.33
LRD/EUR	110.61	116.83	111.44	101.08
SSP/EUR	3.59	3.90	4.08	4.44
GNF/EUR	8377.65	9159.95	9483.16	9214.06

Elimination of intercompany positions and internal transactions: All operations producing revenues and expenses between the parent company and the subsidiaries or between the affiliates are eliminated.
All internal balances such as debts, claims, provisions of the parent company, subsidiaries and between the affiliates are eliminated.

Goodwill / negative goodwill (badwill): On the date on which each subsidiary was first included in the consolidation and, if applicable, on the date the Company acquired additional shares, a goodwill, or negative goodwill (badwill), is calculated by taking the difference between the purchase price of the investment (fair value) and the accounting book value. The positive difference is recorded in the "Intangible assets" category and amortized for a period of 20 years. The negative goodwill, also known as "badwill" is accounted as a liability and depreciated over a period of 5 years..

4. CASH AND CASH EQUIVALENTS

	2014	2013
Current account at the central banks	137'733'534	627'822'003
Cash	95'259'774	58'733'177
Cash and cash equivalents	**232'993'308**	**686'555'180**

5. AMOUNTS DUE FROM CUSTOMERS, net of provision

	2014	2013
Clients' loans	1'701'277'281	1'306'526'70
Overdue and doubtful loans	210'083'540	275'636'133
Provisions	-150'292'690	-116'894'383
Net clients' loans	**1'761'068'131**	**1'485'669'588**

6. SECURITIES AND PRECIOUS METALS HELD FOR TRADING PURPOSES

	2014	2013
Treasury bonds	14'188'782	50'022'866
Investment in equity	228'984	159'566
Money market papers	28'483'171	18'496'697
Securities and precious metals	**42'900'937**	**68'679'129**

7. FINANCIAL INVESTMENTS

	2014	2013
Shares of credit institutions	128'430	1'459'840
Other equity security	4'985'809	4'985'809
Public investment securities	76'646'985	59'249'253
Private investment securities	1'574'410	1'874'390
Bonds	74'695	120'427
Held to maturity investments	1'671'971	2'046'295
Gross financial investments	**85'082'300**	**69'736'015**
Provision	-2'285'012	2'479'972
Net financial investments	**82'797'288**	**67'256'043**

8. OTHER AMOUNTS DUE TO CUSTOMERS

	2014	2013
Term deposit	227’173’406	188’907’604
Current deposit	1’170’035’02	1’589’149’867
Other amounts due to customers	**1’397’208’528**	**1’778’057’471**

9. COMMENT ON THE GOING CONCERN ASSUMPTION IN A SUBSIDIARY

An emphasis of matter in the auditor’s opinion on the financial statements of Intermarket Banking Corporation (Zambia) Ltd states:

“…the Bank failed to meet the capital adequacy requirements required by Section 387 of the Banking and Financial Services Act, 1994 (as amended). In addition, as at that date the Bank had a deficit on reserves of ZMK 59,045,000 (2012: ZMK 60,453,000). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Bank’s ability to continue as a going concern should financial support from its related parties no longer be available and future plans for recapitalization of the Bank not be realized”.

A note to their statutory financial statements gives further comment:

“The bank meets its day to day working capital requirements from money markets and equity finance from shareholders. The continued existence of the Bank is dependent upon continued support of its shareholders. Should further financial support from the shareholders not be available, then the going concern assumption may not be appropriate as a basis for the preparation of these financial statements…”

The Group has valued the financial statements on an ongoing basis and considered that the local and Group management has taken the necessary actions to maintain its subsidiary on an ongoing basis.

10. COMMENT ON EXTRAORDINARY INCOME

The majority of the extraordinary income is due to the reversal of provisions and depreciation.

11. OTHER INFORMATION UNDER THE PROVISION OF LEGAL REQUIREMENTS OF THE SWISS CODE OF OBLIGATION

Due the fact that the subsidiaries of the Group are established under other local provision of law and other requirements, the Group is unable to present the information related to the fire insurance, the pension fund information and the leasing information.

12. RISK ASSESSMENT

The management estimates that risk management is an integral part of its activities. An analysis of the risks facing the Company and the Group was initially carried out, formalized and approved on December 2, 2011 by the Board of Directors. This analysis deals with major risks to which the Company and the group are exposed, and their impacts on the financial statements. The Board of Directors once per year updates the analysis of main risks and the relevance of measures undertaken to reduce them. A new version of this risk analysis was updated in 2014 and was formally approved by the Board at its last meeting on December 23, 2014.

Deloitte.

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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, 2014, and the consolidated income 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, 2014

Opinion
In our opinion, the consolidated financial statements for the year ended December 31, 2014 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 accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

We draw your attention to the fact that the annual General Meetings for the year ended December 31, 2014 was not held within six months following the balance sheet date, which is in breach of article 699 paragraph 2 of the Swiss Code of Obligations.

Deloitte SA

Thierry Aubertin
Licensed Audit Expert
Auditor In Charge

Clémentine Largeteau
Licensed Audit Expert

Geneva, July 24, 2015

This report is published by Afriland First Group SA.

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