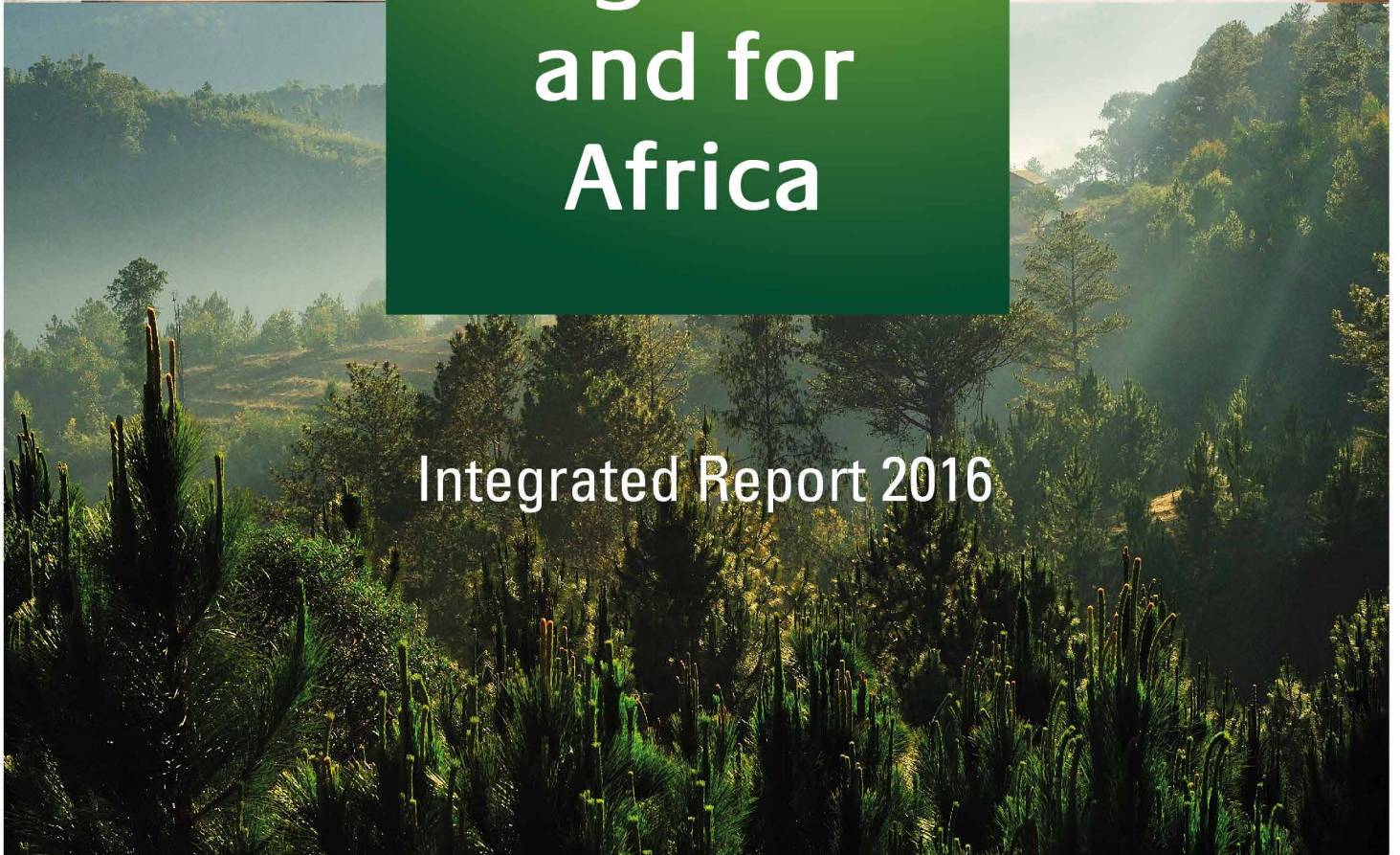




**Orabank**  
a partner ready to help you

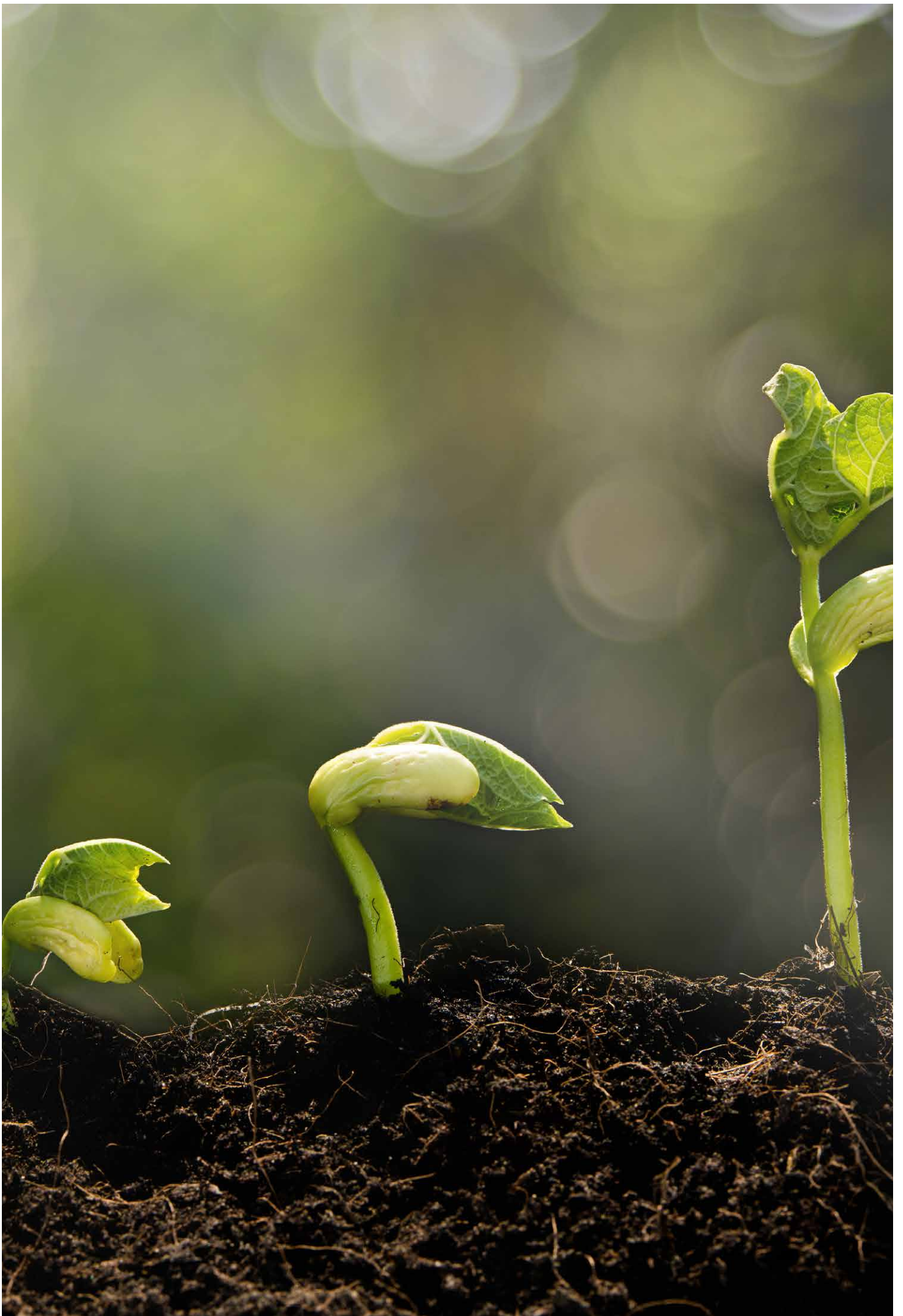


# Growing together and for Africa



Integrated Report 2016





# Foreword

GRI 102-13

Social responsibility is at the heart of our growth model and our corporate strategy.

We are committed to making our operations more transparent and relevant to our stakeholders. This year, for the first time, we are publishing a report on our integrated approach, as part of presenting our financial and non-financial information at the same time.

At the same time, we are applying the latest version of the new GRI standards as a frame of reference, since it is the most used and recognised reporting framework in the world.

We also drew on the integrated reporting frame of reference published by the IIRC. In view of our banking operations, we respect and implement the principles set out by the United Nations in the context of the PRI (Principles for Responsible Investment) initiative.

Orabank has also conducted a materiality study to prioritise relevant challenges and enhance its strategic roadmap.

It should be recalled that we are under no regulatory obligation as regards reporting. Nevertheless, we are committed to a proactive, voluntary approach.

It is our desire to keep making progress with developing our CSR (corporate social responsibility) programmes and providing information on our performance in that regard. As part of listening carefully to our stakeholders, we take their expectations on board, and want to strengthen our open and constructive dialogue, which will enable us to achieve our ambition: **"Growing together and for Africa"**.



Principle No 1: Incorporating ESG (environmental, social and governance) issues into investment analysis and decision-making processes.

Principle No 2: Being active owners and incorporate ESG issues into our ownership policies and practices.

Principle No 3: Seeking appropriate disclosure on ESG issues by the entities in which we invest.

Principle No 4: Promoting acceptance and implementation of the principles within the investment industry.

Principle No 5: Working together to enhance our effectiveness in implementing the principles.

Principle No 6: Reporting on our activities and progress towards implementing the principles

**To find out more, please see the following websites:**

**Global Reporting Initiative (GRI):** <https://www.globalreporting.org>

**International Integrated Reporting Framework (IIRC):** <http://integratedreporting.org/resource/international-ir-framework/>

**Principles for Responsible Investment (PRI):** <https://www.unpri.org/>

*This 2016 annual report was printed in 2017; some of the work was carried out in 2017.*







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# 1 OUR GROWTH MODEL

# 1- Our growth model

## 1.1 - Overlapping perspectives



**Vincent LE GUENNOU**  
Chair of the Board of Directors

GRI 102-14, 102-23

**“The Orabank group is developing its positioning as a bank that is close to and committed to its customers, while putting its expertise and solidity at the service of those customers, and of the peoples and, therefore, the economies of the countries where we operate. That responsibility is also expressed through our governance choices, with a**

**hands-on, active Board of Directors, made up of qualified individuals and independent members, and of specialist committees. It should be noted that the roles of Chair of the Board and CEO are distinct.”**

### **There was a change in your leadership in 2016.**

At the end of the General Meeting and Board of Directors meeting, which took place in June 2016, the Orabank group announced the appointment of Binta TOURÉ NDOYE to the post of CEO, replacing Patrick MESTRALLET.

I am keen to offer Patrick MESTRALLET my warmest thanks for his impeccable commitment to leading the group since 2009. Thanks to him and all his teams, Orabank has been one of the great success stories of the African banking sector.

I also welcome the appointment of Binta TOURÉ NDOYE, an experienced professional who has had a remarkable career. She embodies a new generation of African economic decision-makers and I have every faith that she will lead Orabank into a new stage of its development.

### **What is your take on the Orabank group's strong growth?**

Since the injection of capital in 2008 and the birth of Orabank, the group has gradually reached the scale of a pan-African universal bank. In my capacity as Chair of the Board of Directors of Orabank and, at the same time, co-CEO of Emerging Capital Partners (ECP), the Orabank group's majority shareholder, I am particularly pleased with the group's direction, which validates our long-term investment strategy. In the last six years, ECP has raised over US\$2 billion, which has been invested in a range of booming African companies.

For the 2016 fiscal year, with a total balance sheet of CFA F1.637 trillion (up 10% on 2015), customer deposits of CFA F1.06 trillion and credit transactions of CFA F981 billion, the group posted net interest income of CFA F102 billion and net earnings of CFA F15.1 billion (up 8.3% and 90%, respectively, on 2015).

In September 2016, the group also issued commercial paper to a total value of CFA F35 billion (€53.3 million) by means of an offer for sale on the regional financial market of the West African Economic and Monetary Union (UEMOA). The first tranche, in September and October 2016, raised CFA F21.2 billion (€32.3 million), representing 106% subscription.

The second tranche, in May 2017, raised CFA F15.6 billion (€23.7 million), representing a take-up rate of 112.72%; in other words, the sub-regional market responded to it very well.

The group plans to use this extra headroom to invest in extending the Orabank network and in customer services, essentially focusing on personal banking and SMEs.

### **What is your view of the initial results from implementing the 2016-2018 three-year strategy?**

Orabank needs to consolidate its growth, enhance group coherence and put flesh on the bones of a comprehensive corporate strategy based on strong values that are expressed through governance and management methods. We want to set the standard for pan-African banking groups, so we will be building on the group's synergies and optimising its skills. When it was presented by the senior management, the Board of Directors was supportive of the proposed three-year strategy focusing on the group's core strategic areas for growth and operational efficiency.

We are actually striving to reform the group's governance to ensure the creation of more synergies, better performance management, regulatory compliance and the achievement of sustainable development commitments.

We are also continuing our efforts to improve our financial indicators by bolstering our ability to mobilise resources to support the growth in our operations and meet regulatory requirements.

To that end, we have excellence, operational performance, and expense- and risk-management targets, to ensure that the group is competitive and profitable.

We are also building on our commercial growth to increase our market share and position ourselves within the five best-performing banks in each country where we operate.

What is more, Orabank is starting to set the standard as an employer, attracting and retaining the best talent. The group is aiming to be in the top 25% of banks in our markets in terms of which offer the best working environment and remuneration.

We have set out a strong system of values for building the corporate culture that we are seeking and focus our shared energies on achieving the Orabank group's goals.

In 2016, this vision was shared and trickled down throughout the group. This joint commitment has had very satisfying results and we will be continuing in that direction.

For 2017, the Board of Directors has set the goal of continuing with the projects already undertaken to achieve the three-year plan's targets by 2018.

### **How does sustainable development contribute to buttressing Orabank's growth model ?**

The Orabank group is developing its positioning as a bank that is close to and committed to its customers, and is harnessing its expertise and solidity for the benefit of those customers, and of the peoples and, therefore, the economies of the countries where we operate.

We think that having a positive development impact complements profitability and we are seeking, in particular, to support the companies that will soon be flying the flag for the African continent and shaping its future. As a result, we are striving to bring our structures, systems and procedures into line with international standards and we expect the same of our partners. We are convinced that being socially responsible is an effective way for us to contribute to development in the countries where we operate.

That responsibility is also expressed through our governance choices, with a hands-on, active Board of Directors, made up of qualified individuals and independent members and specialist committees, with Chair of the Board and CEO as distinct roles.

On behalf of the Board of Directors, I would like to congratulate our teams on their work and to encourage them to redouble their efforts to make Orabank a leading banking group.







**Binta TOURE NDOYE**  
CEO

**“Our medium-term vision is to build a leading banking group that plays a part in financing the sustainable development of an emerging Africa.**

**You were appointed CEO of the Orabank group in 2016.**

Having spent my career increasing access to banking services in Africa, including 20 years in executive posts within a pan-African institution, I opted for the new challenge offered to me by the Board of Directors of the Orabank group.

In September 2015, I joined the group as Deputy CEO, to play an active role in the adventure of a pan-African banking group that is very much on the up and is in the midst of a transformation.

In 2016, I was honoured to be offered responsibility for the post of group CEO, succeeding Patrick MESTRALLET, in the job since 2009. That put me at the head of one of West Africa’s major retail banks.

**What progress did the Orabank group make in 2016?**

Our Board of Directors, our executives and our employees worked together, over the course of the year towards the following significant successes and achievements.

■ First of all, at the suggestion of the senior management, we sketched out and then drafted a 2016-2018 three-year strategy, which was then adopted by the Board of Directors. It is intended to give definite shape to our goals, so as to consolidate our financial performance, to provide a basis for our operational efficiency by setting up management systems and tools, and, in doing so, to set our group on a path towards transparent change. A range of tools and strategic guidelines were set out to bring us in line with tough international standards as regards business practice, technology, finance and human-resource management. In view of the riskiness of our markets, we seize opportunities to develop the bank’s business model and meet the needs of tomorrow, to achieve excellent integrated and digital banking services for our customers.

■ We then issued commercial paper to a total value of CFA F35 billion (€53.3 million) by means of an offer for sale on the UEMOA regional financial market, to which the sub-regional market responded very well, with confidence, which confirms the solidity of our group’s model and its growth potential.

**We want to become the standard-setter for fostering economic and social inclusion, so that everyone’s standard of living can increase.”**

■ As part of a collaborative approach with our teams and partners, we also gave some thoughts to our identity and to the Orabank group’s values. What came out of that is that our bank is people-focused, committed and bold, at the same time. Those values translate into what we are: an agile bank that is aware of its real challenges, close to its staff, and careful to make its customers feel welcome and well looked-after. Our bank is also innovating to build tomorrow’s world and we have all taken responsibility for offering our customers ethical and sensible support for the move towards the sustainable development of the emerging Africa.

■ Lastly, we posted an excellent financial performance, with these results confirming that our strategic vision has a sound basis. That performance is greatly satisfying because it is the expression of our constant effort to bolster our profitability and solvency, so as to consolidate and ensure the durability of our robust growth, mainly focusing on the private sector and private individuals.

Thanks to the combined efforts of our 1,704 staff, along with those of our partners, this puts us on the way to our transformation. This first integrated report presents our main results and explains the creation of the aggregate value that we are sharing with our stakeholders, which both contribute to and benefit from our progress.

**What further progress do you still think you need to make?**

Our three-year strategy has four major priorities and we have mapped out our route towards achieving our goals by 2018. We are continuing our efforts by rolling out our action plan, so that it can add further force to the levers of growth:

- 1 Building an integrated group that shares a common vision and values;
- 2 Investing in strong growth, while keeping expenditures under control;
- 3 Enhancing risk management;
- 4 Mobilizing sufficient resources at competitive costs and buttressing the group’s financial solidity.

### **What tools do you use to make Orabank stand out in your markets?**

We are a pan-African group, with operations across the continent and working for Africans. Orabank is a strong, well-known brand. We are people-focused, we listen, we are considerate, and we take our customers' expectations into account; all that sets us apart in our markets.

Our commitment to playing a part in financing the sustainable development of the emerging Africa is another thing that makes us unique, and we are supporting the continent's entrepreneurial dynamism. We keep an eye on the long term, with a view to cutting back on taking risks that could impact on our future in exchange for a short-term benefit. We at Orabank contribute every day to making everyone's dreams and plans a reality, and we work towards everyone's quality of life.

### **How does sustainable development contribute to reinforcing your growth model?**

We believe that our social responsibility commitment to sustainable development offers our customers, partners and staff a real boost to innovation and performance. Orabank is built on its daring and its convictions, which have made it a major player in African banking today; we understand our continent's economic and social challenges. We put people at the heart of every step we take, at the heart of everything we do. Our operations are built to last, so that we can ensure the sustainability of our growth model. With shared value in mind, Orabank is involved in financing green growth in Africa.

### **What is your vision over the longer term?**

The Orabank group is a civic-minded bank that listens to its customers and partners, striving to create a new model, whereby the company provides its stakeholders and civil society with a responsible and ethical service. To find out about the high expectations of our ecosystem of stakeholders, we conducted a survey to enable us to prioritise important challenges. We asked some 2,300 partners and took their expectations on board to guide our future operations.

The Orabank group wants to play an important role in increasing access to banking and finance in the economies of sub-Saharan Africa. Currently, governments are the largest employers in African economies. We want to use our financing to do more to contribute to creating wealth and jobs locally. Our mission is to make it easier for new players to enter the economy and increase their competitiveness in their markets. Inasmuch as large sections of the population still find it hard to access our services, the Orabank group must also encourage economic and financial integration, using new technologies with sustainable roots in usage.

We also support institutions and state-owned bodies with carrying out the infrastructure programmes necessary for building the emerging Africa. Banks also play a fundamental role in boosting the growth of the middle class: consumer credit, mortgages, etc. Lastly, it is by making saving more attractive and ensuring people have disposable income to spend on consumer goods that we will, collectively, achieve a better quality of life.

### **What makes you proud of Orabank?**

I am particularly proud of our management teams, in the holding company and in the countries, and of all our staff, who really do play a dynamic role in achieving our goals: they understand our customers' expectations and protect our partners' interests.

I am also very proud of our customers, who show faith in us and back us in our approach of continuously striving to move forward.

I am also very proud to be an African woman leading a regional banking group and grateful to the Board of Directors for appointing me; that has paved the way for change and made a difference in our sector.

For 2017, I would encourage everyone to support us and to offer our projects active support. In a spirit of partnership and building together, we hope to create value for the company, which we will share with you.

In the context of our vision for 2018, we are setting out goals and action plans, on which we will continue reporting transparently. We are open to frank and constructive debates and we are always happy to have a dialogue with you.



## 1.2 - Our identity

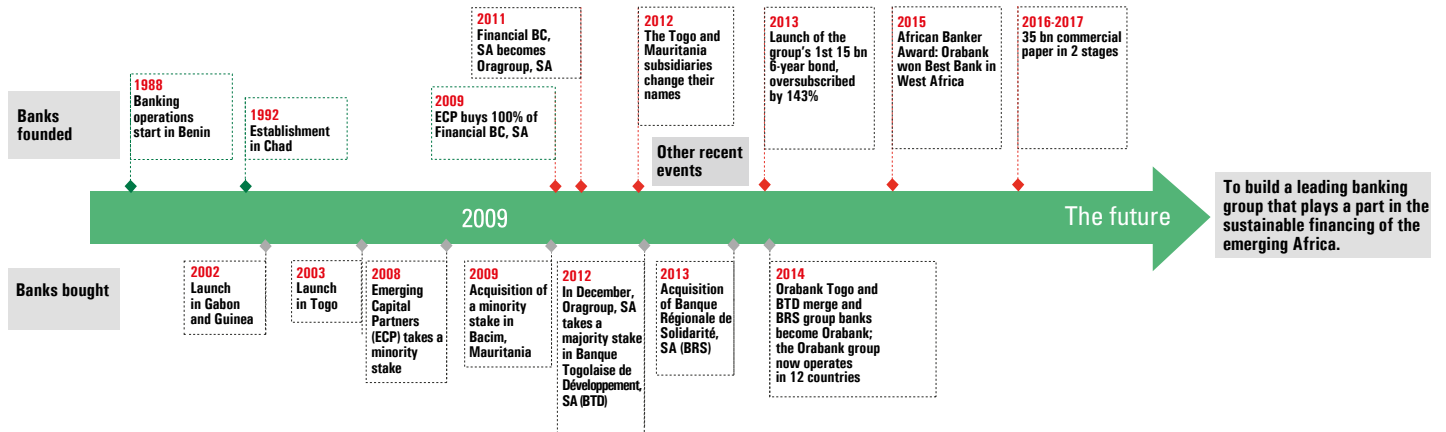
### A strongly growing pan-African banking group

GRI 102-5, 102-7

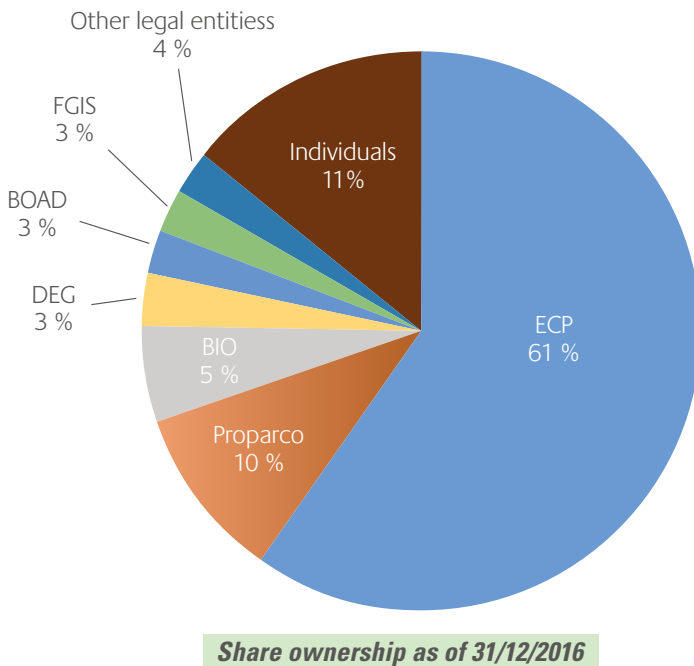
Founded in 1988, Orabank is a group whose expansion has been accelerated by the purchase of local and regional banks, and by sustained organic growth.

Since 2009, Orabank has been growing strongly, going from a bank with operations in five West and Central African countries to one that operates at pan-African level, with subsidiaries in 12 countries split across four currency areas

The pace of this robust growth significantly quickened with the purchase of the Banques Régionales de Solidarité (BRS) network in 2013, and its consolidation with the founding of banks in West and Central Africa.



### Stable share ownership

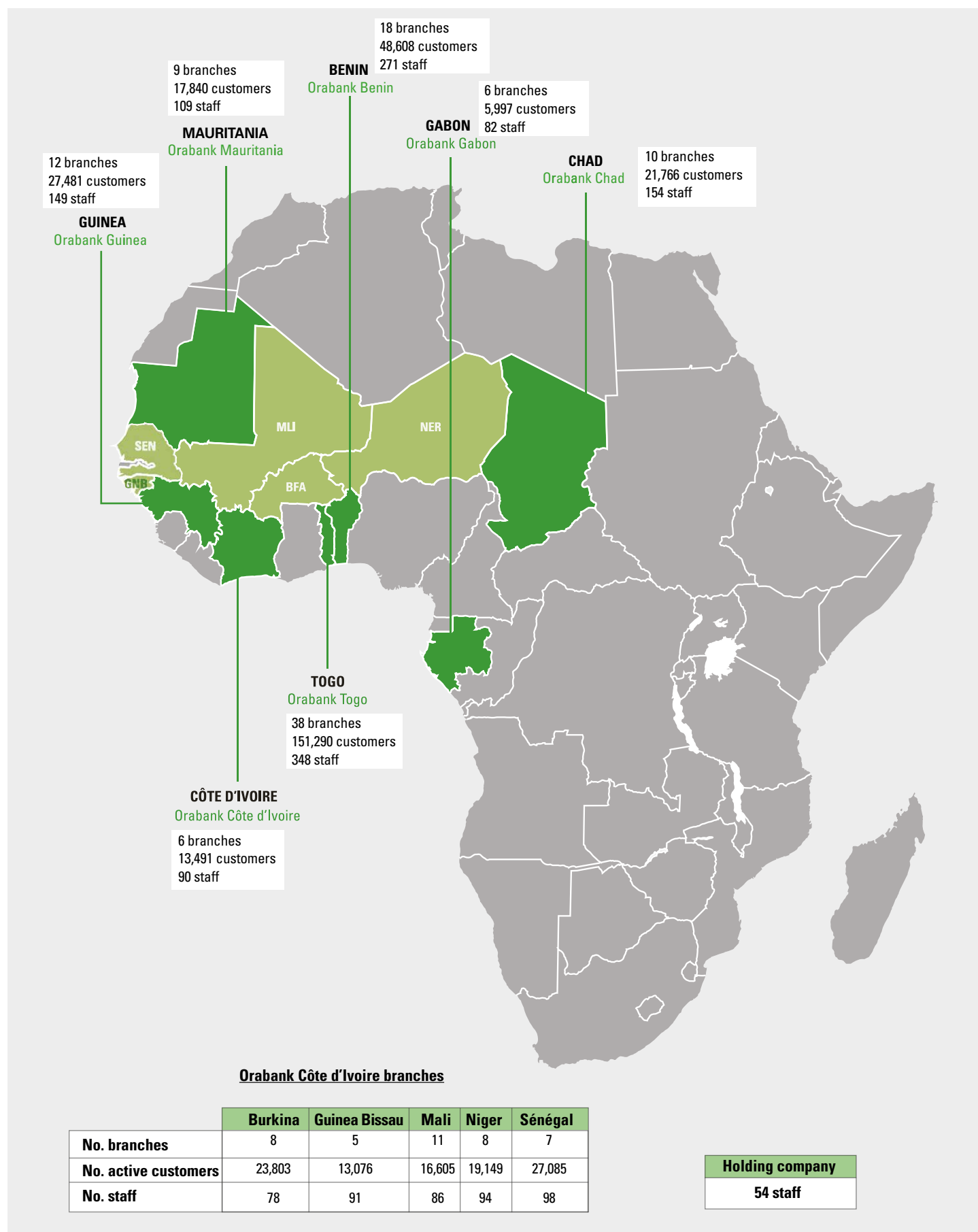


The Orabank group is a public limited company, in which a majority stake is owned by Emerging Capital Partners (ECP), an Africa-dedicated investment fund.

The remainder of the equity is split between the West African Development Bank (BOAD), Proparco, Société belge d'Investissement pour les Pays en Développement (BIO), German investment fund DEG, the Gabonese Strategic Investment Fund (FGIS) and other private investors, both individuals and legal entities.

## A growth-focused local presence

While far from uniform, the economic performance of most Orabank group companies is, broadly speaking, on an upwards trajectory. Like the economic environment itself, the banking sector is also growing robustly in the countries where Orabank group operates.





## 1.3 - Our value-creation model

GRI 102-2, 102-4, 102-6, 102-31

### The Orabank group's vision

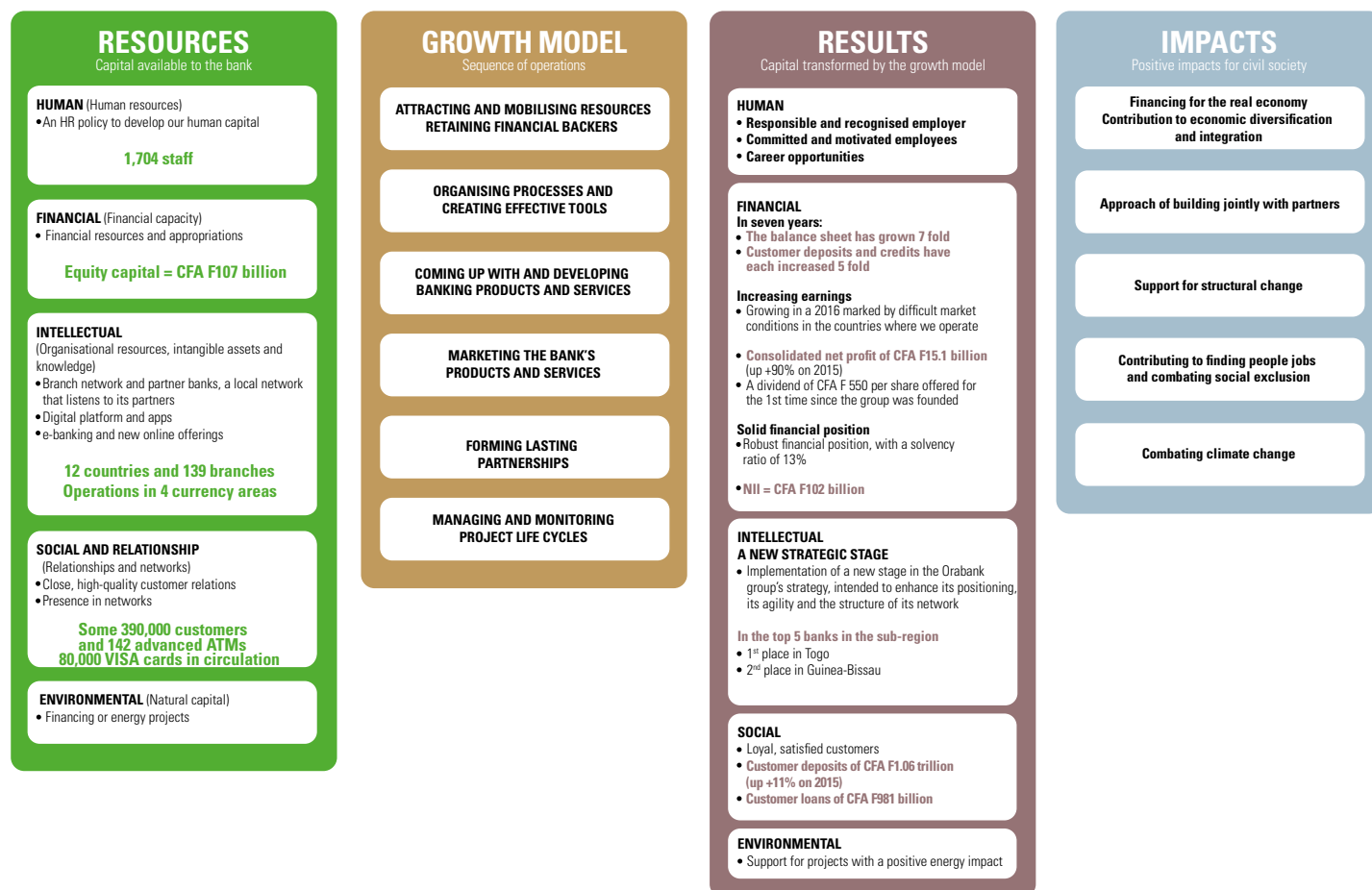
To build a leading banking group that plays a part in financing the sustainable development of an emerging Africa.

### VALUE CHAIN

The Orabank group is a civic-minded bank that listens to its customers and partners, striving to create a new model, whereby the company provides its stakeholders and civil society with a responsible service. Orabank is a banking group undergoing wholesale change. The description of the value chain presents a holistic and transparent view of the group's growth model. The banking sector's capital is a reserve of value increased, reduced or changed by the group's operations and initiatives. Value creation is measured on the positive changes in those stores of value.

We are recording growth in our financial indicators.

This 2016 balance sheet bears witness to the clear-sightedness of our strategic vision, and we are seeing the results of an improved performance that is bringing us closer still to the expectations of our customers and partners.




## 1.4 - The impacts of our operations

GRI 102-29, 413-2

In the last 10 years, Africa has been making progress as regards economic growth and poverty reduction, but it is now facing challenges due to falling world commodity prices and to the risks inherent to the region.

Income growth per inhabitant remains modest, held back by population growth.

**Against this background of change in the countries where it operates, the Orabank group is playing a direct and active role in Africa's rise.**

Pillar		Background in countries where the group operates	Orabank's impacts to be stepped up
	<b>Governance</b>	A structural transformation, with far-reaching reforms, is indispensable for bringing change to models, ensuring the growth of the private sector and developing financial markets.	<ul style="list-style-type: none"> <li>• Resilience of the bank's model;</li> <li>• Responsible finance;</li> <li>• Government support.</li> </ul>
	<b>Economic</b>	<ul style="list-style-type: none"> <li>■ The robust growth of the West African Economic and Monetary Union (UEMOA) countries is underpinned by infrastructure investment;</li> <li>■ It should be noted that there has been a tightening of liquidity in the major oil-exporting countries;</li> <li>■ Budgetary consolidation policies will probably slow the recovery of metal-exporting countries;</li> <li>■ In view of the increase in debt, and of the more difficult and volatile financial conditions, most African countries are facing the challenge of having to undertake spending that is absolutely necessary for their development, but without compromising the viability of their debt;</li> <li>■ A range of factors threaten to put a dampener on forecasts for the region, including external factors, such as tougher than expected overall financial conditions and the growing trend towards protectionism.</li> </ul>	<ul style="list-style-type: none"> <li>• Injection of financing into the economy and boost to the productivity of local economic agents;</li> <li>• Contribution to regional integration by financing infrastructure projects to foster transportation and trade;</li> <li>• Promotion of the economic independence of women and young people.</li> </ul>
	<b>Social</b>	<ul style="list-style-type: none"> <li>■ Still-high poverty rates require sub-Saharan Africa to return to robust and inclusive growth quickly;</li> <li>■ Joined-up town and city development is central to action in Africa; simultaneous remedying of water-supply and sanitation, transportation, accommodation, energy and governance problems is an essential precondition for increased productivity and incomes;</li> <li>■ Some countries are weighed down by serious security threats and political uncertainty relating to upcoming elections;</li> <li>■ In each of the next 10 years, 11 million young Africans will enter the labour market; there is a discrepancy between their skills and employers' expectations.</li> </ul>	<ul style="list-style-type: none"> <li>• Financing of projects with a social impact to build the cities of tomorrow;</li> <li>• Increase in people's access to banking services, which reduces social exclusion;</li> <li>• Boost in the employability of human capital;</li> <li>• Shift in the bank's business lines to meet the expectations of tomorrow.</li> </ul>
	<b>Environmental</b>	<ul style="list-style-type: none"> <li>■ Insufficient electricity-generation capacities is the foremost of the infrastructure obstacles in the way of Africa's development;</li> <li>■ Improved access to reliable, sustainable and affordable electricity is a major challenge for the region;</li> <li>■ Poor Africans will be hardest-hit by climate change, and by its effects on temperatures and rainfall;</li> <li>■ To make Africa more resilient, countries will have to be helped, not just to alleviate and adapt to the effects of climate change, but also to ensure the food security of their populations, in accordance with the Africa Climate Business Plan from COP21.</li> </ul>	<ul style="list-style-type: none"> <li>• Support for green growth and investment in measures for adapting to climate change;</li> <li>• Support for development of private sector investments in energy (production and transmission of hydroelectricity, geothermal energy and other renewables);</li> <li>• Increase in resilience to climate change by developing disaster risk-management technologies.</li> </ul>

Source: World Bank



## 1.5 - The trends, risks and opportunities in our operations

GRI 102-15, 102-33, 102-49

The Orabank group is constantly evolving, and seeking to identify and understand, simultaneously, the major expectations for its ecosystem, the risks it faces in the context of its operations, and the opportunities that its business and the areas where it operates present.

### Evolutions of the ecosystem

**Strengthening of the regional and international regulatory framework** (increase in the number and complexity of international standards, greater interdependence in the banking sector, rising cost of capital, and adaptation of bank and insurer balance sheets)

**The setting-up of the Credit Information Bureau (BIC) in the UEMOA area**, which is likely to reduce the cost of credit and collateral

**Change in the banking sector's business model** (change in banks' businesses in a low-rate environment, speeding-up of the business model)

**Digital transformation** (change in customer relations and experience, competition dynamics, generation Y and Z)

Changing performance and needs

Development of projects with a positive impact

### risks

**Credit and counterparty**

**Market**

**Operational** (including governance, environmental and social risk)

**Political** (instability and insecurity in some countries where the group operates)

**Legal** (deregulation and changing standards)

**Image and reputation**

### opportunities

**Growing economy**

pushing up the need for financing in the economies in which the group operates

**Potential market** for banking products and services still significant in the countries where the group operates and in other Central African countries

**Technological and regulatory changes** making it easier for people to access financing

**Digitalisation opening up opportunities** for product/service diversification and for service access

**Opportunities for partnerships** with new players to expand the product/service range and bolster distribution networks (IOBs, mobile banking operators, national and regional money transfer companies, EMEs)

**Setting-up of the BIC in the UEMOA** (and planned for CEMAC)

**Development of guarantee institutions** and a portfolio of guarantee products for SMEs



## 1.6 -Long-term outlook



**Amadou LY**  
Executive Director

GRI 102-4, 102-10

**“To build a top-ranking African group that plays a role in the development and financing of African countries, our major goal breaks down into a number of action plans with measurable impacts.**

The Orabank group continues to consolidate its place in the banking landscape of West and Central Africa and, more generally, in the national economies of the countries where it operates, while bolstering its organisation, updating its procedures and further improving the quality of its banking services.

Our main key growth figures demonstrate that our companies’ strategy of closeness, listening, receptiveness and responsiveness to their customers is sound. The 2016 fiscal year was very strong, with net earnings in excess of CFA F15 billion, representing an increase on the previous year.

Those earnings were a reflection of our teams’ continuous work, of our determination to use our resources in healthy and acceptable ways, of good risk management and of well-controlled overheads. In 2016, we repaid our shareholders for the faith they have shown in us.

We are building up a head of steam, and opportunities for growth will soon come through the diversification of our offerings of products and services, as well as through organic growth in some countries with potential.

The banking-sector trends towards digital banking offer significant growth opportunities.

In parallel to this commercial expansion, the group has added new and further-reaching governance principles and rules, while revisiting the workings of the main committees of its Board of Directors, so ensure they are continually adapted to international best practice.

Nevertheless, growth in the banking sector is being marked by a number of profound institutional, regulatory and technological changes:

**We are aiming for a two-figure market share in every country where we operate, with very strong growth in some places.”**

- The setting-up of the Credit Information Bureau (BIC) in the UEMOA area, which is likely to reduce the cost of credit and collateral;
- Technological changes opening up opportunities for product/service diversification and making services easier to access;
- Emergence of new players offering possibilities of partnerships for developing distribution channels;
- Imminent application of Basel II/III, with new challenges for banks as regards equity capital and enhanced risk management;
- Regulatory changes, with increased capitalisation levels and tougher conditions for banks to exercise their business;
- Countries’ financial inclusiveness strategies, leading central banks to put in place more restrictive price regulation;
- Development of mobile banking, encouraging the growth of distribution channels.

Furthermore, with the emergence of new players in the banking and financial sector, competition is becoming more intense in the countries where Orabank operates. However, in an environment extremely regulated by supervisory authorities, it remains difficult for new players to enter the stage. In our strategic partnership approach, we are seeking to mesh better with other companies in the offering of financial services, with a view to increased accessibility for people who are excluded from the system.

**Consequently, the opening-up of the banking market and the intensification of the competition are encouraging the development of a diverse and innovative offering.**

In its quest for change, Orabank can play to a number of strengths:

- Regional banking group image, with a controlling shareholder block;
- Operations in countries across the CEMAC and UEMOA areas;
- Growing banking group whose potential makes it attractive, with expertise concentrated in the holding company;
- Pool of talented young people;
- Committed and motivated staff;
- Strong brand as an employer;
- Effort to harmonise procedures and policies in a range of areas, particularly IT;

- Investment in training and tools that meet international standards;
- High-quality electronic payments system;
- Strong presence in the construction and civil engineering sector;
- Existence of an operational risk map;
- Robust growth in the countries in which it operates.

**Achieving a top 10 ranking will require the bank to meet the most stringent commercial, technological, financial and human resources-planning standards.**

## 1.7 - Orabank's strategic ambition

**GRI 102-10**

The Orabank group is planning to be a civic-minded and responsible economic agent over the coming years, with a view to playing an important role in increasing access to banking and finance in the economies of sub-Saharan Africa. Orabank's strategic ambition is to build a profitable group that effectively serves customers, for whom it has found innovating solutions, including those on lower incomes, and that is a good place to work.

The aim is to position Orabank as an agile bank in the coming years: "Growing and rising to the challenge of profitable growth, while making Orabank a market-leading bank".

The group will also be gradually speeding up its transformation from a bank specialising in SME financing into a universal bank.

A 2016-2018 three-year plan has been drawn up with each of the subsidiaries and consolidated at group level. The Board of Directors has approved this development plan.

Ultimately, the goals are to consolidate our market share in the countries where our banks are in the top 25% and, in the long term, to achieve two-figure market shares for the other companies.

### **Our long-term targets:**

- A 50% increase in our market share and for the group to rank in the top five best-performing banks in countries where we operate;
- Significant NII growth;
- An operating ratio of below 50%.

### **The Orabank group's vision**

To build a leading banking group that plays a part in financing the sustainable development of an emerging Africa.

Orabank's strategic development plan for 2016-2018 will be implemented in three six-month stages.

The major goals are to:

- Become closer to customers;
- Diversify in the business-banking sector;
- Optimise the ways in which we operate;
- Boost operational efficiency;
- Grow our human resources' skills;
- Create a learning culture within the business.

Putting in place a mechanism for managing, monitoring and evaluating these changes represents a key success factor.

At every level, we have set out performance-measurement indicators, for monitoring achievement of our goals.

To ensure the proper predictability of our goals, we are paying great attention to managing performance, to bring earnings in line with budgets through prudent administration (adequate provisioning policy).

The Orabank group is basing its 2016-2018 strategy on four great strategic challenges, which are written into the company's mission statement and form the framework for its new vision for medium-term development:

**1. Building an integrated group that shares a common vision and values;**

**2. Investing in strong growth, while keeping expenditures under control**

**3. Enhancing risk management;**

**4. Mobilising sufficient resources at competitive costs and buttressing the group's financial solidity.**



# 2 GOVERNANCE AND ETHICS

## 2 - Governance and ethics

### 2.1 - Our values

GRI 102-16

#### Orabank is people-focused

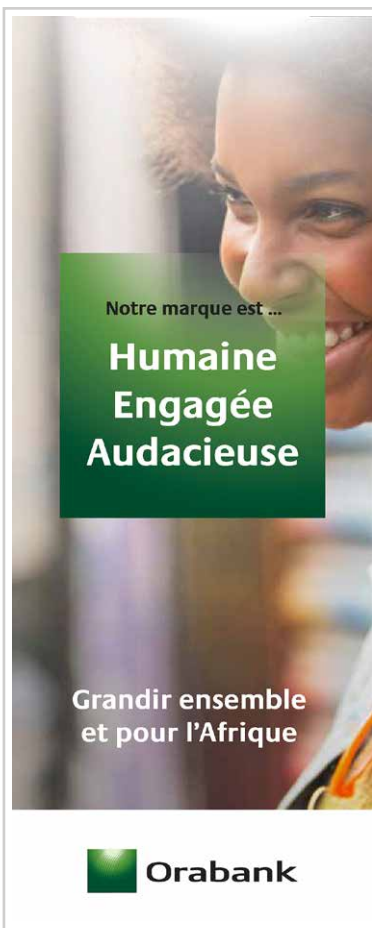
We care about the welcome offered to our customers and about their well-being.

#### Orabank is committed

We are committed to playing an active role Africa's sustainable development.

#### Orabank is bold

We strive for progress and do not hesitate to try out new areas for moving forward together.



### Orabank's staff are our best brand ambassadors

In 2016, several working groups brought together bank-staff volunteers to identify our group's values. They identified our brand's three core attributes: people-focused, committed and bold.

We have therefore set out a strong system of values to build the corporate culture that we are seeking and focus our shared energies on achieving the Orabank group's goals.

We will ensure that staff, both permanent and temporary, fully and continually take those values to heart and live them when dealing with our partners.

## 2.2 - Corporate governance

GRI 102-18 à 102-20, 102-22 à 102-24, 102-27, 102-32

### Strategy

**Orabank is committed to reforming the group's governance to ensure the creation of more synergies, better**

### Roll-out

Corporate governance is at the heart of corporate responsibility and overall performance. The Orabank group's governance system ensures the separation of powers and ensures that the shareholders play an effective role in ensuring the independence of decisions by the Board of Directors.

**performance management, regulatory compliance and the achievement of sustainable development commitments.**

On the basis of legislation and standards requiring the utmost transparency, our Board of Directors upholds, through the governance principles and systems that it has put in place, the interests of the main stakeholders: the shareholders, the executives, the staff, the suppliers and the other partners.

### Make-up of the Board of Directors



**Vincent LE GUENNOU**  
Chair of the Board of Directors  
Co-CEO of ECP



**Hurley DODDY**  
Director, Co-CEO, ECP



**Patrick MESTRALLET**  
Director, CEO until 30 June 2016



**Brice LODUGNON**  
Director, ECP Côte d'Ivoire



**Arthur ARNOLD**  
Independent Board member



**Ferdinand NGON**  
Director, ECP Cameroon



**Laurent KLEIN**  
Director,  
permanent representative of PROPARGO



**William NKONTCHOU**  
Director, ECP Paris



**Mbaye THIAM**  
Director,  
permanent representative of the BOAD

### Role of the Board of Directors

The Board of Directors sets out the strategic guidelines for the group's operations and oversees their implementation by the executives. This overarching task is set out in those terms by our banking group's Governance Charter.

### Workings of the Board of Directors

The Board of Directors is governed by Rules of Procedure. It takes up, within the limitations of the objects of the company, any issue pertinent to the smooth running of the company and makes decisions on matters of concern, subject to the powers expressly conferred in law on the General Meeting and CEO.



## Ethical values and standards of behaviour for directors

Directors' behaviour must act with complete integrity in relation to the company. They must demonstrate courage, transparency, probity and good judgement. They must, at all times, behave in a manner worthy of their role. They must make themselves available and play an active role in performing the tasks and duties entrusted to them.

## Independence of governance

The directors must always ensure that their personal situation does not result in any conflicts of interest with the company. Every director must spontaneously inform the Board chairman of any conflicts of interest. At the start of the year, directors declare any conflicts of interest and these declarations are repeated annually. Each director performs her/his duties in a way that is completely objective, impartial, independent, honest, competent and in the interests of the company and banks, while taking into account those of the depositors and other stakeholders.

Every director must sign and scrupulously respect the Directors' Charter.

The directors are subject to the Orabank group's Code of Professional Conduct and its Governance Charter.

The Board of Directors is the guarantor of respect for the directors' ethical values and standards of behaviour. In the absence of conflicts of interest, it handles any problems of integrity, in particular cases of misuse of company resources and abuse of power in the context of the company's dealings and operations.

## Work of the Board of Directors in 2016

During the 2016 fiscal year, Orabank's Board of Directors held four plenary meetings. The first was held on 11 May 2016, for account-closing (company and consolidated) for the fiscal year ending 31 December 2015. The second was on 29-30 June 2016, for setting-out and distribution of the group strategy (2016-2018). The third was held on 28 September 2016, for closing the accounts (company and consolidated) as of 30 June 2016. Lastly, the meeting of 15 December 2016 was held to adopt the operating and investment budgets for the 2017 fiscal year (budget meeting).

## Committees of the Board of Directors

Without prejudice to the legislation and regulations in force, the group has set up specialised committees responsible for helping the company's Board of Directors with the specific issues dealt with in the Shareholders' Agreement about the company.

### 1. Audit and Compliance Committee

The committee is made up of Mr B LODUGNON (Chair) and Mr W NKONTCHOU (member).

Mr Amadou LY (Group Audit Director) acts as secretary for the committee.

### 2. Investment and Strategy Committee

It is made up of Mr V LE GUENNOU (Chair), and Mr H DODDY, Mr L KLEIN and Mr F NGON (members).

The Group Commercial and Projects Director acts as secretary for the committee.

### 3. Human-Resources and Remuneration Committee

It is made up of Mr V LE GUENNOU (Chair), and Mr F NGON, Mr M THIAM and Mr P MESTRALLET (members).

Ms Sandrine GALY (Human Capital Director) acts as secretary for the committee.

The Board of Directors has set up other committees deemed necessary for the performance of its duties and/or compliance with the applicable legislation and regulations, or with the Shareholders' Agreement.

### 4. Risk Committee

It is made up of Mr M THIAM (Chair), and Mr F NGON and Mr W NKONTCHOU (members). Mr R KEDI (Head of Credit Risk) acts as secretary for the committee.

### 5. Ethics and Good Corporate Governance Committee

The committee is made up of Mr A ARNOLD (Chair), and Mr W NKONTCHOU and Mr P MESTRALLET (members). Mr Yao GUEMEDI (Group Legal and Professional Conduct Director) acts as secretary for the committee.

## Evaluation of the workings of the Board of Directors

Every year, the Board of Directors evaluates its workings, with a view to setting out Board governance measures, to pinpoint the directors' skills and experience and to identify their training needs, both individually and collectively.

During the 2015 fiscal year, the directors conducted a self-assessment, which was led by the Board's Ethics and Good Corporate Governance Committee.

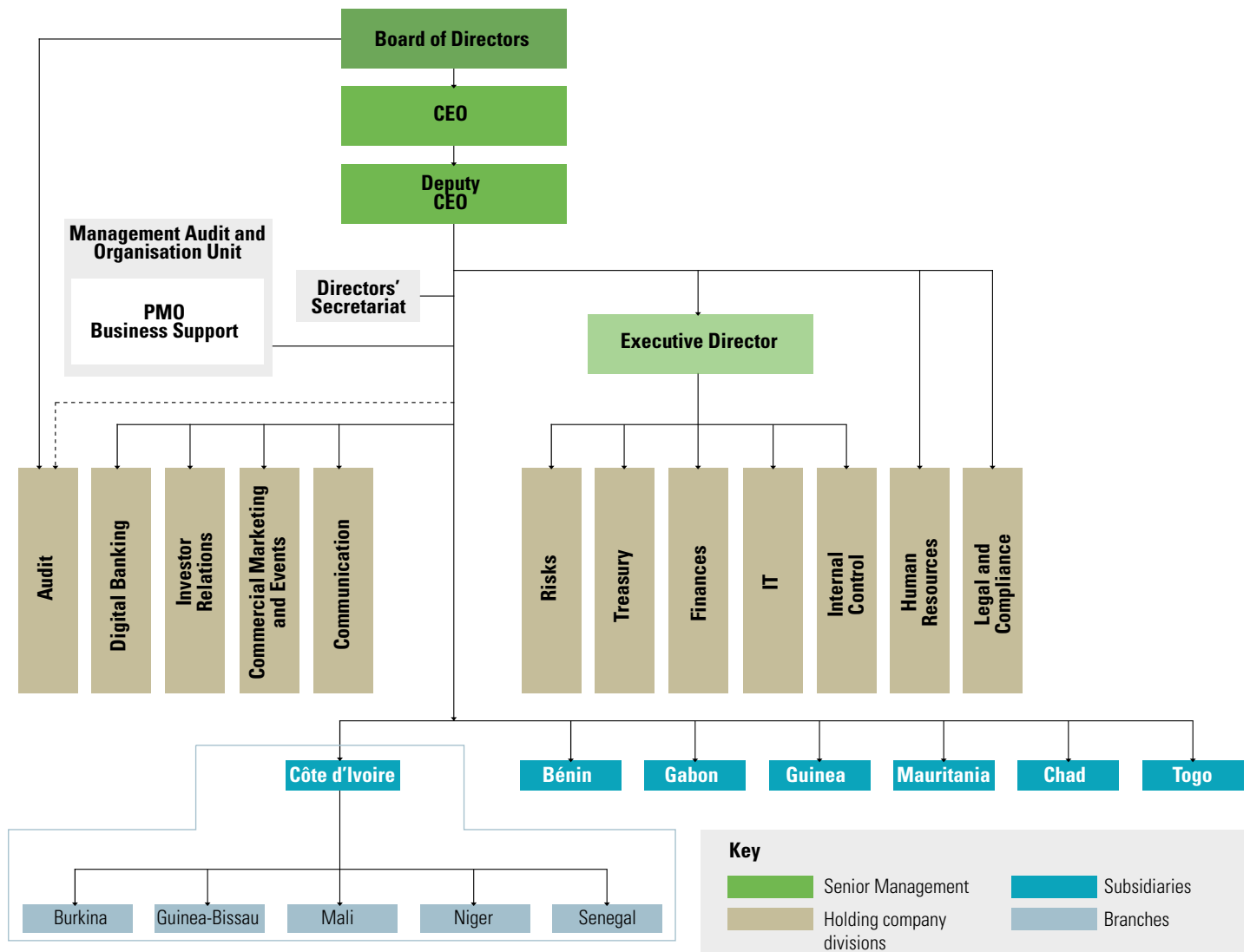
The direction chosen for future years, for both the holding company and the subsidiaries, is the combination of this self-assessment by the directors themselves with an evaluation conducted by an outside firm.

In parallel, during the course of the fiscal year, targeted training on good governance standards and issues was organised for all group directors, to be held separately from the year-end Board meeting.

## Organisation of executives

At Orabank, the shareholders are not involved in running the company, the Board of Directors is independent and the executives take care of all group management functions, but also sit on the Board of Directors.

# Holding company organisation chart



## Governance targets set by the 2016-2018 three-year strategy

In the context of an in-house analysis of areas of strength and areas for improvement in Orabank's governance, measures have been adopted and are in the process of being implemented:

- Produce a clear, transparent and effective organisation chart, showing the holding company and subsidiaries;
- Design the various group procedures;
- Make the holding company more organised, by creating or bolstering key functions for supporting the subsidiaries (Human Resources, Risk, Marketing, Management Audit, Organisation and Quality Management);
- Set up management committees;
- Reform the credit-approval process by making decisions more collegiate;

- Adapt the system or delegating powers to ensure that credit applications are processed more quickly;
- Achieve regulatory compliance ahead of time and come into line with Basel II and III from 2018

## Performance

Key indicators	2014	2015	2016	2018
Independent Board members	100 %	100 %	100 %	100 %
Board members acting as executives	0	0	0	0
Attendance rate at Board of Directors committee meetings	100 %	100 %	100 %	100 %

**To find out more about the policies, codes and charters, see p. 82**

## 2.3 - Compliance and respect for legislation and regulations in the countries where we operate



**Yao GUEMEDI**, Legal, Compliance and Social and Environmental Responsibility, and Professional Conduct Director

GRI 416-02

**“Compliance represents respect for legislation and regulations, and for ethical and professional standards. We follow the guidelines from the Board of Directors, which**

**are intended for monitoring of implementation of the bank’s strategy with better management of regulatory compliance.”**

### Strategy

**Orabank undertakes to act in compliance with legislation and regulations. In other words, all group staff must, at all times, comply with national, ECOWAS and international regulations, along with the standards of professional conduct relevant to the banking sector.**

**The same goes for decisions made by the group.**

### Roll-out

#### A Legal and compliance department

At holding company level, we have a Legal Division, which is independent of all operational functions, in accordance with the regulatory obligations for asset-management companies.

A two-person team is dedicated to compliance and overseeing related risk.

This function ensures that the company complies with all legislation, regulations and professional standards relevant to its operations, so as to protect its interests.

#### Roll-out of our compliance procedures

The banking landscape is subject to huge regulatory and social pressures. The Group is responsible for respecting the various laws applicable to it and, in practice, for meeting behaviour expectations that are not enshrined in law, but take the form of established standards for international institutions.

This ambition is expressed as collective commitments to our stakeholders: customers, staff, shareholders, partners and civil society.

For those commitments to be met, all executives and employees must comply with common ethics rules. We see compliance as requiring us to ensure that legislation and regulations are respected, through the development of tools like our Ethics Charter and our Code of Professional Conduct, while implementing management and reporting systems. Under the supervision of our Board of Directors, we are in the process of toughening up and rationalizing the applicable rules at group level, to achieve standards across the countries in which we operate that can serve as a benchmark for others.

In terms of process, significant work has been done to ensure that every company is taking similar steps.

### Training: a key element of compliance

In 2016, the training offered reflected the demands of our various operations, of applicable national legislation and of our own internal regulations.

The Heads of Legal took part in a five-day training session in Lomé on the themes of “AML/FT regulations within the UEMOA area” and “Financing for international commerce: from the operational to the legal”.

Having received that training, the Heads of Legal became educators in turn, as part of a three-week on-line CSR training session offered by the UNEP FI (United Nations Environment Programme – Finance Initiative), a United Nations agency.

Further training sessions to update knowledge are planned for April and October 2017.



## Compliance with Basel standards

At the Basel Committee, which is a meeting of the largest central banks, the authorities have decided to put in place a package of rules applicable to banks, so as to improve the banking system. The Basel Accords are intended to establish international standards to strengthen each financial institution, in order to prevent the most serious crises. All our standards are designed to ensure that the group is in full compliance with the new Basel rules applicable from 1 January 2018.

## Performance

Key indicators	2014	2015	2016
Employees who have undergone compliance training		375 members of staff and 54 banking agents	867 members of staff and 355 banking agents
Employees with access to compliance documents	All staff responsible for this in the 12 countries where we operate		

### AN ETHICS CHARTER FOR THE GROUP

The Orabank group's Ethics Charter, adopted in 2015 and revised in 2017, lays down the general standards of professional behaviour that all staff members must follow. It sets out the ethics principles and the circle of stakeholders, for one thing, and describes the ethics governance, for another.

*To find out more about the policies, codes and charters, see p. 82*

## Ethics, professional conduct and integrity

GRI 102-17, 102-25, 102-26, 414-01

### Strategy

**Orabank is committed to making a culture of ethics, professional conduct and integrity take hold. The group ascribes the utmost importance to the ethical and moral qualities of its staff.**

### Roll-out

Ethics and professional conduct are central to our operations, and are built on values and principles underpinned by far-reaching commitments:

- To act in accordance with legislation and regulations;
- To establish a culture of integrity;
- To demonstrate probity and honesty;
- To respect others;
- To respect the banks' professional confidentiality;
- And to take any measures to ensure that all those procedures are understood, to encourage proper behaviour, and to promote the integrity of people and systems.

In that regard, our group's system of governance fully incorporates ethics and professional conduct considerations. Furthermore, a significant aspect of the system for evaluating our directors concerns ethics and professional conduct issues.

At the level of the Board of Directors of our holding company and on the Boards of each of our subsidiaries, an Ethics and Good Governance Committee has been set up to cover any matters pertaining to ethics, professional conduct and governance.

It is one of the most active committees of the Orabank Board of Directors.

On the initiative of the Ethics and Good Governance Committee of the group Board of Directors, the 2015 fiscal year saw the formal adoption of a Governance Charter applicable to all group employees and executives, along with Rules of Procedure for our Boards of Directors.

Our governance system also includes the appointment of a Legal Director and Professional Conduct Officer; there is also a Professional Conduct Officer in every company, who ensures the ethics principles are applied and helps with their interpretation.

The Orabank group's management framework is built on two pillars:

- 1 The group Ethics Charter; and
- 2 The group's Code of Professional Conduct.

### A CODE OF PROFESSIONAL CONDUCT FOR THE GROUP

The Orabank group's Code of Professional Conduct was revised on 27 April 2015; it applies to all stakeholders (directors, executives, members of the management committees and all staff).

*To find out more about the policies, codes and charters, see p. 82.*

The following standards laid down at holding company level are implemented in all our subsidiaries and their branches, and are widely distributed in house:

- The Whistle-Blowing Policy adopted at the group's highest levels of decision-making, in force since the 2014 fiscal year;
- The procedure for declaring conflicts of interest, which every director undergoes before any in-depth discussion during Board of Directors meetings and is also used to handle ethical and professional conduct issues;
- The group AML/FT Manual, last revised on 27 April 2015, through which our ethics and professional conduct principles are distributed to our correspondent banks and customers;
- The gift-management policy.

#### Procurement procedure

To improve the quality of supplies and increase price transparency when contracts are being awarded, the group's senior management started, in 2016, to apply the new procurement procedure approved by the Board of Directors.

This procedure, available on the Intranet, has two aspects: purchasing of goods and services, and fixed assets. Any purchase for which the value of the contract exceeds CFA F100,000 must be put out to tender.

**All these standards make up a body of rules that provide an ethics and professional conduct framework for our decisions and actions. The group is continually running campaigns with the aim of distributing these standards as widely as possible internally, so that all employees, staff, managers and directors can genuinely take ownership of them.**

#### Performance

Key indicators	2014	2015	2016
Number of ethics incidents elevated to the Legal and Compliance divisions	Not declared		
% calls for tender subject to procurement procedures	79 %	80 %	85 %
% members of the Board with conflicts of interest.	Declarations are made individually for each issue on the agenda		

## 2.5 - Preventing corruption and money-laundering

GRI 205-01 à 205-03

#### Stratégie

**Orabank undertakes to apply anti-corruption and transparency policies to mechanisms for influencing the company and the responsibilities of its executives.**

#### Roll-out

As retail banks, Orabank companies are exposed to the risk of corruption, of money-laundering and of the financing of terrorism.

In the banking business, the group faces operational risk that could impact on its image and reputation, so we help our teams to take ownership of a culture founded on integrity and the combating of practices not tolerated by our group.

In the Orabank group, the Code of Professional Conduct covers the issue of preventing corruption and money-laundering, while the Ethics Charter also tackles the anti-corruption aspect.

#### Checking of customer and transaction details

The mechanism in place aims to detail the ways of identifying suspicious transactions, and to apply deterrent checking and monitoring rules.

The bank must not enter into deals or financial transactions with individuals or legal entities whose identity it does not know. Staff must remain vigilant about large cash deposits that cannot be explained by a known and verified economic activity. Likewise, any financial activities or structuring intended to maintain the customer's anonymity without economic explanation or reason is to be avoided. Money-laundering does not relate solely to cash deposits, but also to any technique thought to be intended to explain hidden sources of income, such as letters of credit, transfers, etc.

## The Orabank group's whistle-blowing policy

In 2014, the Orabank group implemented a whistle-blowing policy, to encourage the employees any stakeholders (shareholders, customers, suppliers, etc.) – the “whistle-blower” – to report any actions that could constitute serious breaches of the group's internal procedures and rules, and/or any criminal acts that could damage its reputation and interests.

This policy serves to:

- Enhance transparency and the system for combating practices damaging to its image and interests;
- Enable the reporting of serious violations;
- Reassure whistle-blowers who report potentially punishable acts in good faith that they can trust that they will have full protection against any reprisals.

The following non-exhaustive list gives some examples of serious and/or criminal violations. They include, in particular:

- Fraud;
- Corruption;
- Coercion;
- Collusion;
- Money-laundering;
- Financing of terrorism;
- Harassment and intimidation.

The document specifies the purpose of the Whistle-Blowing Policy, the protection for whistle-blowers, which people are covered, the annual review and the reporting.

Any Orabank employee or stakeholder (shareholder, customer, supplier, etc.) who becomes aware of actions which could constitute serious violations that could damage the group's reputation and interests is required to report them in writing to the following secure e-mail address, specially set up to receive **allegations: investigations@orabank.net**

Only the Group Audit Director and Group Human Resources Director can access these messages. Should the allegation relate to the Group Audit Director or Group Human Resources Director, messages will have to be sent to the following e-mail address: **investigations2@ orabank.net**. Only the CEO and Chair of the Board of Directors can access that mailbox.

## Whistle-blower protection

Any whistle-blower who has reported a serious violation or criminal act in good faith, in line with the procedures laid down in the policy, will enjoy Orabank's protection against any reprisals.

## Regulatory compliance – on-line banking app

Using the SBA banking app in use since 2012, anti-money laundering measures have been set up, such as real-time checking of blacklists when a new customer relationship is started and during transactions (withdrawals, transfers, etc.). We are developing a system for analysing customer profiles, so as to comply with AML/ KYC (anti-money laundering/know your customer) standards. We are training employees on AML/KYC and we have built regular audits into our practices.

## Performance

Key indicators	2014	2015	2016	2018
Number of people subject to international antic-corruption tests	-	-	20	
% transactions covered by anti-money laundering procedures	100 %	100 %	100 %	100 %

*To find out more about the policies, codes and charters, see p. 82.*



## 2.6 - Risk management



**Richmond KEDI,**  
Head of Credit Risk

**GRI 102-11, 102-30, 201-2, G4-FS2**

**“ With the bank now moving strongly towards internationalisation and modernisation, it is bolstering its risk culture. Credit risk is taken into account, just like anything**

**inherent to the bank’s operations; particularly important are operational risk, market risk and, increasingly, social and environmental risk.”**



### **Strategy**

**Orabank is committed to improving its system for identifying and managing risk relating to its operations.**

### **Roll-out**

Orabank is a civic-minded bank and we want to use risk management to further strengthen faith in the bank’s businesses. Implementation of a risk-management culture is enabling our account managers to assess our customers’ needs and better support them.

### **Our risk-management bodies**

The Risk Division seeks to manage credit risk, market risk and operational risk by contributing actively to:

- The setting-out of the Orabank group’s risk policy;
- The setting-up of a system for monitoring risk relating to credits, to financial trading and to operational risk;
- The setting-out and management of processes for making and monitoring commitments.

A number of committees help the Board of Directors, by ensuring that the overall risk strategy is adapted to the group’s risk profile, to the degree of risk aversion, to its systemic importance, to its size and to its financial capacity:

- **The Group Risk Committee (CORISQ);**
- **The Group Asset and Liability Management Committee (ALCO);**
- **The Level One Credit Committee (CPN)**
- **The Level Two Credit Committee (CSN)**
- **The Guarantee Review Committee**

Risk means uncertainty that the Orabank group’s objectives will be achieved and can be broken down into the following three main categories.

### **CREDIT AND COUNTERPARTY RISK**

Credit-risk management necessitates a robust process that enables the bank to pro-actively manage its credit portfolio, so as to minimise losses, for one thing, and to secure a return for its shareholders’ investment, for another. Against a backdrop of strong growth in its operations since 2012, Orabank has been continuously paying attention to credit-risk management.

The Group Risk Division performs preventive and continuous monitoring tasks in relation to credit risk. This preventive management consists of anticipating the impairment of credits and making the appropriate adjustments to them. Moreover, a credit-risk management policy manual sets out the overall credit-risk management policy within the Orabank group. The procedure for granting credits followed within the Orabank group is currently based on an individual approach, depending on the specifics and on customer needs, underpinned by two principles:

- Finding out enough information about the customer to evaluate her/his risk profile; and
  - The system of unanimous application approvals.
- The risk-hedging and mitigation policy is based on:
- First, the collection of collateral, backed up by security measures, such as direct debits, comfort letters and sureties;
  - Second, hedging by guarantee funds, for which the group has signed individual and/or hedging agreements with leading guarantors, which is mainly used for small and medium-sized enterprises (SMEs).

## MARKET AND BALANCE-SHEET RISK

The market-risk management system within the Orabank group is an element of compliance with the regulatory standards laid down by the supervisory authorities and the application of healthy market-risk management practices. The system has three main components:

- Limitation management;
- Management-indicator monitoring;
- Equity capital use in solvency terms.

The Orabank group ensures respect for the regulatory limitations laid down by the supervisory authorities in the countries where it operates:

- Limitations on the foreign exchange position by currency;
- Limitations on the overall foreign exchange position.

## INTERNAL OPERATIONAL RISK

The operational risk-management system in place at group level is intended to achieve the goals of:

- Identifying and measuring evaluation of operational risk;
- Managing risk and assessing checks;
- Managing and monitoring preventive and/or corrective measures against the major types of risk.

An operational risk-management policy was implemented in June 2017.

The production of a risk map covering the whole group is the first stage of the in-house system for measuring operational risk. The collection of risk events through the internal control system makes it possible to determine annual operational losses. Moreover, the operational risk linked to all banking operations is also combined with political, legal and image risk.

We finance investments that could have an impact on the environment and on populations. If the risks inherent to these activities are not managed, negative externalities will compromise the social acceptability of local companies' projects. The Orabank group needs to be vigilant and ensure that a precautionary principle is borne in mind at the stage of coming up with projects, for example by ensuring that the site is clean or has not been previously occupied by a company that buried chemicals.

## OUR RISK-MANAGEMENT TOOLS AND PROCESSES

Since 2015, our growth model has changed significantly and the Orabank group is incorporating the management standards of international banks:

- Orabank has a procedure that incorporates country-level risk-mapping and risk-management manuals;
- We also have the risk committees' quarterly reports; indicators for measuring various risk types have been put in place for calculating the portfolio level or the number of non-performing credits; risk reviews are monthly in the subsidiaries and quarterly in the parent company;

- We are developing IT tools to improve our risk-monitoring, particularly for credit risk;
- The group has a comprehensive risk-management tool (ERMAS) with internal rating modules for the company's customers, ALM and equity-capital management; after a central test, the tool will be rolled out to all group subsidiaries;
- In 2016, we introduced risk classification, which enables account managers and credit-risk analysts to debate risk assessments and the product approach for customers;
- We have launched a customer-satisfaction evaluation, a channel for understanding the quality of the dialogue between customers and account managers;
- As part of partnerships with development banks, customers will be offered risk-management training sessions.
- The Orabank group has put in place the Environmental and Social Risk-Management System (SYMRES). Environmental, social and governance (ESG) risk managed poorly by a customer could entail credit risk (e.g. default on repayment due to a strike), counterparty risk (e.g. polluted and devalued land as collateral), legal risk (legal action, penalties for regulatory non-compliance) and image risk (bad media coverage) for a financial institution. The Environmental and Social Risk-Management System (SYMRES) set up by the Orabank group is used for awarding financing and is intended to pick up on potential social and environmental risk relating to any new investment submitted to the bank. This analysis is carried out in addition to the classic investigation of economic and financial risk. ESG-risk management in the granting of medium-term credits therefore makes it possible to obtain a competitive advantage through the prevention of risk and losses, better knowledge and improved customer-monitoring. Following a diagnostic, Orabank identified the 14 specific risk types identified in the table below, broken down by country.

## ESG risk types

Governance
<ul style="list-style-type: none"><li>■ Breach of workers'-rights legislation</li><li>■ Breach of environmental legislation</li><li>■ Breach of banking licence or financial law</li><li>■ Corruption, collusion or dishonest practices</li></ul>
Social
<ul style="list-style-type: none"><li>■ Human-rights violation</li><li>■ Unacceptable working conditions</li><li>■ Health impact</li><li>■ Insufficient training</li><li>■ Failure to respect cultures and traditions</li></ul>
Environmental
<ul style="list-style-type: none"><li>■ Water consumption and pollution</li><li>■ Inadequate waste management</li><li>■ Landscape and biodiversity damage</li><li>■ Soil pollution and degradation</li><li>■ Energy consumption and air pollution</li></ul>



## EMERGING RISK TYPES

Orabank is increasingly vigilant about:

- New banking risk types not common in Africa;
- The nature and quality of documents exchanged with our customers who represent harmful legal risk.

## Business-continuity planning (BCP)

BCP is a procedure which ensures that services remain available and reliable, and that emergency measures are taken, in the event of a crisis, with a view to putting in place a restoration plan to ensure business continuity. BCP's central purpose is to reduce disruption to the group's operations. While human resources are a crucial element of continued operations, the availability of IT resources remains a vector for the stability and continuity of operations.

Accordingly, the group is in the process of putting in place business-continuity planning, for implementation by the end of 2017.

## Performance

Key indicators	2014	2015	2016
Number of people trained in the risk class	-	-	75



# 3 STAKEHOLDERS AND CSR ISSUES



## 3 - Stakeholders and CSR issues

### 3.1 - Stakeholder map



**Ndèye Bineta Delphine NDIAYE,**  
Communication Director

GRI 102-9, 102-12, 102-40, 102-42

**What the Orabank group wants is to develop trusting relationships that are both harmonious and lasting with the various partners with which we are called on to work**

Sustainable development is meeting the needs of the present without compromising future generations' ability to meet theirs. As a top-level economic agent, Orabank is aware of its share of the responsibility for current and future challenges.

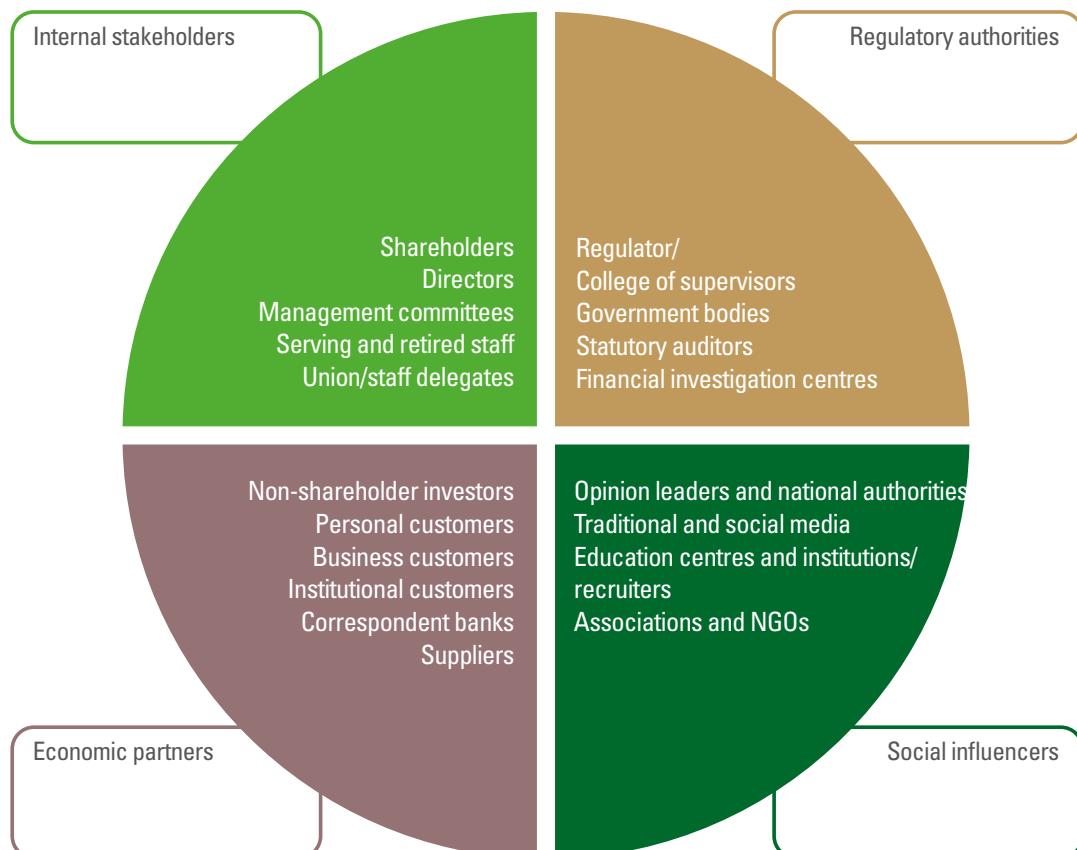
We are committed to an approach to social responsibility that enables us to play a role in the sustainable economic development of the countries where we operate, while ensuring Orabank's overall performance.

We incorporate the interests of our key stakeholders – shareholders, customers, national authorities, staff, regulators and civil society – and, at the same time, adopt a pragmatic approach to our business.

**in the context of our operations. We aim to offer responses adapted to their expectations.”**

The quality of the service that the Orabank group offers its customers depends on the women and men whom it employs, the commitment of the suppliers with which it works and, lastly, confidence in the offering of products and services offered to its customers, investors or other beneficiaries.

Orabank's business ecosystem includes a number of economic agents that contribute directly or indirectly to the company's overall performance.



## 3.2 - Our stakeholders' expectations

GRI 102-21, 102-34, 102-41, 102-43, 102-44, G4-FS5

Dialogue with its stakeholders is the key to Orabank's lasting growth. For several years, the group has been looking after relations with its ecosystem of stakeholders. The experience of that dialogue makes it possible, in particular, to better identify challenges, and social, environmental or economic risk. In fact, continued observation of the changing expectations, needs and constraints of civil society fosters better mutual understanding.

The benefits derived from this are better risk and conflict prevention, and adaptation of the group's guidelines to a world that is evolving, in social, technological and institutional terms.

Continuous dialogue with stakeholders makes it possible to ensure that the most material challenges are properly identified, and that steps are taken to reduce the group's negative impacts and to develop value-creation opportunities in these areas.

	Categories	Stakeholder expectations	Orabank dialogue methods
INTERNAL STAKEHOLDERS	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Directors</li> <li>Management committees</li> <li>Serving and retired staff</li> <li>Union/staff delegates</li> </ul>	<ul style="list-style-type: none"> <li>Respect for strategic decisions/good governance</li> <li>Profitability</li> <li>Good governance</li> <li>Cross-cutting communication/target attainment</li> <li>Favourable working conditions and well-being/ recognition and professional fulfilment/equality of treatment/ fair remuneration/assistance</li> <li>Company-union dialogue/respect for labour rights</li> <li>Mutual social support and staff fulfilment</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>General meetings (O and E)</li> <li>Annual report</li> <li>Press articles (notifications)</li> <li>Directors' web platform</li> <li>Periodic Board-committee meetings</li> <li>Management committee-meeting minutes</li> <li>Specialist committee-meeting minutes</li> <li>Regular meetings (weekly)/e-mail/website/text messages/posters/in-house newspaper</li> <li>Town halls</li> <li>Collective bargaining agreements (groups of banks and in-house)</li> <li>e-mails, letters, etc.</li> </ul>
	<b>ECONOMIC PARTNERS</b> <ul style="list-style-type: none"> <li>Non-shareholder investors</li> <li>Personal customers</li> <li>Business customers</li> <li>Institutional clients</li> <li>Correspondent banks</li> <li>Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Transparency and profitability</li> <li>Good governance</li> <li>Service personalisation/transparent pricing/products and services adapted to their specific needs/support with and advice on their growth</li> <li>Compliance and transparency</li> <li>Settlement deadlines</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Website</li> <li>E-mails/letters/text messages/reporting/communication media</li> <li>Advertising and phone campaigns</li> <li>Street marketing</li> <li>Questionnaires</li> <li>Social media campaigns (Facebook, Instagram, etc.)</li> <li>Meetings in branch or in event spaces</li> <li>Annual report/visits from bank partners</li> <li>Comfort letter</li> <li>Complaints on social media</li> </ul>
	<b>REGULATION AUTHORITIES</b> <ul style="list-style-type: none"> <li>Regulator/ college of supervisors</li> <li>Government bodies</li> <li>Statutory auditors</li> <li>Financial investigation centres</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance and meeting standards</li> <li>Transparency</li> <li>Wealth creation (development of the local economy – wealth and direct and indirect job creation)</li> <li>Wealth redistribution (taxes and duties)</li> <li>Combating unethical practices</li> <li>Working well together/approaching sensitive issues with sense of partnership and solidarity</li> <li>Good governance and preventive risk management</li> <li>Authenticity and reliability of the reporting of communicated information</li> </ul>	<ul style="list-style-type: none"> <li>Reporting</li> <li>Notification of meetings</li> <li>Audit assignments and reports</li> <li>Official publications</li> <li>Training sessions organised by the central bank</li> </ul>
EXTERNAL STAKEHOLDERS	<b>SOCIAL INFLUENCERS</b> <ul style="list-style-type: none"> <li>Opinion leaders and national authorities</li> <li>Traditional and social media</li> <li>Education centres and institutions/recruiters</li> <li>Associations and NGOs</li> </ul>	<ul style="list-style-type: none"> <li>Respect for traditions, heritage and culture</li> <li>Transparency on the company's financial health and news</li> <li>Company:</li> <li>Social issues (politics and religion)</li> <li>Support and solidarity/help</li> <li>Transparent information on products and services</li> <li>Intermediation with consumers</li> <li>Respect for commitments to civil society</li> </ul>	<ul style="list-style-type: none"> <li>Town crier (night-time)</li> <li>Griot (appointed spokesperson)</li> <li>Delegation set up to communicate</li> <li>Presenting local radio broadcasts</li> <li>Press conferences</li> <li>Responses to social media messages</li> <li>Partnership requests and protocols</li> <li>Public campaigns</li> </ul>

### 3.3 - Relevant issues (materiality)

GRI 102-47, 103-01

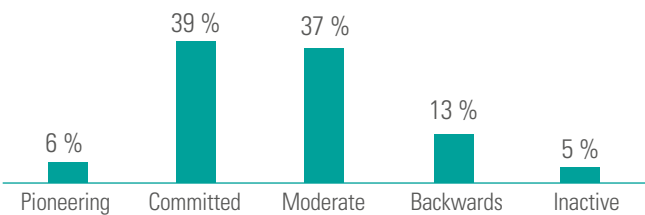
In May 2017, Orabank conducted a materiality analysis to put the group’s most strategic challenges into perspective.

To draw up this map of CSR issues, the group followed the Global Reporting Initiative (GRI) guidelines. Material issues are “those that may reasonably be considered important for reflecting the organization’s economic, environmental and social impacts, or influencing the decisions of stakeholders”. A seminar was held for the Heads of Communication from all 12 West and Central African countries where we operate. Forecasts were produced to identify the issues significant for Orabank as regards stakeholder expectations.

The senior management then pre-prioritised 25 of the 60 issues identified as important for Orabank. The CEOs were also asked to say what they considered the key issues for the group’s development.

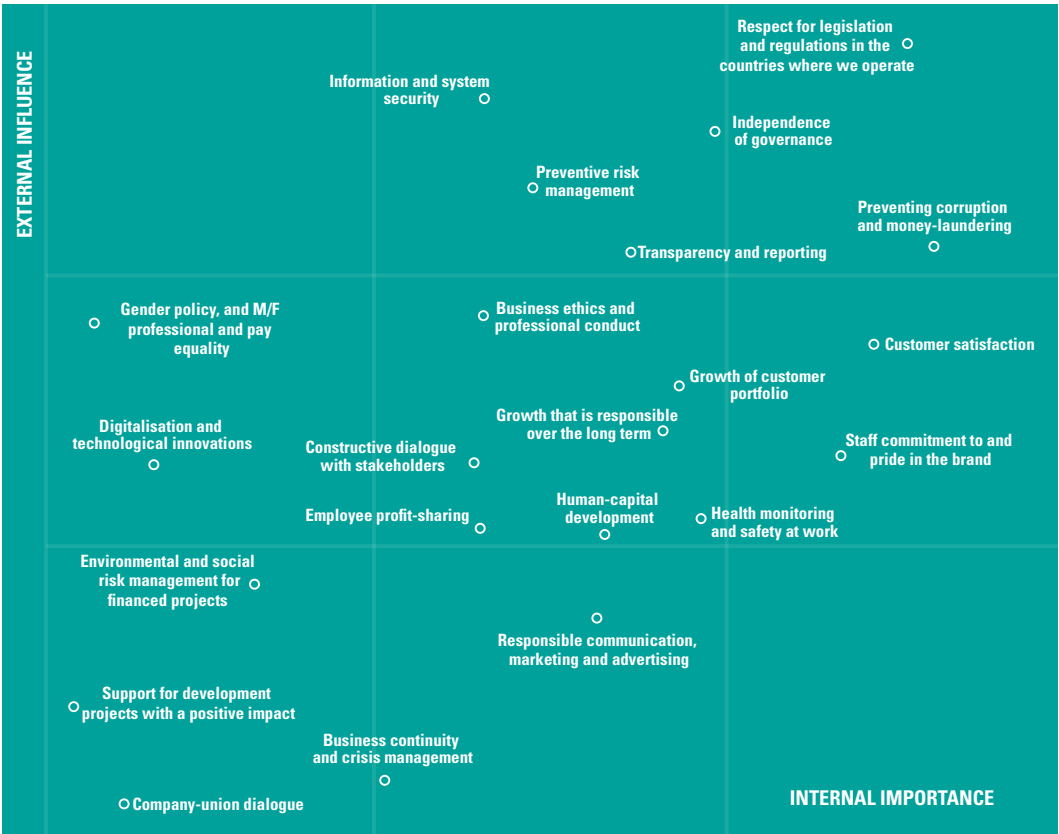
To broaden the scope of the consultation to all stakeholders, Orabank invited 2,300 key stakeholders, and internal or external partners to complete an on-line survey. The survey was open for three weeks and the results shed some light on the expected strategic orientations.

**The survey highlighted that 45% of them considered Orabank either “pioneering” or “committed” as regards social responsibility, while 37% considered it “moderate”.**



The stakeholders expressed their views on the 25 most relevant issues, by prioritising them. Orabank’s materiality matrix makes it possible to understand the stakeholders’ key expectations and the issues on which its strategy should be based.

#### THE ORABANK GROUP’S MATERIALITY MATRIX



# 4 VALUE CREATION



## 4 - Value Creation

Several types of capital contribute to our value creation

The goals of the Orabank group's 2016-2018 three-year strategy

1. Building an integrated group that shares a common vision and values

2. Investing in strong growth, while keeping expenditures under control

3. Enhancing risk management

4. Mobilising sufficient resources at competitive costs and buttressing the group's financial solidity

The Orabank group's three-year strategy breaks down into goals and actions, depending on the issues most important to our stakeholders



### Governance

(compliance, ethics, anti-corruption and money-laundering, risk management)

#### Human capital

- Attraction and retention of talent
- Human-capital development
- Human capital
- Occupational hygiene, health and safety
- Company-union dialogue
- Gender policy, and M/F professional and pay equality
- Staff performance and commitment

#### Financial capital

- Growth that is responsible over the long term

#### Intellectual capital

- Operational efficiency and excellence
- Information and system security
- Digitalisation and technological innovations

#### Social capital

- Growth of customer portfolio
- Customer satisfaction
- Approach of commitment to stakeholders

#### Natural capital

- Combating climate change

## 4.1 - Financial capital

### Our responsibility

GRI 102-29, 203-1



**Maïmouna WALLAH**,  
Administrative and Finance Director

**“One of the goals of our three-year strategy is to enhance our ability to mobilise financial resources to buttress our growth**

#### **Strategy**

**The Orabank group is aiming for an ROE ratio of > 20% and a ROA ratio > 2% for each subsidiary over the long term.**

#### **Roll-out**

Financial capital represents our ability to mobilise financial resources, either from our shareholders and investors, or through structured finance trading. It also represents our ability to access sustainable resources that can ensure the creation of jobs to meet our customers' varied needs.

Our 2016-2018 strategic plan is entitled “Consolidation and Efficiency” and consists of, among other challenges, bolstering our group's financial solidity. We are putting in place clear indicators for the expected performances of the 2016-2018 strategic plan (market share, resources and appropriations, solvency ratio, ROA, ROE and operating ratio).

To ensure the stability and development of the group's economic performance, Orabank is adapting its policies and procedures: improved operating efficiency, revenue growth, operating cost management, process-based management, and investments in product and service innovation and diversification. In the context of our three-year strategy, we have set goals to achieve by 2018, part of which comprise the following:

- Mobilising over CFA F100 billion, in the form of long-term resources;
- Drawing up and implementing a plan for bolstering subsidiaries' equity capital, in anticipation of new regulatory requirements;
- Drawing up and implementing a strategy for optimising deposit inflow;
- Signing partnership deals with top-level insurance companies for developing bancassurance products;
- Signing strategic partnership deals with development finance institutions, to increase our thematic financing;



**Serge MIAN**,  
Investor and Partner Relations  
Director

**and respond to the challenges of new regulatory requirements.”**

- Drawing up and implementing a medium-term plan for mobilising resources on regional and international financial markets.

The other element is that we are also seeking to improve our financial communication, by ensuring that we distribute high-quality financial information. Orabank's staff make their credit expertise and experience available to our customers, offering them a framework of training on the risks run in their operations and on their optimal choices for best structuring and using their resources.

In that way, we contribute to reducing the pressure on our customers' cash flow, thereby improving their financial well-being.

Publication of this integrated report demonstrates our desire for greater transparency towards our financial partners and towards stakeholders in the Orabank group.

Orabank undertakes to exercise its social and environmental responsibility in the context of developing its operations and customer relations. Orabank is careful not to increase the harmful social impacts derived from growing the range of products and services it offers its customers, without taking account of their financial capacity and their cash-flow situation. Orabank also wants to share the effects of growth with its stakeholders.

Our development involves responsible growth that is sustainable over the long term, to ensure redistribution of the value created by the Orabank group to all our stakeholders. We are also determined to be a leading player in contributing effectively and sustainably to African economic growth.

#### **FINANCIAL CAPITAL:**

Our target by 2018 and 2 priority areas

To achieve a solvency ratio > 12%, ROE > 20% and ROA > 2% per subsidiary

Growth that is responsible over the long term

# Key financial figures

GRI G4-FS6

consolidated ORABANK Group <i>CFA F Million</i>	2014	2015	2016	Change 2015/2016
<b>Net interest income</b>	<b>81,484</b>	<b>94,213</b>	<b>102,036</b>	<b>8 %</b>
Overheads	-51,536	-64,176	-65,560	2 %
<b>Gross operating earnings</b>	<b>29,948</b>	<b>30,037</b>	<b>36,476</b>	<b>21 %</b>
Net cost risk	-20,272	-17,047	-11,455	-33 %
<b>Pre-tax earnings</b>	<b>9,676</b>	<b>13,083</b>	<b>25,019</b>	<b>91 %</b>
Crédits to customers	787,045	905,248	981,257	8 %
Customer deposits	832,117	952,397	1,059,856	11 %
Balance -sheet total	1,238,285	1,492,923	1,637,498	10 %

Efficiency ratios	2014	2015	2016
Solvency ratio	14 %	13 %	13 %
Return to equity (ROE)	7 %	8 %	14 %
Return on asset (ROA)	1%	1%	1%
Loan-to-deposit (Crédits/dépôts)	95 %	95 %	93 %
Operating ratio	63 %	68 %	64 %
Return in human capital (NII/Staff member)	55	58	60



# Growth that is responsible over the long term



**Sylvestre MANG,**  
Head of Structured Finance

GRI 102-33

**“Orabank’s strategic goal is to become the leading structured finance player in the sub region, which would enable it to effectively help companies to structure large-**

**scale transactions in the targeted sectors (renewables, infrastructure, telecommunication and transport).”**

## **Strategy**

**Orabank wants to position itself as the leading structured finance player in the banking community.**

## **Roll-out**

This financing, known as “specialist”, is used for infrastructure (bridges, roads, deep-water ports, transport hubs, telecommunication installations, etc.), energy (gas and renewables), assets (railway, tracks and maritime) and natural resources (oil extraction). The principle of financing projects rests on the cash flow released by the medium- and long-term operation of assets once they have been built, offering highly predictable revenues.

## **Structured finance approach**

The purpose is to meet our customers’ specific needs, such as:

1. The need for a significant amount of financing, > CFA F2 billion;
2. Longer loan maturity (7 to 15 years, on average);
3. The possibility of taking agreed financing off their balance sheets;
4. Limited-recourse financing.

In view of the large sums requested and the loan maturities of specialist financing, the Orabank group will syndicate the financing that it makes available, either internally, by calling on its subsidiaries, or externally, by requesting financing from partner banks.

An established procedure serves as a frame of reference for everyone involved in issuing and managing loans syndicated by the Orabank group or another financial institution.

It must be stressed that the sums involved in structured financing are generally considerable. The maturity cycle is much longer than for classic credits.

The bank normally lends over a five- to seven-year term; the repayment term for structured financing projects generally exceeds seven years, sometimes up to 14.

We build a long-term relationship with our partner customers, offering them personalised support to meet their medium- and long-term needs.

## **Stages of a structured finance project**

**A.** Idea stage: the Orabank subsidiary carries out due diligence to ensure that the proposed project will meet the financial requirements for repayments to be made during the loan term.

**B.** Construction stage: this takes place once the funds have been made available by those contributing equity (sponsors) and by the lending banks.

**C.** Operational stage: the financed asset is run. It can then generate cash flow, meaning the loan can be paid back.

The following are the characteristics of Orabank’s positioning.

### **1. Great agility**

This sort of financing requires time to put in place, depending on the parties involved. Our bank is expanding fast and we have developed an agile and responsive process.

### **2. Strong positioning on renewables**

We are developing expertise on projects that have a strong economic impact, but also have an environmental and social aspect that has been researched over the long term. We want to support low-carbon projects.

On the basis of a survey that is in line with the Orabank group’s CSR strategy, we systematically use our SYMRES tool to analyse all deals.



## BEST PRACTICE IN TOGO

Our mission as a bank contributes directly to the economic development of our continent. Our bank has provided much of the financing for a range of infrastructure projects in Togo. In particular, the road networks have been rebuilt, both in Lomé, the capital, and in the country's hinterland. We backed the majority of the construction and civil engineering firms that took on these public contracts. Today, this progress with the country's infrastructure has enabled frictionless commercial and logistical relationships. Togo actually represents a port of entry for landlocked countries – Niger and Burkina Faso – and those access roads have made trade and economic integration easier.

## Performance

Key indicators	2014	2015	2016	2018
Volume of structured financing packages approved (CFA F million)	50 000	65 000	84 000	150 000



## 4.2 - Human capital

### Our responsibility



**Sandrine GALY,**  
Human Resources Director

**GRI 102-25, 102-29, 102-33**

**“Orabank’s strength is that we have staff who are committed, motivated and proud of working for the bank. We have grown through successive mergers and the regular incorporation**

**of new staff under the best possible conditions has always been a concern.”**

#### Strategy

**Orabank is committed to being an attractive group that retains the best talent and is recognised as being in the top 25% of banks in our markets for offer the best working conditions and remuneration.**

#### Roll-out

Our human capital has the aptitudes, skills, qualifications, experience and other qualities that boost human resources’ productivity and personal, social and economic well-being.

Drawing on its experiences in the various countries in which it has operated since its beginnings in 1988, the Orabank group now nurtures grand ambitions and aspires to set the standard in all areas relating to human capital.

Our philosophy for managing human capital is based on the responsibility and mutual respect of all those who make up the group. We must strive to create a motivating and dynamic working environment, while respecting convention, and the legislation and regulations in force.

Orabank is committed to developing a corporate culture founded on promoting talent, champions in every one of the countries where we operate, team spirit and the dissemination of best practice.

The group commits to:

- Respecting the legal framework for working, i.e. all legal texts governing labour relations (Labour Code, collective bargaining agreements, country-specific agreements, etc.);
- Ensuring a healthy working environment suitable for developing professional skills, and the professional and personal fulfilment of all staff;
- Taking any appropriate steps in relation to employees’ benefits and their safety in the workplace;
- Striving to protect employees’ work/life balance;

- Instituting a constructive climate in the workplace that enables all employees to stay on good terms (colleagues, line managers, etc.).

More generally, the group has set itself the target of respecting the principles laid down by the key International Labour Organisation (ILO) conventions, not least the Forced Labour Convention, the Minimum Age Conventions, the Worst Forms of Child Labour Convention, the Discrimination (Employment and Occupation) Convention, the Equal Remuneration Convention, the Freedom of Association and Protection of the Right to Organise Convention, and the Right to Organise and Collective Bargaining Convention.

In return, the group expects its staff to:

- Demonstrate the utmost integrity and avoid any conflicts of interest;
- Comply with the legislation and regulations in force in all the countries where the group operates, and behave irreproachably;
- Strive for and cultivate excellence in the performance of their duties;
- Put into practice all the requirements of the group’s Code of Professional Conduct, its CSR policy and its anti-money laundering/financing of terrorism policy;
- Avoid damaging the bank’s image and interests with their behaviour and activities outside work.

Since human capital is the organisation’s key resource, it is important to ensure that it be managed consistently, rigorously and fairly. To that end, the Orabank group has set up a Human Resources and Remuneration Committee in each of its companies: holding company and subsidiaries. Our group has launched a policy of improving and strengthening its position in each of the markets in which it operates.

In a highly competitive market, that target can only be achieved through a coherent strategic approach. This approach has been developed in the holding company's 2016-2018 strategic action plan, and entails a range of goals to pursue in terms of HR development across the entire group. We are also experiencing very strong growth and the challenge we face is to consolidate our own business. We have put in place a manual procedures and human-resources policies, and we have rolled out an integrated HR-management IT package. It is a very high-performance tool for pay, training management and skills management; HR staff have been trained in its use.

## Orabank's human capital

Orabank's strength is that we have staff who are very committed, are very motivated and are all proud of working for the bank. The integration of staff who have joined as a result of mergers required adaptability; we have to remain very agile and maintain our dynamic mind-set. During our mergers, we made a very strong commitment to our investors: not to have any negative impact on the staff. We want to make human capital one of the factors that boosts our group's performance. We will carry on modernising the management of our human capital and we must, to the greatest extent possible, bring staff's aspirations into line with the group's strategy and goals.

## Recruitment at Orabank

Within the group, recruitment policy is intended to equip the various companies with motivated human resources who are qualified to foster internal mobility, while respecting recruitment and employment regulations.

We expect future staff to sign up to all our values: people-focused, committed and bold. We have very clear procedures and an in-house recruitment charter to ensure harmonisation of our practices in all 12 of the countries where we operate. Our recruitment processes offer a robust common platform and we place particular emphasis on new staff having suitable skills and experience.

We are now implementing an onboarding period throughout the group. The plan varies from post to post, but all management positions, CEOs, deputy CEOs and members of management committees now serve an onboarding period, so that they can meet the various directors, understand their duties, and absorb the various manuals and procedures, and so that each of them can

be fully equipped when they leave for the country to which they have been assigned. The purpose is to push each subsidiary to adopt the group's best practices, so that they can trickle down to every level of responsibility locally.

## Outsourcing and external staff

The main outsourced activities remain those relating to guards on duty, camera surveillance, cleaning and external maintenance. Given the growing lack of security in some of the countries where we operate, we have bolstered our security-guard operations by adding armed police and soldiers made available by national authorities to the staff.

## Advances in 2016

In 2016, a new roadmap for the Human Resources Division was drawn up and implemented. The strategy set out both followed on from the work done since 2014 on developing human capital, but also incorporated a new "2018 vision", which has enabled the speeding-up of projects of great benefit to the group and to all of our staff. We are aiming to enhance all HR-management processes at every stage of an employee's professional life.

In September 2016, the Group Human Resources Division started to implement a human resources information system (HRIS) called SAGE X3 PEOPLE. It is a software tool based on the technology and expertise acquired about Sage's range of ERP products. It is a multi-functional, multi-company, multi-legislation tool designed to play a role in better human-capital management.

Initially, this tool will be exclusively for the pay and human-resources teams, but it will eventually be possible for managers to use it for day-to-day running of some shared areas, such as leave managers, evaluations, etc. It will eventually enable teams to conduct better management of their performance indicators because it will be possible to identify and automate balanced scorecards, both for the group and for all the subsidiaries. After a period of training with the HRIS, it went into production in January 2017.

### HUMAN CAPITAL:

Our target by 2018 and 6 priority areas

To be an attractive group that retains the best talent and is recognised as being in the top 25% of banks in our markets for offering the best working conditions and remuneration.

Attraction and retention of talent

Human-capital development

Occupational hygiene, health and safety

Company-union dialogue

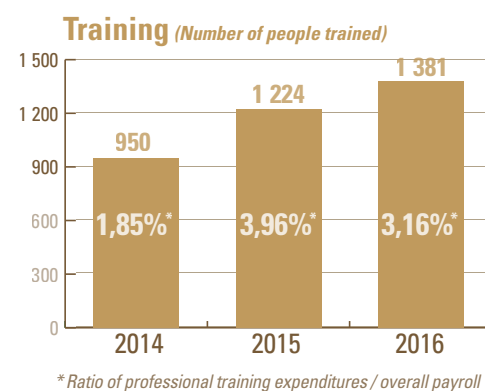
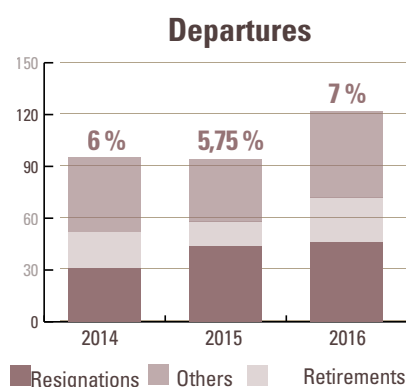
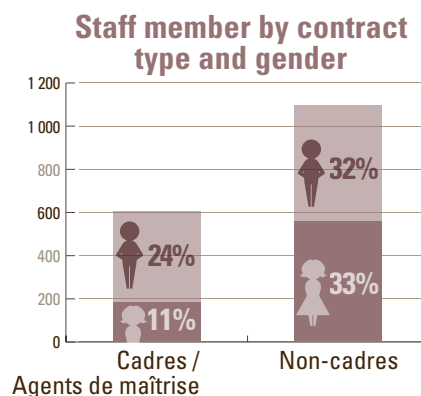
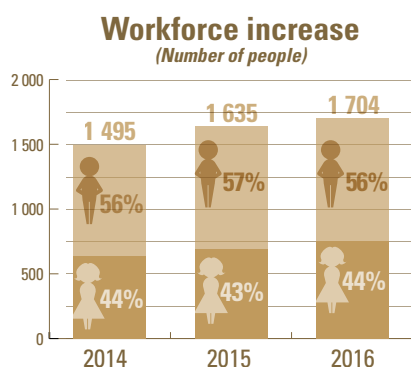
Gender policy, and male/female professional and pay equality

Staff performance and commitment

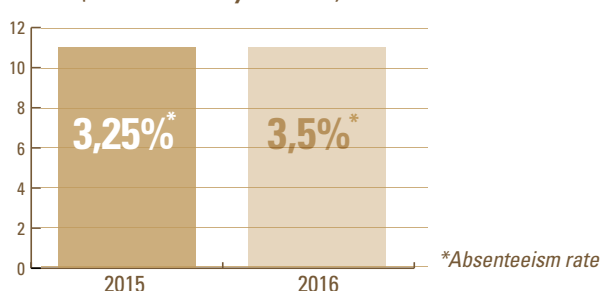


# Key staff-related figures

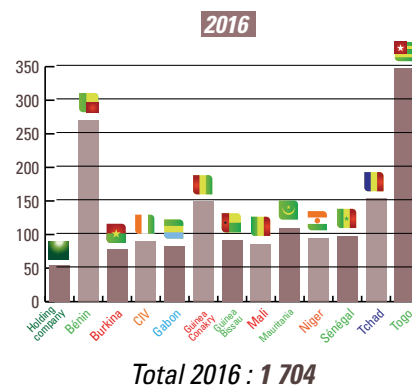
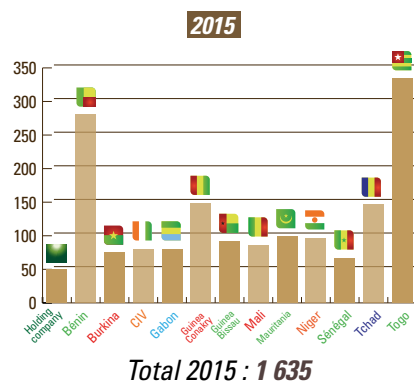
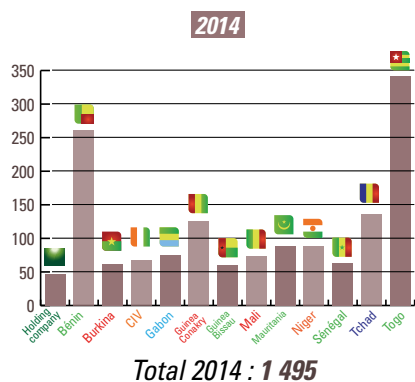
GRI 102-8, 102-35, 102-38, 401-01



## Health, safety and well-being



## Distribution of staff by country





# Attraction and retention of talent

GRI 103-02, 103-03

## Strategy

**The Orabank group wants to attract talents to its subsidiaries, to retain them and to support them in their careers.**

## Roll-out

We are a young group that is growing quickly, where there are major opportunities for ambitious projects and job creation. Our challenge is to develop our staff's skills, manage their talents and ensure that they feel happy at Orabank, regardless of remuneration.

We aim to offer attractive working conditions, development plans and possible progression. In today's competitive marketplace, the challenge is to develop skills and promote an HR and employee-relations policy based on a range of factors, including occupational well-being.

Aware of the importance of the onboarding period for employees' success within the institution, the Orabank group is committed to offering the most effective route possible towards integration. This route is intended to enable new arrivals to feel welcome and confident in their new working environment. That period makes it possible for them to use the scheduled meetings familiarise themselves more quickly with how the company operates, with the practices and policies to follow, and with all the staff.

## Identifying and developing talent within the group

The approach to management culture adopted by the group makes it possible to identify and support talented individuals within the subsidiaries. This means that staff identified on the basis of clear and objective criteria may be offered in-house training more specific to their needs, and internal mobility proposals that match the direction of their development.

Internal mobility makes it possible to retain the best-performing staff; where skills are identical, internal candidates must be prioritised. Where a post is vacant, the internal search for candidates is prioritised.

## Talent management

We have launched a review of talent and we are assessing individuals' ability to retain posts, and their development potential and needs.

- The first talent-management programme was launched in partnership with the business school HEC Paris in May 2016, at Lomé's Sarakawa Hotel.

The programme should enable the group to achieve three main goals:

1. Developing human capital to ensure that it matches the skill- sets required to accompany the strategy;
2. Setting up a recruiting pool for highly qualified managers available in-house for mobility and expansion needs;
3. Successfully retaining talent by offering individuals the chance to take part in their own career development.

- Following a 360° evaluation conducted with the firm Human Invest, complemented with the results of annual evaluations and with agreement of the general divisions, of both the holding company and subsidiaries, and of the functional divisions, we put together our first group of 16 people, mainly drawn from the management committees. This programme is intended to prepare executives to more effectively take up and remain in posts with wider responsibilities, whether offered through horizontal, vertical or geographic mobility.

- By the end of 2017, the Group Human Resources Division has the project of organising a career-specific committee (2016 performance review, cold feedback from training staff, individual progress reports) and of putting in place immediate individual development plans.

## Preparing for new needs

Given the bank's competitive environment, groups need specialised candidates to maintain their operating and innovation capacities, and their R&D performance.

The group has technical or specialist needs with specific features in relation to IT and electronic payments (information-system and e-banking specialists). In line with our project to create a trading room in Togo and our need for traders, we need to plan for incorporating new candidate types. For other posts, we are opting for more multi-talented individuals, and we are suggesting internal mobility, incorporating good support, coaching and training; that should enable us to fill some posts in this way.

## Intern policy

Our intern policy is intended to ensure that their work is high quality and is checked by someone more senior. It will be applied in 2017; partnership deals have been signed with the best schools, with a view to creating a pool of skills, and to training the best interns and keeping them in-house.

Key indicators	2014	2015	2016	2018
Highest-rated staff retention rate	-	-	-	98 %
Number of interns	1,060	952	828	

## Strategy

**The Orabank group wants to boost its staff's skills to prepare them for the changes to the roles within the bank.**

## Roll-out

In view of the numerous challenges in the banking sector, developing and enhancing staff's skills have been Orabank priorities for a number of years. The selected training programmes must meet individual and group needs, while remaining linked to the group's strategy and customer expectations.

The group is committed to a review of training plans, the rationalisation of the associated budgets and alignment with the needs for implementing the development strategy. Training plans are drawn up at the level of each subsidiary and then shared with the Group Human Resources Division. Depending on the programmes selected, training is organised internally or externally, with the support of partner bodies, and put out for tender.

The majority of needs covered correspond to operational or technical training, but it is increasingly moving in the direction of cross-cutting topics: management and leadership; risk management and culture; regulatory, legal, governance- and CSR-related changes; or personal development.

In 2016, the Group Human Resources Division started a huge manager-training programme on enhancing our management and leadership skills.

- A budget of 5% of payroll is allocated to training. Within that envelope, part is left to the country-level Human Resources Division for running certain training programmes (individual or office). The holding company also offers cross-cutting training plans.

- The group wants to set up an Orabank academy, which will have the goal of forging a strong corporate culture and of harmonising skills development for our human capital, in line with the needs of the posts required to ensure growth.

- Every year, the group chooses one or two themes for centralised training courses. For two years, we have been working on team-building and management programmes. In 2016, our training programme covered risk and was followed by the Risk Division and by the account managers.

## Skills-development programmes launched

- In 2016, to ensure that management personnel's skills were a good match with the organisation's needs and strategy, group executives were evaluated with the help of an outside firm. Areas for development were identified and training programmes were started from late 2016 on the subject of "Increasing the leadership and managerial skills of Orabank's management committees". That course was taken by 102 managers in 2016.

- In 2017, the management report will be presented to the Board of Directors and individual training plans will be suggested to fit with each one's development plan.

- A training programme on credit-risk management has been set up within the group, featuring a three-level risk class. In 2016, three sessions were held in Abidjan, Dakar and Lomé, attended by 70 people.

- Banking training courses leading to a qualification were held to improve the success rate in the ITB qualification (target of 85% throughout the group).

- At-workstation training courses were organised in-house at the subsidiaries; they are less costly and better-adapted to the technical requirements.

- The holding company has also played an active role in training programmes aimed at the subsidiaries:

- Human-resources development and management;
- Incorporating social media into digital communication;
- SBA (new bank operating system);
- IFRS;
- AML/FT regulations within the UEMOA area;
- Financing of international trade;
- Audit manual;
- Basel II/III;
- Subsidiaries' key market;
- Financing of renewables by SUNREF;
- Electronic payments;
- Launch, in May 2016, in Lomé, of the first talent-management programme, in partnership with the business school HEC Paris.

## Performance

Key performance indicators	2014	2015	2016	2018
% employees who have received training	63,5 %	78,2 %	81 %	100 %
% professional training expenditures / overall payroll	3,86 %	3,96 %	3,15 %	5 %
Success rate with banking training leading to a qualification	74 %	74 %	66,67 %	85 %
% plan implementation and budget out-turn	-	96,10 %	68,62 %	80 %
Rate of post/candidate suitability	-	-	-	100 %

# Occupational hygiene, health and safety

GRI 403-01 à 403-03

## Strategy

**Orabank is committed to offering solutions to preserve its staff's health and well-being.**

## Roll-out

The Orabank group is rolling out policies and processes that encourage staff to be and stay fit, and protect their safety and well-being, by limiting and reducing occupational risk in their working environment. We strive to prevent the harmful health effects of working conditions, particularly by adapting the working environment to staff's physical and psychological needs, and by managing stress and work/life balance.

Pressure, from the feeling of needing to meet customers' expectations quickly and from digital media, reinforces the sense of urgency relating to requests, which can be a source of stress. Our high staff-retention level, especially for core functions, shows that we have a nice, calm working environment. That leads to productivity and we are aware that we need to pay attention to some sensitive posts. Some function classes, particularly back-office ones, are tiring because of the repetitiveness of the tasks.

## Absenteeism rate

The group absenteeism rate remains stable and we have not noticed any particular deterioration, inasmuch as working and conducting checks alongside the company doctors seems to be showing good results over time.

The main reasons for absence are illness, personal matters and the conventional authorised absences (marriage, birth, bereavement, etc.).

## Occupational health and safety committees (OHSCs)

There are occupational hygiene, health and safety committees in each of our banks. The role of the OHSC depends on national regulations, but they usually:

- Contribute to protecting employees' health and safety, and to improving their working conditions;
- Ensure that all occupational hygiene, health and safety legislation and regulations are followed;
- Participate in preventing occupational risk, through awareness-raising and/or information campaigns;
- Analyse the circumstances and causes of workplace accidents and occupational illnesses.

Each committee holds a quarterly meeting, the minutes from which is sent to the holding company, for follow-up on its programmes.

Their future work should help the human-resources teams to better understand the reasons for absenteeism broken down by country, so as to ensure that any preventive and corrective steps are effective (doctor's advice, organisation, workload, etc.).

## OHSC best practice

- In Benin, since 2011, the OHSC has been working on four main programmes: hiring a sports teacher to offer volunteers twice-weekly sessions, setting up a cell as part of the plan for emergency response in the event of violence in the workplace, updating the emergency-response plan (particularly fire safety) and improving vaccine cover for employees.
- There is also an OHSC in Togo and, in 2016, it worked on improving working conditions by expanding head office and all the renovations essential for reorganising offices.
- In Côte d'Ivoire, the OHSC's programmes are based on steps to improve working condition and workspaces (refurbishment of the toilets, the canteen, etc.), and on a company doctor starting to look after the staff.
- In Burkina Faso, an application was made in 2016 to create its in-house OHSC.

## Well-being in the workplace

The Orabank group is concerned for the well-being of its human capital, so it is committed to taking measures to encourage fulfilment and work/life balance among its employees, by:

- Respecting staff's breaks;
- Obliging staff to take their administrative leave every year;
- Respecting and granting planned leave for family events;
- Organising and sponsoring recreational activities, and events for employees and their families, to encourage relaxation, team spirit and friendship between employees.

The group tries to encourage staff to stay on good terms with each other, and to foster an environment suitable for teamwork that encourages staff to do their best.

## Performance

	2014	2015	2016
Absenteeism rate	-	3,25 %	3,5 %
Safety incidents	11	11	11
Un-worked days	-	379	136

\*Safety incidents essentially relate to travel and traffic for drivers.

**Strategy**  
**Orabank is committed to being a responsible bank that encourages listening and company-union dialogue.**

**Roll-out**  
Respect, listening to staff and representative bodies are among the ideas backed by the senior management and Human Resources Division.  
We are rolling out policies and processes that ensure the independence of employer/employee representatives for negotiation, consultation and debates on issues of common interest.

Throughout the group, company-union dialogue is active and constructive, with each subsidiary holding regular dialogue between management and employees on the important issues of company life. Demands relate essentially to remuneration (wages, benefits, staff loans, etc.) and working conditions (space issues on premises, team organisation, etc.).

**Professional and collective relationships**  
There are staff delegates in every one of the banks, serving terms of one to three years, depending on local legislation. On the whole, company-union dialogue remains cordial, and conducted through supported and constructive exchanges.

That dialogue involves, not just regular meetings with senior management and the Human Resources Division, but also jointly organised volunteering and charitable events, and support for projects relating to education and sport, among other things.

**Relations with similar bodies**  
We have staff delegates and occupational health and safety committees (OHSCs) in every country. They still have not been appointed in two countries, but that will be happening in 2017. In general, company-union dialogue is good quality, and we maintain an open and constructive dialogue with similar bodies.

The banking unions have a strong presence in the bank and they negotiate collective bargaining agreements. The conditions that we offer are generally better than industry standard.

**Relations with other organisations**  
Apart from the statutory bodies, we work with recruitment firms and set up partnerships with schools. For example, we have set up a programme for talented individuals with the business school HEC Paris.  
Our external partners are training bodies, schools and recruitment firms.  
This partnership approach enables us to grow our HR expertise, so as to offer our staff programmes and solutions that are increasingly innovative and beneficial to their well-being.

Performance

Key indicators	2014	2015	2016	2018
Meetings between senior management and staff delegates	At least 6 per year*			

*\*or in accordance with the collective bargaining agreements*





# Gender policy, and male/female professional and pay equality

GRI 102-35, 102-36, 405-01, 405-02, 406-01

## Strategy

**Orabank wants to ensure that women and men are treated equally and fairly.**

## Roll-out

Our gender policy is based on one key principle: developing each individual, while respecting all differences. Diversity is a crucial factor in a company's performance. It is a case of considering each individual, with her or his differences from others, as an asset. We therefore try to promote and highlight individual differences, and turn them into one of the strengths of our teams.

The Orabank group ascribes a great deal of importance to equality between women and men in the workplace. None of our policies (recruitment, promotion, mobility or training) discriminate in any way and must be applied to those issues strictly. Orabank strives to put in place principles, organisations and processes intended to reduce inequality between women and men in the company, and to achieve equality of remuneration, with the desire to reach a balance in terms of numbers of women and men on the staff.

## Gender

We want to promote skilled women. Of our 1,704 staff, we have 962 men and 742 women. Of our 606 managers, 30% are women, as against 70% who are men. We therefore set diversity targets in a range of sectors, particularly in front-office roles.

## Male/female equality

The principle of equality between women and men in the workplace is one of the central issues in our HR policy. We want to promote workplace equality in relation to remuneration upstream of the recruitment process.

We are aware that there is a shortfall in relation to senior posts, in particular as regards the presence of women on the management committees of the subsidiaries, branches and holding company. However, the group and the Human Resources Division remain determined to correct that shortfall.

However, since 2016, a woman has been appointed to lead the company, taking on the role of CEO of the Orabank group and joining the Board of Directors.

We are encouraging progress with promotion of women internally. We believe that remuneration should be fair and equitable, and should encourage staff to work in customers' long-term interests, while contributing to the company's overall performance. For male/female wage equality, disparities have been identified and corrective measures will be included in the 2018 budget.

## Performance

Key indicators	2014	2015	2016	2018
Women in the Group	43,6 %	43,2 %	43,9 %	-
Women on the management committees	-	-	42	50 %



## Strategy

**Orabank wants to boost its staff's performance and commitment.**

## Roll-out

Orabank strives to offer appealing working conditions and systems for increasing staff's employability and encouraging them to feel pride in belonging to the group.

## Performance management

Performance management, a critical issue for the Human Resources Divisions, is based on the principles of:

- Ensuring respect for internal fairness and transparency;
- Establishing a link between performance (contribution) and remuneration, and encouraging a sense of recognition among employees;
- Ensuring that the company is competitive in remuneration terms;
- Responding to the requirement to keep payroll under control, in the company's long-term interests.

A harmonised system of employee-performance appraisals has been put in place to make it possible to determine, on a coherent basis and in line with clearly defined goals, each one's merits and potential for development.

Performance management is a process of continuous improvement, which will make it possible to propose clear rules on bonus distribution within the group. Improvements will be made to the goal sheets and the measurement systems. It is currently being rolled out in the functional divisions of the holding company and in the divisions of the subsidiaries; the system will be rolled out for all staff members in future fiscal years. The goal for late 2018 is to achieve a 98% retention rate for the highest-rated employees.

## Employee profit-sharing

A project has been launched to review and adapt pay bands, on the basis of weighing up posts throughout the holding company and subsidiaries. The Orabank group is proposing an organisation to increase staff involvement in the company's performance and offer them a share of the profits by:

- Setting up a competitive pay structure linked to appraisals (pay bands);
- Creating a performance-management process with sharing of 5% of profits, split as 3% collectively and 2% on the basis of individual performance, measured during annual appraisals.

## Staff commitment and satisfaction

Our staff turnover remains very low. In 2016, within the holding company, we organised an anonymous satisfaction survey, which we will be extending to the subsidiaries, with a few improvements. This survey is valuable in terms of understanding expectations. Orabank offers fringe benefits that are not at all common in the African market, such as a top-up pension; life, incapacity and disability insurance; and golden handshakes.

In 2015, the Orabank group started a project to categorise posts in line with international standards: The goal is to enable better management of careers and skills (Hay method) in two stages:

1. Reviewing all post details, having put in place performance indicators for each post;
2. Rating posts' responsibility levels using the Job Evaluation Manager (JEM) package.

The group has started work on the brand's values, involving the staff.

The Orabank group practices an open door policy, which makes all executives accessible.

## Fringe benefits

To guarantee employees an adequate level of fringe benefits, and to improve the quality of their work and personal life, the Orabank group has put in place a harmonised system for managing them.

- Since 2015, staff have benefited from loans at preferential rates. Some 1,385 loans were granted in 2016.
- All countries have subsidised meal and/or canteen solutions made available to staff, in the form of a book of tickets or a magnetic card.
- Orabank covers 80% of health-care costs for all the banks, except for in Guinea, where the rate is 95%, in accordance with the collective bargaining agreement. In 2016, a group level call for tenders was put out, with a view to improving health-care contract performances and costs. The study will be continued in 2017 to rationalize services.
- The company offers a range of benefits, in line with its obligations under the collective bargaining agreements and the policies in force.

## Performance

Key indicators	2014	2015	2016
Staff turnover rate	-	-	8,56 %
% staff benefiting from a performance-appraisal meeting	-	95 %	95 %
Jobs evaluated (Hay method)	-	-	187
Referential-rate loans granted to staff	1,065	929	1 385
Ratio of Orabank-funded charitable works / payroll	2,69 %	2,70 %	2,72 %

## 4.3 - Intellectual capital

### Our responsibility

GRI 102-29, 102-33

#### Strategy

**Orabank is committed to having an operating ratio of below 50% and to being in the top 25% best-performing banks in terms of NII in every country where it operates.**

#### Roll-out

Intellectual capital comprises organisational resources: our branches, our equipment, our knowledge, our systems, our procedures, our software and our digital infrastructure. It also includes the capacity of our distribution network.

#### Orabank: the strength of a network

Having founded and bought out series of banks, the Orabank group has operations in 12 West and Central African countries (Benin, Burkina, Côte d'Ivoire, Gabon, Guinea-Conakry, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Chad and Togo).

Orabank's significant operations within the CEMAC and UEMOA areas represents a genuine asset, leading to relative exchange rate stability, with the exception of fluctuation of the ouguiya and Guinean franc exchange rates. Despite being a regional-scale institution, the Orabank group has the image of an international bank. The group's branch network now numbers 139. Our group's goal is to continue opening branches in areas that will bring us even closer to our customers. We want to ensure the availability of ATMs/advanced ATMs and to optimise our branch models in line with our customers' expectations and usages.

**THE 2016-2018 THREE-YEAR PLAN** lays down that the Orabank group's organisational structure must comply with new strategic guidelines:

- Creation of a new Management Audit and Organisation Unit, the head of which is responsible for implementing the strategic plan and is backed up by Business Support;
- Creation of a division responsible for digital banking;
- Upgrading of the IT Division into the Information System Division, taking account of strategic changes (digital strategy extending the application layer to key processes), and of security and transaction-compliance requirements;
- Upgrading of the Commercial Division to the Commercial, Marketing and Events Division, for better positioning in each subsidiary's market.

#### Operational efficiency

To ensure that the group is competitive and profitable, targets have been set for operational performance and for improved cost and risk management. In 2016, the Orabank achieved significant NII results and bolstered its growth. Opportunities exist to streamline investments and mobilize existing resources, and the group's growth will make it easier to realise them. A commitment has been made to achieve ISO 9001 (2015 version) certification by 2018, by means of putting in place a system for managing quality and key processes.

#### Technological change

Technology makes it possible to reach any point of contact and access any information from anywhere in real time. We need to consider developments compatible with legal and security constraints. Digital media will make processes more widely accessible, while making the information delivered more responsive and personalised. Our customers expect greater flexibility and responsiveness in our relationships. The issue for tomorrow is managing to adapt ourselves to technology and to the ways in which those customers communicate and consume, while ensuring data security.

#### Harmonisation of group systems

The Orabank group's goal was to harmonise the operating system and the internal control system. Migration to the SBA system took place in 2016 and it has considerably improved service quality in our branches.

#### INTELLECTUAL CAPITAL:

*Our target by 2018 and 2 priority areas*

To have an operating ratio of below 50% and to being in the top 25% best-performing banks in terms of NII in every country where we operate	Information and system security
	Digitalisation and technological innovations

# Information and system security



**Salif SOW,**  
Information Systems Director

GRI 205-01, 205-02, 418-01

**“Digital media will make processes more widely accessible, while making the information delivered more responsive and personalised. The issue for tomorrow is managing to**

**adapt ourselves to technology and to the ways in which our customers communicate and consume, while ensuring a response within the legal and data-security constraints.”**

## Strategy

**Orabank is committed to guaranteeing a high level of security, of system reliability and of stored data.**

## Roll-out

We are rolling out measures to guarantee the security and reliability of systems and stored information.

## Organisation of the information systems department

The Information Systems Director (ISD) is responsible for the setting-up, functioning and maintenance of all group information systems. A team of some 20 people is based at head office, supported by teams in the group's 12 subsidiaries, with a local IT service that includes an IT Director. Our IT department operates as a hybrid of centralised and decentralised.

Those teams' level of responsibility means that they report to both the CEO of the subsidiary and to the Group ISD.

## Implementation of key IT projects

The Orabank group has set some targets for improving its information systems:

- Drawing up a master information system plan (MISP) at the level of the holding company and of each of the subsidiaries, taking into account the efficiency, security and compliance requirements for operations;
- Setting out and implementing a joint digital strategy, expanding the application layer to key processes (HRIS, CRM, electronic payments, decisions IS, etc.).
- Defining the SLA standards for the information system;
- Forging technical and commercial partnerships that make it possible to provide innovative and appropriate solutions for key customer segments;
- Setting up a system for monitoring IS quality, project implementation and malfunction resolution;
- Setting up efficient information systems that make it possible to generate standardised and reliable information for reporting and compliance requirements that are in line with reporting best practice;

- Ensuring that all SBA modules are properly activated;
- Making available a technical support system that enables management of constraints relating to information systems.

## Security: network and data

In a context of increased connectivity, of multiplying social media, or online transactions, etc., Internet-using customers want to be able to access their on-line services at all times. Moreover, lack of knowledge of the legal frameworks in the countries where we operate in combination with data confidentiality could be sources of concern for our customers. We offer them solutions to reassure them about how organised our IT system is, among other things. The Orabank group is rolling out measures to ensure the quality and security of its information networks:

- In terms of information system, the strategic choice to invest €30 million in harmonising the Sopra Banking Amplitude (SBA) application, which has been a great success;
- The setting-up of a network-monitoring tool to ensure pro-activeness as regards outages and a high level of service availability;
- The protection of card data in rest and data in transit, by observing the PCI-DSS standard;
- The securing of customer identities with an OTP (one-time password), PIN and biometrics.

## Regulatory compliance

We are putting in place an IT system to ensure compliance with regulations, particularly as regards combating corruption and money-laundering.

We are developing a system for analysing customer profiles, so as to comply with AML/KYC (anti-money laundering/know your customer) standards, and training our staff on these issues. This system is supported with a regular audit.

## Performance

Key indicators	2014	2015	2016	2018
Number of AML-/KYC-trained employees	211	574	1,184	1,543
Number of network outages	-	-	20	-



# Digitalisation and technological innovations



**Amos KONLAMBIGUE,**  
Digital Banking Director

GRI 413-01, G4-FS14

**“We have rethought the customer journey with an ambitious digital strategy and targeted new customer niches without access to banking.”**

## **Strategy**

**Orabank is committed to rolling out new technological solutions, while anticipating changes in customer usage.**

## **Roll-out**

The globalisation of society has given rise to new challenges and a change in customer relations, linked to changes in technology and how it is used. Orabank gives a great deal of thought to adapting to the present, while anticipating increasingly rapid progress towards innovation. Some of our customers are ever-more connected, mobile and keen on innovative banking and financial services.

The digital service is the first means of boosting growth to bring in more deposits. Employing a digitalisation strategy makes it possible to broaden our scope, while diversifying our sources of revenue. While 80-90% of Europeans have a fixed income, the figure is 10% for Africa. Only relatively few (15-16%) have access to banking and the major challenge is reaching those low-income people. In sub-Saharan Africa, we can expect significantly increased access to financial services via mobile phones. These people do not have the resources to open a bank account, so they can use an e-wallet, born out of the mobile money concept. We are positioning ourselves in this new customer segment, with specially adapted products. Our strategy now very clearly involves digital solutions through a mobile phone. Such instant-access products would enable these people to access low-cost banking products.

With mobile money and mobile banking going into production, 2017 will mark a turning point in our digital banking offering.

To rise to these new challenges, the Orabank group is adopting new applications, with the desire to transform its value proposition, which has, until now, been based on physical branches. We are migrating to digital services that will, rather than diminishing the customer experience, will increase it and take it to the next level.

**Our customers’ expect greater banking services to be more autonomous and mobile; our self-banking and mobile money services meet their new needs.”**

## **Digital banking**

Now, it is about taking the service to the customer; she or he will no longer necessarily come into branches. Customers expect to be able to access services wherever they are, as soon as they have an Internet connection. The Orabank group has put the infrastructure in place, with dedicated Digital Financial Services making available a range of digital banking services (e-banking, mobile banking, mobile money).

Thanks to our knowledge of and close relationship with our customers, the use of new electronic payment technologies will quickly enable us to set ourselves apart in the market. The Orabank group has redefined its electronic payment strategy, with several goals:

### **1. Developing a multi-channel offering:**

- Improving MasterCard and VISA card sales;
- Actually launching the product programme enabling merchants to accept mobile phone payments using EPTs;
- Developing the mobile banking, mobile money, Internet banking and SMS banking offerings;

### **2. Transforming the physical network:**

- Adaptation of physical distribution channels (upgrading the ATM network, reviewing the branch-establishment plan, recruiting banking agents);

### **3. Developing alliances with partners:**

- Setting-up of partnerships with bancassurance, telephony or other service operators with quality standards and values that tally with those of Orabank;
- We see possibilities for synergies for the mutual benefit of our organisations;

### **4. Making transactions more secure, improving network performance and increasing respect for regulations.**

### Harmonisation of the E-Banking app (Electronic Banking)

In 2012, to standardise its banking tools, Orabank opted for the Sopra Banking Amplitude (SBA) software package. Since 2013, the group has been committed to an ambitious programme of rolling out SBA; in 2016, it is now in place in all 12 subsidiaries. SBA offers bank staff and customers numerous improvements.

Account managers will now have a customer-relationship management (CRM) tool.

Cashiers now have a management tool that gives them better control over their transactions (foreign exchange transactions, financial trades, etc.) and an automated interface with SWIFT.

Customers can benefit from high-performance on-line banking: real time account balance, the option of making transfers and the option of setting alerts. A text-message banking service is also available. The service operates in pull and push modes. The customer receives alerts to her or his mobile phone.



## 4.4 - Social capital

### Our responsibility



**Luc MORIO,**  
Commercial and Marketing Director

GRI 102-29, 102-33, G4-FS1, FS14 et FS15

**“At Orabank, the quality of our teams, the support of our shareholders, our internal management processes and the quality of our customer service set us apart.”**

#### Strategy

**Orabank is seeking to increase its market share in countries where the bank is in the top 25% and, in the long term, to achieve two-figure market shares for its other companies.**

#### Roll-out

Our social capital is our diverse customer networks, our partners and all our relationships, along with our capacity for information-sharing.

#### The tools Orabank uses to stand out in its markets

The group offers its customers major benefits:

- Knowledge of the African continent and its specifics, which is crucial for analysis of the risks involved in operating a healthy and profitable credit portfolio, and for making deposits secure;
- A dense network of top-level correspondent banks, with which the group has been fostering high-quality relationships;
- A staff made up of highly skilled professionals from a range of countries, characterised by its stability and great knowledge of the banking business.

#### Our customers

Our business customers include small and medium-sized enterprises, but also large corporates that are destined to be major economic agents. We support them with their growth, by helping with their service and financing needs.

The Orabank group's products and services are intended for a range of customer types:

- Personal customers;
- Professionals and microenterprises;
- Business customers;
- Institutional clients.

Our strength derives from the quality of the service that we offer our customers, the closeness that we develop with them and the responsiveness of our teams, within a coherent regional platform backed by shareholders with a very good understanding of our region.

#### Prospects for growing our customer base

In Africa, population growth is 3-5% per year, depending on the country, which represents an opportunity for growth. Prospects are positive throughout the region and countries' economic growth often exceeds 5%, but that could fall because of the drop in the oil price in Central Africa, and of security and terrorism concerns in other countries. Government debt also poses a problem for economic activity. Overall, however, it should be noted that the general trend is for the business climate to improve, with economic growth that is real, albeit not linear.

The Orabank group has set out a commercial strategy, with several goals:

- Building a customer-focused corporate culture that takes into account the specifics of each country and seeks complete satisfaction with service quality, with a goal of at least 90% satisfied customers;
- Increasing the size of the balance sheet by at least 69% before 2018;
- Increasing our fund-inflow and appropriation market shares by 50% in Gabon, Chad, Benin and Guinea before 2018;
- Keeping our fund-inflow and appropriation market shares above 20% in Togo and Guinea-Bissau;
- Achieving at least 3% market share in Côte d'Ivoire, Senegal, Burkina Faso, Mali, Niger and Mauritania by 2018;
- Developing group synergies and syndicated loans that generate CFA F20 billion in additional revenue by 2018, by fostering close cooperation between subsidiaries.
- The Orabank group wants to bring its commercial goals in line with its social responsibility commitments, particularly by developing a strong offering to benefit women entrepreneurs and promoting green financing.

#### SOCIAL CAPITAL : Our long-term target and 3 priority areas

Depending on the country, increase market share in relevant segments and achieving at least a two-figure market share	Growth of customer portfolio
	Customer satisfaction
	Approach of commitment to stakeholders

# Growth of customer portfolio

GRI 103-02

### Strategy

The Orabank group is committed to growing and diversifying its customer portfolio.

### Roll-out

We use policies and procedures to grow our turnover from customers in each of our segments.

In its various developing markets, the Orabank group has a very diverse customer base of private individuals, companies and institutional clients, to which it offers a range of innovative products and services. Our customers benefit from our wide range of international MasterCard and VISA cards, from our network of 142 advanced ATMs, and from our high-performance electronic payment terminal (EPTs), including the mPOS mobile device; Orabank was the first bank in French-speaking West Africa to offer its customers mPOS.

We set qualitative and quantitative targets for all our sales teams.

It should be stressed that we know our customers well because we have been operating in the area for some 30 years. We are also determined to offer high-quality customer service. We are known for being an agile banking group and close to our customers, whom we always seek to support in the best way possible.

We are focused on small and medium-sized enterprises (SMEs), a customer segment long forgotten by the major regional banking groups. We are aiming to establish ourselves as a key financial partner for SMEs and as the engine for future growth in Africa's economies.

In 2016, Orabank continued establishing itself commercially, by further adapting itself to the multifaceted needs of its customers and by changing its information system to ensure technological harmonisation throughout all its component parts. The group also wants to use social media and digital banking better, while bolstering the quality of its portfolio and remaining continually concerned for the fulfilment of its human resources.

For us, banking is much more than a financing solution. We at Orabank contribute every day to making everyone's dreams and plans a reality, and we work towards everyone's quality of life every day. The start of a virtuous circle, we are playing an active role in Africa's economic development. From a distance or close to home, Orabank demonstrates its desire to be open to all by making its services accessible.

### Customer-portfolio segmentation and growth

- The customer-base segmentation needs to be finished to offer products that meet the needs identified by target customer groups.
- Structured finance operations need to be developed.
- Our offering needs to be diversified through positioning in bancassurance.
- We need to forge partnerships with public services and utility companies for the collection of funds, and to install separated cash registers for some customers.
- We need to roll out a portfolio of innovative digital banking services (mobile banking, mobile payment, e-banking, etc.) harmonised across the group.

### Performance

Key indicators	2014	2015	2016	2018
Customer-portfolio growth	316,327	349,016	386,191	453,800





# Customer satisfaction

## Strategy

**Orabank is committed to putting its customers at the heart of its solutions, products and banking services, while continuing to improve their satisfaction.**

## Roll-out

Customer satisfaction is based on the quality of the products and services offered, the quality of individual relationships with customers and the quality of the dialogue between stakeholders, in general, in the various markets in development.

## Our solutions

The banks in our group listen to businesses and provide innovative solutions adapted to their customers' needs. They are responsive, and develop their bespoke services and solutions perfectly in step with the specific situations of SMEs and large companies from all sectors. The Orabank group's banks offer high-quality services to individuals, whether employed or self-employed. The solutions are tailored to each individual and offered at reasonable prices, with short setting-up periods. Orabank is a partner that listens to its customers, which is why we are keen to collect their opinions and suggestions in our branches, so that we can continually improve the quality of our service.

Our current efforts to expand our range of products and services involves:

- Developing a "close-by" branch network;
- Setting up services for transferring money, both in- and outside the group, by signing membership contracts with international operators;
- Developing electronic payments;
- Developing telematics and corporate banking;
- Mobilising specific resources for developing products for financing companies' investment and international trade;
- Bancassurance.

## Customers' main expectations

Their expectations essentially relate to the understanding of their needs, responsiveness to their requests, technical support in relation to specific transactions, such as transfer guarantees, and a range of other solutions. With digital banking, automation thanks to technology makes our services more reliable, which leads to customer satisfaction. Working with customers over the long term and in a responsible way is a virtuous circle. For example, we are able to offer our customers financing at low rates for energy-efficiency projects; that is an economic benefit for them and, for us, it increases our customer loyalty. We actively help young companies to stay in business and advise them to declare their employees. That also increases our turnover; it is a win-win.

GRI 417-01 à 417-03, G4-FS16

For evaluation and improvement purposes, we regularly hold customer-satisfaction surveys in some subsidiaries. We have also set up a mystery-customer system in Togo.

## Our customer-relationship management

The Orabank group is conscious that quality relationships with customers are essential to establishing their loyalty. Our customers can also use a multichannel system to contact advisers over e-mail or social media. We pay attention to how quickly we answer customers and aim to be very responsive. We do not want to respond to a customer before we are fully in a position to do so, but we have a duty to reply very quickly.

In 2012, to standardise its banking tools, Orabank opted for the Sopra Banking Amplitude (SBA) software package, which is now set up in all 12 subsidiaries. The package offers bank staff and customers numerous improvements.

- Account managers will now have a customer-relationship management (CRM) tool. On the consultation screen, they can see all portfolios and receive alerts. Account managers are able to make administrative decisions and warn customers by e-mail, text message, etc.
- Customers can benefit from high-performance on-line banking: real time account balance, on-line transfers and setting of alerts. In addition, a text-message banking service is available and operates in pull and push modes, which means customers receive alerts to their mobile phone. They can also check their balance and see a statement of their recent transactions by sending the bank a text message.

## Responsible communication, marketing and advertising

The Orabank group is rolling out policies and procedures encouraging communication, marketing and advertising of its products and services, while taking account of customers' expectations and ensuring that messages are clear, transparent and unambiguous. Our communication campaigns demonstrate our values and the level of our service quality: **"With us, you are not just another customer, and we are not just another bank: we are Orabank".**

# Approach of commitment to stakeholders

## Strategy

**Orabank is committed to contributing actively to Africa's economic and social development through its stakeholder networks.**

## Roll-out

The group aims to demonstrate its commitment and transparency to stakeholders as part of an open and constructive dialogue.

## Contribution to the dynamism of the local economy

The group aims to demonstrate its commitment and transparency to stakeholders as part of an open and constructive dialogue.

### Contribution to the dynamism of the local economy

The bank's operations have an economic and social footprint: they contribute to regional employment and development levels, and influence socioeconomic change. Banks play a part in financing the economy and form a crucial link in the development chain. Financing projects creates economic value directly, in the shape of creating and maintaining jobs. In Africa, one wage earned enables several people in a single family to survive. In relation to the jobs created indirectly by banks, the positive impact of increased standards of living remains extremely difficult to evaluate in the context of an informal economy, although the job creation and economic growth are noticeable.

Our group has adapted the generic definition of sustainable development to the requirements of a financial institution: our goal is to meet current development needs, without compromising those of future generations. We do this through a responsible approach to the banking business, incorporating the interests of all stakeholders: shareholders, customers, staff and civil society. Meeting the needs of civil society also helps Orabank to grow; our efforts are based on the construction of a shared long-term vision.

Public opinion is increasingly sensitive to precariousness and companies are expected to contribute to limiting exclusion in its various forms: job-market, education, health-care, human-rights, and leisure and culture.

Increasingly, banks play a major role in financing government projects for the infrastructure required for human development. The projects that Orabank finances have a direct impact on the real economy. Their contribution benefits companies, their employees and governments, which have relatively high tax rates for formal companies.

## Open and constructive dialogue

The Orabank group is implementing a communication plan, for the group and to each of its subsidiaries, to increase on-line communication and grow its social media presence. In 2016, the

**GRI 102-21, 201-01, 202-02, 413-01, G4-FS4, G4-FS13, G4-FS16**

Orabank group entered the social media stage and now has:

- Some 230,000 likes in cumulative audience on Facebook;
- Some 3,000 Twitter followers;
- Some 3,000 LinkedIn followers;
- Some 800 Instagram followers;
- An established presence on YouTube and Google+.

Content in line and consistent with the brand positioning has reinforced a modern and fresh image.

Orabank has a broad community made up of bank customers, prospects and backers. In terms of internet users' responses, the bank is in the top three in its sector in every country where it operates (first in four out of 12).

## Charitable work

Faithful to its calling of working towards the well-being of communities in the countries where it operates, the Orabank group has run a range of social programmes through its subsidiaries and their branches. Those programmes involve jointly organising volunteering and charitable events, and support for projects relating to education and sport, including:

- Financial support for a variety of cultural, social, educational and schooling associations;
- Donations of materials to health-care and vulnerable child-protection organisations;
- Financial contributions to running a project in support of victims of sexual violence in the context of International Day of the Girl Child;
- Funding of well-digging;
- Christmas trees at gifts for NGOs;
- Funding of vaccination campaigns;
- Financial contributions towards the organisation of social, religious and cultural events;
- The renovation of a documentation and IT centre;
- Reforestation and cleaning-up programmes;
- Active participation in the campaign combating Ebola viral haemorrhagic fever;
- Organisation of days of free screening for conditions such as diabetes, high blood pressure, etc.

Orabank was one of the main partners in the first charity race for students in Togo. The event was intended to bring sport and education together. All the registration fees for the race were paid into a fee-free bank account as financial grants for the winning participants. Orabank also supported a similar charity-race project in Senegal; this was one was women-only and was run to fund school supplies for 20,000 pupils.

## 4.5 - Natural capital

### Our responsibility

GRI 102-29, 102-33, 304-02, G4-FS1

#### Strategy

The Orabank group is committed to improving its environmental performance, reducing its environmental impact and turning the environment into a factor boosting the performance of projects financed in Africa.

#### Roll-out

Natural capital covers the preservation of renewable and non-renewable environmental resources and processes – air, water, soil, minerals, biodiversity and ecosystem health – in the context of the projects we finance.

Taking account of the environment represents significant potential for economic growth. Green growth presents companies with numerous opportunities in the shape of new markets, particularly in the fields of energy conservation, sustainable management of natural resources and environmental protection.

#### Managing the bank's environmental impacts

The Orabank group is reducing the environmental impacts linked to its operations, along with paper and electricity consumption in its branches. The Orabank group is also committed to reducing its CO2 emissions, by striving to develop a sustainable mobility policy (digital solutions to replace travel, car-scrappage schemes, etc.).

A facilities-management system has been rolled out in the subsidiaries and holding company to optimise document-printing (leased printers and efficient consumables management). There is a programme to gradually replace all the classic incandescent bulbs in the banks with LED ones.



All of our teams responsible for the customer portfolio have been trained in the Orabank group's social responsibility approach. We are increasingly moving away from short-term approaches and offering green financing opportunities with medium- and long-term returns.

In Chad, every time we open a rural branch, we always dig a well at the same time, to give water access to people in regions where it is a scarce commodity. Such measures are in line with Chadian tradition.

#### Natural capital:

Our target by 2018 and our priority area

Improving our customers' environmental performance and turning the environment into a factor boosting the performance of projects financed in Africa	Combating global warming and offering access to energy efficiency
--	---

# Combating global warming

GRI 201-02

### Strategy

**Orabank is committed to supporting projects with a positive environmental impact that offer access to renewable energy.**

### Roll-out

The Orabank group takes steps to finance the green economy and supports measures to encourage green energy use.

Insufficient electricity-generation capacities represent the foremost of the infrastructure obstacles to Africa’s development. Disadvantaged Africans will be hardest-hit by climate change, and by its effects on temperatures and rainfall.

Through its network of subsidiaries, the Orabank group encourages initiatives that bring progress for communities and for the environment. As part of combating global warming, we help our customers – industrial, service-provider or institutional – to update their energy sources, replacing fossil fuels with clean renewables. In the areas where we operate, permanent and sustainable access to electricity is vital. Involvement in an environmentally friendly approach ensures a return on our investment and a considerable impact on combating global warming. We finance energy-efficient projects with low power consumption. In the industrial and hospitality sectors, the Orabank group steers its customers towards energy-efficient solutions, cutting power consumption by 30-40%. Our customers can then reinvest the savings on their bills in their own growth.

### The AFD’s SUNREF programme



In developing countries, the financing of green growth represents a major challenge, to which the French Development Agency (AFD) is contributing, in partnership with the banks of the South.

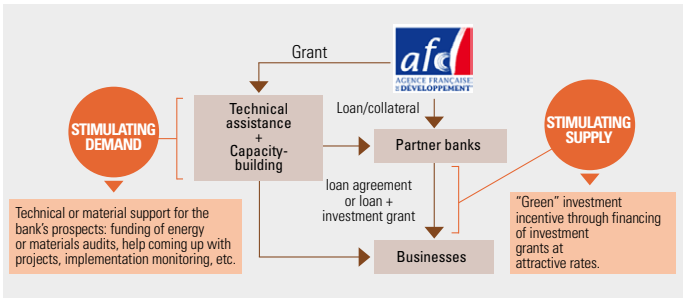
As a financial intermediary between economic agents, Orabank plays the role of spreading sustainable development best practice. Accordingly, in 2014, the group and the French Development Agency (AFD) committed to a partnership for implementing the SUNREF (Sustainable Use of Natural Resources and Energy Finance) programme in West Africa. SUNREF is the AFD’s innovative green finance label, based on a combined financial and technical approach. SUNREF offers an integrated approach intended to cover all mechanisms that could cause companies to change their positioning and strategy and, as such, offers a

package of tools and services to meet the demands of all economic agents: financial incentives, technical support, support with creating a new organisation within the local bank and increasing the value of the results achieved. In 2015, the AFD granted Orabank a €5 million line of credit, in the context of the SUNREF



programme. This programme gives Orabank the opportunity to support its customers (companies and individuals) in the UEMOA area whose projects adopt a sustainable development approach that incorporates energy efficiency and renewable energy.

With the AFD’s technical support, the Orabank group is offering financing at preferential rates to prospects and customers eligible for the programme.



Find out more: [www.sunref.org/afriquedelouest](http://www.sunref.org/afriquedelouest)

It should be noted that we are continuing awareness-raising and educational programmes to explain these projects’ return-on-investment mechanism. The initial investment is larger in the renewables sector than for non-renewables. Over the long term, however, the economic model is expected to be profitable, which will benefit both our customers and the environment.

### Partnership for developing solar energy

We are the process of signing a partnership deal with the Global Climate Partnership Fund, for the financing of renewables projects, such as solar energy, in the countries where we operate.

### Performance

Key indicators	2014	2015	2016	2018
Amount of support for projects under SUNREF (CFA F million)	N/A	0	2,952	6 000





# APPENDED **INFORMATION**

## 5 - Appended information

### 5.1 - External audit reports

GRI 102-56



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E-mail : contact@kpmg.tg

#### **Oragroup S.A**

Registered office: 392, rue des Plantains – B.P. 2810 Lomé – Togo  
Share capital: CFA F61,781,450,000

#### **Statutory auditor's general report – Consolidated annual financial statement**

Fiscal year ending 31 December 2016

Dear shareholders,

In accordance with the assignment entrusted to us by your annual general meeting, we present our report to you on the financial year ending 31 December 2016, regarding:

- The audit of the consolidated financial statement of Oragroup, SA, as appended to this report;
- The specific checks and information required by law.

### **1 Audit of the consolidated financial statement**

#### **1.1 - Opinion**

We have conducted an audit of the consolidated financial statement of Oragroup, SA, comprising the consolidated balance sheet, as of 31 December 2016, the consolidated profit and loss account for the fiscal year ending on that date, and the notes, including a summary of the main accounting methods.

We believe the consolidated financial statement is in order and accurate, and presents a fair picture of the operating earnings for the past fiscal year and of the financial position and net worth of the consolidated companies taken together at the end of the fiscal year, in accordance with the regulations and accounting methods laid down in the OHADA Uniform Act on the Organisation and Harmonisation of Companies' Accounting.

## 1.2 - Basis of the opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are described in greater detail in the “Responsibilities of the statutory auditor as regards auditing the consolidated financial statement” section of this report. In accordance with the Togolese Code of Ethics and Professional Conduct for Accounting Professionals, we are independent from the group and we have met our other ethical responsibilities under those rules. We consider the evidence that we have collected a sufficient and appropriate basis for our audit opinion.

## 1.3 - Responsibilities of the Board of Directors as regards the consolidated financial statement

The consolidated financial statement was drawn up and signed off by the Board of Directors on 13 April 2017.

The Board of Directors is responsible for drawing up and accurately presenting the financial statement, in accordance with the rules and accounting methods laid down in the OHADA Uniform Act on the Organisation and Harmonization of Companies’ Accounting, and for the internal control that it deems necessary for drawing up a consolidated financial statement that contains no significant discrepancies, whether due to fraud or to error.

During the drawing-up of the consolidated annual financial statement, the Board of Directors is responsible for evaluating the group’s ability to remain a going concern, for providing, where applicable, information on its remaining a going concern, and for applying the going concern principle, unless the Board of Directors intends to wind up the group or cease trading, or there is no other realistic solution available to it.

The Board of Directors is responsible for overseeing the process of drawing up the group’s financial statement.

## 1.4 - Responsibilities of the statutory auditor as regards auditing the consolidated financial statement

Our goals are to obtain reasonable assurance that the financial statement as a whole does not include any significant discrepancies, whether due to fraud or to error, and to issue a report stating our opinion. Reasonable assurance is a high level of certainty, but this does not guarantee that an ISA-compliant audit will always make it possible to detect any significant discrepancies.

Discrepancies may be due to fraud or to error, and are deemed significant when it is reasonable to expect that, taken individually or together, they could influence the economic decisions that users of the consolidated financial statement make on the basis of the statement.

Our responsibilities for auditing the financial statement are described in greater detail in Appendix 1 to this statutory auditor’s report.

## 2 Specific checks and information and other information

The Board of Directors is responsible for the other information. The other information is made up of the information included in the management report.

Our opinion on the consolidated financial statement does not extend to the other information and we give no assurance of any sort on that information.

As part of our duties as statutory auditor, our first responsibility is to carry out the specific checks provided for in law and, in doing so, check that the information provided by the Board of Directors in the group's management report and in the documents sent to the shareholders on the financial position and the consolidated financial statement is accurate and matches that in the financial statement, and that every aspect of certain legal and regulatory obligations has been respected.

Our second responsibility is to read the other information and, consequently, to state whether there are any significant discrepancies between it and the financial statement or the knowledge we have gleaned during the audit, or whether the other information seems to include any significant discrepancy.

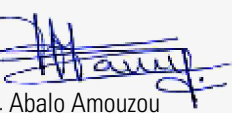
If, in light of the work we have conducted during our specific checks or on the other information, we identify a significant discrepancy, we are required to report it. We have nothing to report in that regard.

Lomé, 18 April 2017

### The statutory auditors

EXCO - FICAO



  
Abalo Amouzou  
Professional accountant  
Statutory auditor

Associated Auditors in Africa  
KPMG Togo

  
Auditeurs Associés en Afrique - KPMG Togo  
Immeuble BTCT  
9, Avenue Sylvanus Olympio  
Tel 22 21 02 66 / Fax: 22 21 03 55  
Toussaint O. de Souza  
Expert Comptable  
Statutory auditor



## GRI Standards checked by MATERIALITY-Reporting



**MATERIALITY-Reporting**

We speak reporting fluently

For the Orabank group's 2016 integrated report, we applied the GRI frame of reference and included the new GRI Standards.

That demonstrates the Orabank group's desire to be among the world leaders in terms of reporting. MATERIALITY-Reporting, GRI Data Partner for France and GRI-accredited, checked our report, both as regards GRI-Standards reporting principles, while carrying out a critical analysis and auditing our GRI-Standards index.

## 5.2 - Financial appendices

The consolidated and audited profit and loss account as of 31 December 2016

GRI 102-45

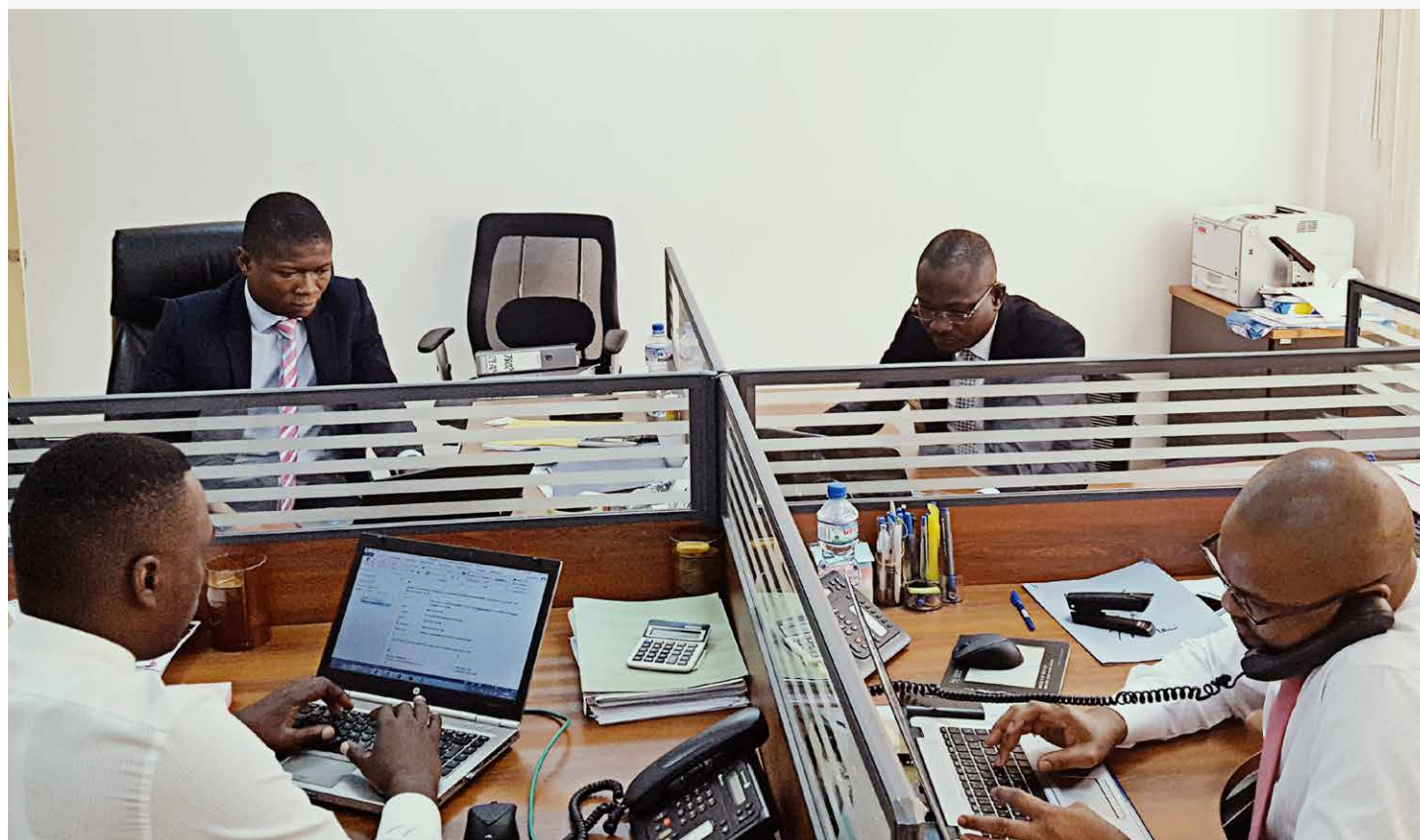
CFA F million	Dec. 2016	Dec. 2015
<b>Earnings</b>		
Interest revenue	86,433	79,011
Interest expenditures	- 48,152	- 37,661
<b>Net interest margin</b>	<b>38,281</b>	<b>41,350</b>
Charges collected	60,422	49,513
Charges paid	-6,058	-8,429
Net foreign exchange proceeds	9,206	11,190
Net profit or loss on securities	123	554
Other income	62	34
<b>Net charges</b>	<b>63,755</b>	<b>52,863</b>
<b>Net interest income</b>	<b>102,036</b>	<b>94,213</b>
<b>General operating expenditures</b>		
Staff expenditures	- 28,999	- 24,109
Depreciation and amortisation	- 7,534	-5,854
Other operating expenses	- 29,027	-34,214
<b>Total general operating expenditures</b>	<b>-65,560</b>	<b>-64,176</b>
<b>Gross operating earnings</b>	<b>36,476</b>	<b>30,036</b>
<b>Net provisions</b>		
- Doubtful customer debts	- 7,624	-13,450
- Losses and recoveries on receivables	- 2,098	-1,931
- Other assets	- 1,732	-1,665
<b>Total net provisions</b>	<b>- 11,455</b>	<b>-17,047</b>
<b>Net profit on other assets</b>		
Capital gain on sale of fixed operating assets	48	98
Capital loss on sale of fixed operating assets	- 50	-5
<b>Total net profit on other assets</b>	<b>- 2</b>	<b>93</b>
Equity method share of companies' earnings	0	0
<b>Pre-tax earnings</b>	<b>25,019</b>	<b>13,083</b>
Corporate tax	- 9,869	-5,111
<b>Net earnings for the fiscal year</b>	<b>15,150</b>	<b>7,972</b>

# The consolidated and audited balance sheet as of 31 December 2016

CFA F million	Dec. 2016	Dec. 2015
<b>Assets</b>		
Cash on hand and central bank	91,940	88,684
Financial assets from transactions	0	0
Derivatives	0	0
Loans and debts to credit institutions	36,250	59,485
Loans and debts to customers	981,257	905,249
Treasury bills and other government securities	282,923	131,855
Short-term investments and shareholdings available for sale	104,484	195,925
Assets put up as collateral	0	0
Accrual accounts and sundry assets	34,496	16,394
Equity method shareholdings in companies	0	0
Intangible fixed assets	25,970	20,789
Tangible fixed assets	64,087	62,874
Income-generating real property	0	0
Deferred tax asset	16,089	11,667
Non-current assets to be sold	0	0
<b>Total assets</b>	<b>1,637,498</b>	<b>1,492,922</b>
<b>Liabilities</b>		
Deposits of credit institutions and similar	370,799	347,573
Customer deposits	1,059,856	952,397
Other deposits	0	0
Derivatives	0	0
Loans	35,352	22,146
Accrual accounts and sundry liabilities	42,893	40,789
Provisions for liabilities and expenditures	10,334	10,711
Current tax liabilities	6,247	5,553
Deferred tax liabilities	4,557	9,892
Pension liabilities	472	842
Debts relating to non-current assets to be sold	0	0
<b>Total liabilities</b>	<b>1,530,510</b>	<b>1,389,903</b>
<b>Shareholders' equity</b>		
<b>Shareholders' equity and reserves (group's share)</b>		
Share capital and related premiums	61,781	70,817
Reserves	14,905	9,887
Non-distributed cumulative earnings	9,718	6,409
<b>Total shareholders' equity (group's share)</b>	<b>86,404</b>	<b>87,113</b>
Minority shareholdings	20,584	15,905
<b>Total shareholders' equity</b>	<b>106,988</b>	<b>103,018</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,637,498</b>	<b>1,492,922</b>

## Consolidated unrecorded obligations as of 31 December 2016

GUARANTEES GIVEN AND RECEIVED <i>(CFA F million)</i>	AMOUNTS	
	Dec. 2016	Dec. 2015
<b>GUARANTEES GIVEN</b>	<b>377,638</b>	<b>315,604</b>
<b>Financing guarantees</b>	<b>56,643</b>	<b>54,273</b>
To credit institutions	14,850	5,167
To customers	41,793	49,107
<b>ECollateral guarantees</b>	<b>320,995</b>	<b>261,331</b>
By order of credit institutions	40,509	28,234
By order of customers	280,486	233,097
Securities guarantees	0	0
<b>GUARANTEES RECEIVED</b>	<b>778,347</b>	<b>694,065</b>
<b>Financing guarantees</b>	<b>7,123</b>	<b>5,823</b>
Received from credit institutions	7,123	5,823
<b>Collateral guarantees</b>	<b>771,224</b>	<b>688,241</b>
Received from credit institutions	42,284	48,517
Received from customers	728,940	639,724
<b>Securities guarantees</b>	<b>0</b>	<b>0</b>





**Note 1: Capitalised costs**

Capitalised costs comprise the majority of the expenditures to split across a number of fiscal years recorded for the subsidiaries in Chad (CFA F826 million), Mauritania (CFA F1.421 billion), Gabon (CFA F161 million), Guinea (CFA F171 million), Togo CFA F90 million and Côte d'Ivoire (CFA F2.155 billion), as well as for the holding company (CFA F183 million).

Capitalised costs	31.12.2016	31.12.2015	Variations
Gross securities	5,000,701	1,612,241	3,388,459
<b>Total</b>	<b>5,000,701</b>	<b>1,612,241</b>	<b>3,388,459</b>

**Note 2: Goodwill**

This is the difference between the net book value of the equity in the holding company's accounts and the share that this equity represents of the reprocessed net position of the consolidated company at the time of the initial consolidation of a shareholding. The net goodwill (assets/liabilities) is carried over and detailed as follows:

Goodwill	31.12.2015	Increase	Sale or reduction	Foreign exchange adjustment	Others	31.12.2016
Orabank subsidiary – Benin	6,826,852	0	0	0	0	6,826,852
Orabank subsidiary – Gabon	714,709	0	0	0	0	714,709
Orabank subsidiary – Guinea-Conakry	0	0	0	0	0	0
Orabank subsidiary – Mauritania	2,265,459	1,625,623	0	0	0	3,891,082
Orabank subsidiary – Togo	3,003,517	0	0	0	0	3,003,517
Orabank branch – Côte d'Ivoire	9,045,876	1,604,922	0	0	0	10,650,798
<b>Gross</b>	<b>21,856,413</b>	<b>3,230,545</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,086,958</b>
Orabank subsidiary – Benin	- 2,859,752	- 299,387	0	0	0	- 3,159,139
Orabank subsidiary – Gabon	- 714,709	0	0	0	0	- 714,709
Orabank subsidiary – Mauritania	- 731,129	- 47,492	0	0	0	- 778,621
Orabank subsidiary – Togo	- 452,416	- 299,432	0	0	0	- 751,848
Orabank branch – Côte d'Ivoire	- 949,660	- 452,294	0	0	0	- 1,401,954
<b>Total depreciation and amortisation</b>	<b>- 5,707,666</b>	<b>-1,098,605</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>- 6,806,271</b>
<b>Net</b>	<b>16,148,747</b>	<b>2,131,940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,280,687</b>

Negative goodwill	31.12.2015	Increase	Sale or reduction	Foreign exchange adjustment	Others	31.12.2016
Orabank subsidiary – Gabon	281	0	0	0	0	281
Orabank subsidiary – Guinea	236,011	0	0	0	0	236,011
Orabank subsidiary – Chad	525,361	0	0	0	0	525,361
<b>Gross</b>	<b>761,652</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>761,652</b>
<b>Total depreciation and amortisation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net</b>	<b>761,652</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>761,652</b>

### Note 3: Other intangible fixed assets

Other intangible fixed assets covers the value of the software on the books of the various companies.

Other intangible fixed assets	31.12.2016	31.12.2015	variations
Gross securities	9,153,653	9,248,381	- 94,728
Depreciation and amortisation	- 5,703,137	- 5,458,681	- 244,456
<b>Total</b>	<b>3,450,516</b>	<b>3,789,700</b>	<b>- 339,184</b>

### Note 4: Tangible fixed assets

Tangible fixed assets essentially comprise the land, buildings, constructions, material and office furniture detailed below.

The importance of purchases is explained by the increase in the subsidiaries activity, particularly the deployment of networks.

Headings	31.12.2015	Purchase / increase	Sale / reduction	Exchange differences	31.12.2016
Land	10,692,258	244,342	0	- 78,981	10,857,618
Buildings	15,559,108	570,275	0	- 67,718	16,061,665
Fixtures and installations	16,059,137	2,472,085	- 2,392,966	- 181,838	15,956,419
Vehicles	3,827,564	1,219,956	- 380,055	- 25,647	4,641,818
Computer and telecommunications equipment	9,026,654	1,542,905	- 1,836,614	- 127,469	8,605,476
Office equipment and furniture	10,399,922	1,793,147	- 461,475	- 60,923	11,670,671
Accommodation equipment and furniture	4,295,610	26,902	- 74,120	- 57,067	4,191,326
Current tangible fixed assets	3,290,177	2,424,849	0	- 29,588	5,685,438
Tangible fixed assets acquired by realisation of collateral	18,545,508	3,869,118	- 4,628,158	0	17,786,468
<b>Gross</b>	<b>91,695,938</b>	<b>14,163,579</b>	<b>- 9 773,387</b>	<b>- 629,231</b>	<b>95,456,900</b>
Land	- 13,609	0	0	0	- 13,609
Buildings	- 3,638,592	- 540,878	0	16,299	- 4,163,171
Fixtures and installations	- 8,021,380	- 1,641,240	266,901	52,276	- 9,343,443
Vehicles	- 2,150,066	- 651,735	160,823	17,872	- 2,623,106
Computer equipment	- 6,619,180	- 2,565,831	2,261,486	102,254	- 6,821,271
Office equipment and furniture	- 6,927,050	- 1,324,164	1,736,634	10,613	- 6,503,967
Other furniture and equipment	- 660,020	- 118,607	57,732	29,450	- 691,444
Provisions for impairment of current tangible fixed assets		0	0	0	0
Tangible fixed assets acquired by realisation of collateral	- 791,868	- 3,316,098	2,898,524	0	- 1,209,442
<b>Accumulated depreciation</b>	<b>28,821,765</b>	<b>- 10,158,554</b>	<b>7,382,101</b>	<b>228,765</b>	<b>- 31,369,453</b>
Land	10,678,649	244,342	0	- 78,981	10,844,009
Buildings	11,920,517	29,397	0	- 51,420	1,898,494
Fixtures and installations	8,037,757	830,844	- 2,126,064	- 129,562	6,612,975
Vehicles	1,677,498	568,221	- 219,232	- 7,775	2,018,712
Computer equipment	2,407,474	- 1,022,926	424,872	- 25,215	1,784,205
Office equipment and furniture	3,472,872	468,983	1,275,158	- 50,309	5,166,704
Other furniture and equipment	3,635,590	- 91,704	- 16,387	- 27,616	3,499,882
Current tangible fixed assets	3,290,177	2,424,849	0	- 29,588	5,685,438
Tangible fixed assets in realisation of collateral	17,753,640	553,020	- 1,729,634	0	16,577,026
<b>Net</b>	<b>62,874,174</b>	<b>4,005,026</b>	<b>- 2,391,287</b>	<b>- 400,466</b>	<b>64,087,447</b>

### Note 5: Deferred tax assets

Deferred tax represents a tax recorded on time differences between the tax base and the book income. It represents a tax saving to be recovered in the future.

Deferred tax	31.12.2016	31.12.2015	Difference
Deferred tax on time differences	4,736,444	743,670	3,992,774
Deferred tax on loss	8,516,939	6,513,096	2,003,843
Sundry deferred tax	2,835,993	4,410,584	- 1,574,591
<b>Total</b>	<b>16,089,376</b>	<b>11,667,350</b>	<b>4,422,026</b>

Changes to this item are explained by the tax saving on losses incurred during the course of the fiscal year.

### Note 6: Other long-term investments

This item essentially covers loans granted by the holding company to the non-consolidated companies that the subsidiaries have in their portfolios. The significant difference is due to the CFA F4 billion loan granted to Bank Money Back, a subsidiary created during the course of the fiscal year and 100% owned by the holding company.

Other long-term investments	31.12.2016	31.12.2015	Difference
Gross securities	6,350,782	2,103,536	4,247,245
Receivables from controlled companies	0	0	0
<b>Total</b>	<b>6,350,782</b>	<b>2,103,536</b>	<b>4,247,245</b>

### Note 7: Customers

This item records how loans are granted to customers.

Customers	31.12.2016	31.12.2015	Difference
Ordinary credits to medium- or long-term creditors	644,315,215	576,373,422	67,941,794
Ordinary overdrafts	241,513,830	232,909,879	8,603,952
Receivables from controlled companies	6,894,269	7,172,012	- 277,744
Unpaid or long-term receivables	56,229,508	44,167,015	12,062,493
Doubtful and disputed debt	169,150,112	149,102,719	20,047,393
Provisions / impairment of receivables in default	-136,846,412	-104,476,488	- 32,369,924
<b>Total</b>	<b>981,256,522</b>	<b>905,248,559</b>	<b>76,007,963</b>

The increase in credits is a result of the subsidiaries' normal operations. However, the increase in the volume of receivables in default entails adequate provision, any significant change in which we record.

### Note 8: Other receivables

This item covers the following headings

Other receivables	31.12.2016	31.12.2015	Difference
Accrued income	576,648	57,493	519,155
Prepayments	3,803,997	2,562,357	1,241,640
State, taxes	567,041	731,190	- 164,149
Other receivables	23,544,018	11,408,622	12,135,396
Provisions for impairment of sundry debtors	- 576,359	-693,986	117,627
<b>Total</b>	<b>27,915,344</b>	<b>14,065,676</b>	<b>13,849,669</b>



## Note 9: Short-term investments

Short-term investments covers bonds and other similar securities deemed available for sale; consequently, they are classed as cash.

Short-term investments	31.12.2016	31.12.2015	Difference
Gross securities	378,274,857	322,029,912	56,244,945
Receivables from controlled companies	8,954,471	5,729,060	3,225,411
Impairments	- 25,125	-25,125	0
<b>Total</b>	<b>387,204,203</b>	<b>327,733,848</b>	<b>59,470,355</b>

In view of the economic environment, governments are issuing more debt, which can generally be sold to central banks for refinancing. Therefore, the subsidiaries are easily acquiring less risky, more liquid securities.

## Note 10: Bank and post-office accounts

This item is made up of assets in central banks and correspondent banks, demand and time deposits.

Bank and post-office accounts	31.12.2016	31.12.2015	Difference
Central bank – current account	64,019,146	44,648,603	19,370,544
Central bank – reserve requirements	4,932,000	19,039,000	- 14,107,000
Banks and correspondent banks	20,827,794	40,675,612	- 19,847,818
Financial entities	1,280,624	2,804,197	- 1,523,573
Financial institutions	16	0	16
Loans and advances	11,823,433	14,257,286	- 2,433,852
Receivables from controlled companies	1,196,814	388,041	808,772
Receivables in default	1,173,753	1,359,881	- 186,128
Provisions for impairment of interbank receivables	- 52,181	0	- 52,181
<b>Total</b>	<b>105,201,399</b>	<b>123,172,620</b>	<b>- 17,971,221</b>

## Note 11: Cash on hand

The cash-on-hand amounts represent what is available in the main and back-up bank accounts.

Cash on hand	31.12.2016	31.12.2015	Difference
Notes, coins and other similar assets	21,586,234	23,267,464	- 1,681,231
Notes and coins in foreign currency	1,402,692	1,728,827	- 326,135
<b>Total</b>	<b>22,988,926</b>	<b>24,996,292</b>	<b>- 2,007,365</b>

## Note 12: Shareholders' equity

Shareholders' equity covers the holding company's share capital, along with the consolidated reserves and earnings

(See table on pp. 72-73)

### Note 13: Deferred tax liabilities

Deferred tax represents a tax recorded on time differences between the tax base and the book income. It represents a tax debt to be paid in the future.

The significant difference is mainly due to cancellation of the surplus from provisions for doubtful debts

Deferred tax	31.12.2016	31.12.2015	Difference
Deferred tax on time differences	2,438,822	9,128,080	- 6,689,258
Deferred tax on loss	198,810	390,430	- 191,620
Sundry deferred tax	1,919,357	373,799	1,545,557
<b>Total</b>	<b>4,556,989</b>	<b>9,892,310</b>	<b>- 5,335,321</b>

### Note 14: Borrowings and financial payables

This item is made up of subscribed bonds and debts to financial institutions, in view of their having been loaned on to the subsidiaries.

Borrowings and financial payables	31.12.2016	31.12.2015	Difference
Borrowings and payables represented by securities	34,520,910	21,862,471	12,658,440
Convertible borrowings and payables	0	0	0
Payables to controlled companies	830,982	283,484	547,498
<b>Total</b>	<b>35,351,892</b>	<b>22,145,955</b>	<b>13,205,938</b>

### Note 15: Provisions for liabilities and expenditures

Provisions for liabilities and expenditures are to cover liabilities and expenditures likely to be incurred at closing.

Financial provisions for liabilities and expenditures	31.12.2016	31.12.2015	Difference
Provisions for liabilities and expenditures	10,334,320	10,710,616	- 376,296
<b>Total</b>	<b>10,334,320</b>	<b>10,710,616</b>	<b>- 376,296</b>

### Note 16: Customer advances received

This heading is made up of customer deposits.

Customer advances received	31.12.2016	31.12.2015	Difference
Demand-deposit savings accounts	176,025,999	160,136,174	15,889,826
Time-deposit savings accounts	441,534,911	416,976,948	24,557,963
Notes	252,800	298,341	- 45,541
Other demand deposits	404,634,330	348,768,657	55,865,673
Other time deposits	31,475,526	21,311,706	10,163,819
Payables to controlled companies	5,932,234	4,905,574	1,026,660
<b>Total</b>	<b>1,059,855,800</b>	<b>952,397,401</b>	<b>107,458,399</b>

Despite the economic environment, the group has been able to mobilise considerable resources, thanks to the various campaigns launched by companies.





HEADINGS	Capital	Issue premiums
<b>Balance of consolidated whole as of 31.12.2015 (before apportionment)</b>	<b>61,781,450</b>	<b>9,035,648</b>
2016 fiscal year transactions	0	0
Capital increase	0	0
Revaluation of assets	0	0
Dividend distribution (paid)	0	0
Foreign exchange adjustment	0	0
Goodwill	0	0
Internal check difference	0	0
Retained earnings	0	- 9,035,648
Appropriation of earnings and retained earnings	0	0
Net income	0	0
Other consolidation transactions	0	0
	0	0
<b>Balance of consolidated whole as of 31.12.2016 (before apportionment)</b>	<b>61,781,450</b>	<b>0</b>
<b>Balance of group share as of 31.12.2016 (after apportionment)</b>	<b>61,781,450</b>	<b>0</b>
<b>Balance of minority shares as of 31.12.2016 (after apportionment)</b>	<b>0</b>	<b>0</b>

**Amounts**

<b>Revaluation adjustment</b>	<b>Foreign exchange adjustment</b>	<b>Other reserves</b>	<b>Earnings</b>	<b>Total</b>
<b>13,093,302</b>	<b>- 215,526</b>	<b>11,351,672</b>	<b>7,971,843</b>	<b>103,018,390</b>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	896,662	0	0	896,662
0	0	0	0	0
0	0	0	0	0
- 13,093,302	0	0	0	- 22,128,950
0	0	7,971,843	- 7,971,843	0
0	0	0	15,150,073	15,150,073
0	0	0	10,051,893	10,051,893
0	0	0	0	0
<b>0</b>	<b>681,136</b>	<b>29,375,409</b>	<b>15,150,073</b>	<b>106,988,067</b>
<b>0</b>	<b>436,914</b>	<b>14,468,096</b>	<b>9,718,014</b>	<b>86,404,474</b>
<b>0</b>	<b>244,221</b>	<b>14,907,313</b>	<b>5,432,059</b>	<b>20,583,593</b>

### Note 17: Other payables

The suspense and sundries accounts are grouped together under this heading, the details of which are as follows:

Other payables	31.12.2016	31.12.2015	Difference
Expenditures payable	12,321,124	7,815,138	4,505,987
Deferred income	3,106,046	2,863,403	242,643
State, taxes	6,246,569	5,552,788	693,781
Other creditors	27,840,909	30,445,630	- 2,604,722
<b>Total</b>	<b>49,514,648</b>	<b>46,676,959</b>	<b>2,837,689</b>

### Note 18: Banks and overdrafts

The deposits of other correspondent banks and financial institutions, of time deposits and of short-term loans on the money markets are grouped together in this category.

Banks and overdrafts	31.12.2016	31.12.2015	Difference
Central bank – current account	1,528,792	0	1,528,792
Banks and correspondent banks	26,327,175	34,374,562	- 8,047,388
Financial entities	6,055,177	2,916,301	3,138,876
Financial institutions	479,964	1,853,795	- 1,373,831
Short-term loans and advances	334,599,586	306,709,415	27,890,171
Payables to controlled companies	1,808,643	1,718,928	89,715
<b>Total</b>	<b>370,799,336</b>	<b>347,573,001</b>	<b>23,226,335</b>

### Note 19: Turnover

Turnover is the proceeds from the main operations. In our case, it covers interest received in respect of credits, loans granted and securities, and charges collected from transactions carried out with customers.

Turnover	31.12.2016	31.12.2015	Difference
Interest received from cash transactions	3,289,849	2,437,496	852,353
Interest received from transactions with customers	83,142,993	76,573,214	6,569,779
Charges received from cash transactions (physical exchange)	31,244,419	27,987,054	3,257,364
Charges received from transactions with customers	11,476,548	11,621,225	- 144,677
Proceeds from collateral guarantees	9,332,326	8,297,381	1,034,945
Charges received from transfers	4,893,876	320,402	4,573,474
Charges received from payment methods	9,885,789	7,697,589	2,188,200
<b>Total</b>	<b>153,265,800</b>	<b>134,934,363</b>	<b>18,331,438</b>

We note the growth in interest owed by customers due to the increased volume of credit and credit transactions. The roll-out of ATM networks, with distribution of VISA cards, is also the reason for the increase in charges for payment methods.

### Note 20: Cost of materials

The cost of materials is mainly accounted for by interest paid to customers and correspondent banks in remuneration for their deposits, and by interest and charges paid for securities.

Cost of materials	31.12.2016	31.12.2015	Difference
Interest paid for cash transactions	- 17,011,660	- 9,612,282	- 7,399,378
Interest paid for transactions with customers	- 31,140,191	- 28,048,661	- 3,091,530
Charges paid for cash transactions	- 1,192,649	- 2,411,009	1,218,360
Charges paid for transactions with customers	- 489,412	- 432,254	- 57,158
Other charges paid (foreign exchange purchases)	- 4,195,617	- 5,405,615	1,209,998
<b>Total</b>	<b>- 54,029,529</b>	<b>- 45,909,821</b>	<b>- 8,119,709</b>

*This increase is due to the turnover*



## Note 21: External services

External services account for a fair proportion of the overheads detailed below:

Outside services and other outside expenses	31.12.2016	31.12.2015	Difference
Consumables	- 1,783,200	- 2,104,926	321,726
Water, electricity, gas	- 1,331,601	- 870,057	- 461,544
Fuel	- 458,390	- 406,535	- 51,855
Telephone and fax	- 1,428,512	- 1,471,409	42,897
Post and franking	- 976,931	- 659,515	- 317,416
Maintenance and repairs	- 2,362,607	- 2,898,409	535,802
IT royalties	- 2,146,059	- 1,709,008	- 437,051
Rent and lease payments	- 2,568,081	- 2,467,448	- 100,633
Security services	- 457,043	- 467,409	10,365
Legal fees and charges	- 2,595,119	- 3,246,842	651,723
Advertising, promotion, donations	- 1,727,447	- 2,049,871	322,424
Transport	- 2,686,811	- 2,621,396	- 65,414
Insurance	- 1,971,793	- 1,503,223	- 468,571
Attendance fees, directors' expenses, consultancy fees and general meetings	- 627,057	- 530,518	- 96,538
Parent-company and technical assistance fees	- 3,351,760	- 3,263,728	- 88,032
Membership fees	- 1,048,071	- 622,560	- 425,511
Training	- 291,542	- 339,112	47,570
Receptions and public relations	- 146,543	- 200,006	53,463
Taxes and duties	- 2,073,865	- 2,167,182	93,317
Previous fiscal year's and exceptional expenditures and revenue	- 204,805	- 6,015,334	5,810,529
Other expenditures	- 1,266,199	- 1 457,010	190,810
<b>Total</b>	<b>- 31,503,437</b>	<b>- 37,071,498</b>	<b>5,568,060</b>

## Note 22: Staff expenditures

This heading covers staff expenditures, which includes remuneration paid to temporary staff. The 20% increase is due to the recruitment of over 60 new staff.

Staff expenditures	31.12.2016	31.12.2015	Difference
Basic wages	- 17,286,146	- 13,759,080	- 3,527,067
Bonuses, indemnities and benefits	- 3,791,097	- 4,335,166	544,070
Pension commitments	- 442,513	- 122,691	- 319,822
Leave	- 466,871	- 420,808	- 46,063
Social security contributions	- 4,238,946	- 3,402,842	- 836,104
Outside and temporary staff	- 2,046,870	- 1,614,680	- 432,190
Medical insurance and expenses	- 726,803	- 454,003	- 272,800
<b>Total</b>	<b>- 28,999,246</b>	<b>- 24,109,271</b>	<b>- 4,889,975</b>

## Note 23: Depreciation and amortisation

Irreversible impairments of fixed asset values for the fiscal year are expressed through allocations booked as depreciation.

Depreciation and amortisation	31.12.2016	31.12.2015	Difference
Provisions for intangible fixed asset depreciation and amortisation	- 2,226,007	- 1,302,159	- 923,848
Provisions for tangible fixed asset depreciation and amortisation	- 6,516,835	- 5,120,431	- 1,396,404
<b>Total</b>	<b>- 8,742,843</b>	<b>- 6,422,591</b>	<b>- 2,320,252</b>



## Note 24: Provisions and write-backs

Reversible impairments of fixed asset and inventory values for the fiscal year are expressed through allocations booked as provisions. The same goes for some liabilities and expenditures that arise in the course of the year but will be collected later.

If they are not collected, the unnecessary provisions are written back.

The significant change in provisions for impairment set aside in 2015 for tangible fixed assets in Mali (CFA F2.457 billion, Togo (CFA F257 million), Mauritania (CFA F209 million) and Benin (CFA F259 million) are due to the revaluation of the fixed assets.

The provisions and write-backs for customer receivables that took place in the 2016 fiscal year are set out below.

Customer receivables (CFA F thousand)	Provisions	Write-backs
Benin	- 10,106,925	10,230,196
Côte d'Ivoire	- 7,328,411	5,009,110
Gabon	- 3,623,627	1,615,803
Guinea-Conakry	- 1,081,879	702,256
Mauritania	- 4,544,011	148,992
Chad	- 3,778,332	833,401
Togo	- 7,102,638	11,401,646
<b>Total</b>	<b>- 37,565,824</b>	<b>29,941,405</b>

Provisions	31.12.2016	31.12.2015	Difference
Provisions for intangible fixed assets	0	0	0
Provisions for tangible fixed assets	5,208	- 3,260,556	3,265,765
Provisions for customer receivables	- 37,565,824	-21,420,388	- 16,145,436
Provisions for general banking risk (FGBR)	0	0	0
Provisions for liabilities and costs	- 2,544,397	- 1,470,267	- 1,074,130
<b>Total</b>	<b>- 40,105,013</b>	<b>- 26,151,211</b>	<b>- 13,953,801</b>

Write-backs	31.12.2016	31.12.2015	Difference
Depreciation and amortisation write-backs	1,209,259	568,917	640,342
Customer receivables write-backs	29,941,405	7,970,201	21,971,204
Write-backs for general banking risk (FGBR)	0	0	0
Write-backs for liabilities and expenditures	1,894,485	3,065,456	- 1,170,971
<b>Total</b>	<b>33,045,149</b>	<b>11,604,574</b>	<b>21,440,574</b>

## Note 25: Financial revenues and expenditures

Financial products and expenses are recorded as securities (bonds). Provisions for bonds are considered financial transactions.

Financial products	31.12.2016	31.12.2015	Difference
Proceeds collected for securities and other fixed assets	118,962	329,310	- 210,348
Dividends collected	61,804	34,289	27,515
Proceeds from the sale of securities	3,551	225,008	- 221,457
Write-backs for provisions and financial expenses	10,972	1,029,079	- 1,018,107
<b>Total</b>	<b>195,289</b>	<b>1,617,685</b>	<b>- 1,422,396</b>

Financial expenses	31.12.2016	31.12.2015	Difference
Amortisation of negative goodwill	- 1,098,605	- 1,006,037	- 92,568
<b>Total</b>	<b>- 1,098,605</b>	<b>- 1,006,037</b>	<b>- 92,568</b>

## Note 26: Out-of-the ordinary revenue and expenditures

Any transactions that are non-recurrent or do not form part of operations are booked as out-of-the ordinary revenue and expenditures.

Out-of-the ordinary earnings	31.12.2016	31.12.2015	Difference
Proceeds from the sale of fixed assets	47,965	98,265	- 50,300
Book values of sold fixed assets	- 49,812	- 5,216	- 44,596
Recovery of paid-of debts	4,186	152	4,035
Losses on bad debts	- 2,102,611	- 1,931,490	- 171,121
Other income	108,559	122,871	- 14,312
Revenue from investment property	80,188	137,194	- 57,006
<b>Total</b>	<b>- 1,911,525</b>	<b>- 1,578,225</b>	<b>- 333,300</b>

# 5.3 - Reporting protocol / Transparency and reporting

GRI 102-46, 102-48, 102-50 à 102-52

The Orabank group can call on a process intended to pass on financial, economic, environmental and social information to stakeholders. The purpose of this transparency is to show them our policies and governance, along with our roll-out plans and performance measures. Every year, an annual report on our operations is produced, and an integrated annual report has been published for the 2016 fiscal year. The previous report on our operations, published in 2016, was for the 2015 fiscal year.

Our reporting seeks to be progressive. Since 2016, we have been applying the latest version of the new GRI standards as a frame of reference, since it is the most used and recognised reporting framework in the world. Our report includes an index, so that it is in accordance with the “Core” option. We have also respected the IIRC principles in producing our first integrated report to present the Orabank group’s overall performance.

Our long-term vision encourages us to be pro-active, and to remain vigilant as regards environmental and social issues.

## Reporting protocol

We have been publishing reports on our CSR approach since 2014. Reporting and data-processing tools have been improved and optimised for greater reliability and ownership. We brought in MATERIALITY-Reporting – reporting experts – to apply the GRI standards and IIRC frames of reference.

## Performance indicators protocol

To ensure that our approach is consistent and easy to follow, we are continuing the efforts made in reporting from previous years. The annual figures set out below show the progress we have made in the last three years.

## Scope of indicator calculation

Indicator	Scope
Employee-related indicators (human capital)	100% of the Orabank group, comprising Oragroup, SA (the holding company), all the banks (Orabank Benin, Orabank Gabon, Orabank Guinea, Orabank Mauritania, Orabank Togo) and Orabank Côte d'Ivoire with all its branches (Orabank Burkina, Orabank Guinea-Bissau, Orabank Mali, Orabank Niger and Orabank Senegal)

## 5.4 - Indicators table

GRI	Chapter	Orabank indicators	Unit	KPI	2014	2015	2016
404-01	Governance and ethics	Employees who have undergone ethics and compliance training	Number		-	375	867
404-01	Governance and ethics	Credit risk-management training – session duration	Days		-	-	6
404-01	Governance and ethics	Credit risk-management training – people trained	Number		-	-	70
404-01	Governance and ethics	Credit risk-management training – people scheduled	Number		-	-	75
404-01	Governance and ethics	Credit risk-management training – session	Number		-	-	3
102-17	Governance and ethics	Ethics incidents elevated to the Legal and Compliance divisions	Number		0 %	0 %	0 %
	Governance and ethics	Attendance rate at Board of Directors committee meetings	Percentage		100 %	100 %	100 %
102-06	Social capital	Customers	Number	X	316,327	349,016	386,181
102-02	Social capital	ATMs	Number	X	81	107	142
102-12	Social capital	Charitable works – consolidated	CFA F		450,110,524	576,016,925	649,876,874
404-01	Intellectual capital	Success with banking training leading to a qualification	Rate	X	74 %	74 %	66.67 %
404-02	Intellectual capital						
102-03	Intellectual capital	Country	Number	X	12	12	12
102-04							
102-06							
401-02	Human capital	Fringe benefits – health-care costs	CFA F		-	1,044,192,374	1,186,371,552
	Human capital	Staff benefiting from a performance-appraisal meeting	Percentage		-	95 %	-
201-01	Human capital	Credit to staff – other	CFA F		243,866,000	617,950,185	517,355,951
401-02	Human capital	Credit to staff – other	Number		276	324	557
201-01	Human capital	Credit to staff – housing	CFA F		3,225,155,433	422,282,403	3,813,801,601
401-02	Human capital	Credit to staff – housing	Number		134	115	162
201-01	Human capital	Credit to staff – medium-term	CFA F		1,212,340,121	62,965,185	351,564,811
401-02	Human capital	Credit to staff – medium-term	Number		163	68	75
201-01	Human capital	Credit to staff – personal	CFA F		2,124,804,922	96,323,914	2,554,037,760
401-02	Human capital	Credit to staff – personal	Number		482	422	591
404-02	Human capital	Training expenditures out of overall payroll	Percentage	X	3.86 %	3.96 %	3.15 %
102-08	Human capital	Average age	Number		38.5	39	38.5
102-12	Human capital	Cumulative charitable works for whole staff	Percentage	X	2.69 %	2.70 %	2.72 %
404-03	Human capital	Jobs evaluated (Hay method)	Number		-	-	187
401-02	Human capital	Referential-rate loans granted to staff	Number		1,055	929	1,385
401-02	Human capital	Referential-rate loans granted to staff	CFA F		6,806,166,476	5,959,978,690	7,236,760,123
404-01	Human capital	Progress with internal promotions – women	Percentage	X	34.70 %	35.00 %	39.50 %
404-01	Human capital	Success with banking training leading to a qualification	Percentage		-	74 %	66.67 %
404-01	Human capital	Employees who have undergone training	Percentage	X	63.5 %	78.2 %	81 %
404-02	Human capital	Employees who have undergone training	Number	X	950	1,224	1,381
102-08	Human capital	Group employees – including women	Percentage		42 %	43.70 %	43.55 %
405-01	Human capital	Group employees – including female managers	Percentage		23 %	29.70 %	30.20 %
G4-F56	Financial capital	Solvency ratio	Percentage	X	14 %	13 %	13 %
G4-F56	Financial capital	Operating ratio	Percentage	X	63 %	68 %	64 %
202-02	Natural capital	Amount of support for projects under SUNREF	€ million	X	-	1,500,000	3,000,000



## 5.5 - GRI index – New standards and correlation table

GRI 102-54, 102-55

The following index sets out our commitments under the “Core” option for the GRI standards and cross-references them with the United Nations’ Sustainable Development Goals and the Principles for Responsible Investment (PRI). GRI standards are no longer officially available in French.

Booklet	Indicator	Title	Chapter	SDG	UN PRI
general disclosures	102-1	Name of the organisation	First page		
	102-2	Activities, brands, products, and services	1.3		
	102-3	Location of headquarters	Last page		
	102-4	Location of operations	1.3, 1.6		
	102-5	Ownership and legal form	1.2		
	102-6	Markets served	1.3		
	102-7	Scale of the organisation	1.2		
	102-8	Information on employees and other workers	4.2	SDG8	
	102-9	Supply chain	3.1		
	102-10	Significant changes to the organisation and its supply chain	1.6, 1.7		
	102-11	Precautionary Principle or approach	2.6		
	102-12	External initiatives	3.1		
	102-13	Membership of associations	Foreword		
	102-14	Statement from senior decision-maker	1.1		
	102-15	Key impacts, risks, and opportunities	1.5		
	102-16	Values, principles, standards, and norms of behaviour	2.1, 5.6	SDG16	
	102-17	Mechanisms for advice and concerns about ethics	2.4	SDG16	
	102-18	Governance structure	2.2		
	102-19	Delegating authority	2.2		
	102-20	Executive-level responsibility for economic, environmental, and social topics	2.2		Principle n°1
	102-21	Consulting stakeholders on economic, environmental, and social topics	3.2, 4.2, 4.4	SDG16	
	102-22	Composition of the highest governance body and its committees	2.2	SDG5 / SDG16	
	102-23	Chair of the highest governance body	1.1, 2.2	SDG16	
	102-24	Nominating and selecting the highest governance body	2.2	SDG5 / SDG16	
	102-25	Conflicts of interest	2.4, 4.2	SDG16	
	102-26	Role of highest governance body in setting purpose, values, and strategy	2.4		
	102-27	Collective knowledge of highest governance body	2.2	SDG4	
	102-29	Identifying and managing economic, environmental, and social impacts	1.4, 4.1 à 4.5	SDG16	Principles No 1 and No 2
	102-30	Effectiveness of risk management processes	2.6		
	102-31	Review of economic, environmental, and social topics	1.3		Principles No 1 and No 2
	102-32	Highest governance body's role in sustainability reporting	2.2		
	102-33	Communicating critical concerns	1.5, 4.1 à 4.5		
	102-34	Nature and total number of critical concerns	3.2		
	102-35	Remuneration policies	4.2		
	102-36	Process for determining remuneration	4.2		
	102-37	Stakeholders' involvement in remuneration	4.2	SDG16	
	102-38	Annual total compensation ratio	4.2		
	102-40	List of stakeholder groups	3.1		
	102-41	Collective bargaining agreements	3.2	SDG8	
	102-42	Identifying and selecting stakeholders	3.1		
	102-43	Approach to stakeholder engagement	3.2		
	102-44	Key topics and concerns raised	3.2		
	102-45	Companies included in the consolidated accounts	5.2		Principle n°4
	102-46	Defining report content and topic Boundaries	5.3		Principles No 3 and No 6
	102-47	List of material topics	3.3		
	102-48	Restatements of information	5.3		
	102-49	Changes in reporting	1.5		
	102-50	Reporting period	5.3		
	102-51	Date of most recent report	5.3		
	102-52	Reporting cycle	5.3		
	102-53	Contact point for questions regarding the report	Last page		
	102-54	Claims of reporting in accordance with the GRI Standards	5.5		
	102-55	GRI content index	5.5		
	102-56	External assurance	5.1		Principles No 3 and No 6

<b>Management approach</b>	103-1	Explanation of the material topic and its Boundary	3.3	SDG12 to SDG15	
	103-2	The management approach and its components	4.4	SDG1 / SDG5 / SDG8 / SDG12 to SDG16	
	103-3	Evaluation of the management approach	4.2	SDG12 to SDG15	
<b>Economic performance</b>	201-1	Direct economic value generated and distributed	4.4	SDG2 / SDG5 / SDG7 to SDG9	
	201-2	Financial implications and other risks and opportunities due to climate change	2.6, 4.5	SDG13	
<b>Market presence</b>	202-2	Proportion of senior management hired from the local community	4.4	SDG8	
<b>Indirect economic impacts</b>	203-1	Infrastructure investments and services supported	4.1	SDG2 / SDG5 / SDG7 / SDG9 / SDG11	
<b>Anti-corruption</b>	205-1	Operations assessed for risks related to corruption	2.5, 4.3	SDG16	
	205-2	Communication and training about anti-corruption policies and procedures	2.5, 4.3, 5.6	SDG16	
	205-3	Confirmed incidents of corruption and actions taken	2.5	SDG16	
<b>Employment</b>	401-1	New employee hires and employee turnover	4.2	SDG5 / SDG8	
<b>Health and security</b>	403-1	Workers representation in formal joint management-worker health and safety committees	4.2	SDG8	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	4.2	SDG3 / SDG8	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	4.2	SDG3 / SDG8	
	403-4	Health and safety topics covered in formal agreements with trade unions	4.2	SDG8	
<b>Training and education</b>	404-1	Average hours of training per year per employee	4.2	SDG4 / SDG5 / SDG8	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	4.2	SDG8	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2	SDG5 / SDG8	
<b>Diversity and equal opportunity</b>	405-1	Diversity of governance bodies and employees	4.2	SDG5 / SDG8	
	405-2		4.2	SDG5 / SDG8 / SDG10	
<b>Non-discrimination</b>	406-1	Ratio of basic salary and remuneration of women to men	4.2	SDG5 / SDG8 / SDG16	
<b>Local communities</b>	413-1	Incidents of discrimination and corrective actions taken	4.3, 4.4		
		Operations with local community engagement, impact assessments, and development programmes			
	413-2	Operations with significant actual and potential negative impacts on local communities	1.4	SDG1 / SDG2	
<b>Supplier social</b>	414-1	New suppliers that were screened using social criteria	2.4	SDG5 / SDG8 / SDG16	
<b>assessment Customer health and safety</b>	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.3	SDG16	
<b>Marketing and labelling</b>	417-1	Requirements for product and service information and labelling	4.4	SDG12 / SDG16	
	417-2	Incidents of non-compliance concerning product and service information and labelling	4.4	SDG16	
	417-3	Incidents of non-compliance concerning marketing communications	4.4		
<b>Customer privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.3	SDG16	
<b>Financial services</b>	G4-FS1	Policies with specific environmental and social components applied to business lines	4.4, 4.5		Principles No 1 and No 2
	G4-FS2	Procedures for assessing and screening environmental and social risks in business lines	2.6		Principles No 1 and No 5
	G4-FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	4.2, 4.4		Principle No 4
	G4-FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	3.2		Principles No 3 and No 4
	G4-FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	4.1	SDG1 / SDG8 / SDG9	
	G4-FS13	Access points in low-populated or economically disadvantaged areas by type	4.4	SDG8 / SDG10	Principles No 1 and No 2
	G4-FS14	Initiatives to improve access to financial services for disadvantaged people	4.3, 4.4		Principles No 1 and No 2
	G4-FS15	Policies for the fair design and sale of financial products and services	4.4		Principles No 1 and No 2
	G4-FS16	Initiatives to enhance financial literacy by type of beneficiary	4.4		Principles No 1 and No 2

## 5.6 - Policies, codes and charters

GRI 102-16, 205-02

Policy, code or charter	Purpose	Published/ revised
Good Governance Charter	The Board of Directors sets out the broad strategic orientations, the degree of risk accepted and the overall risk policy. To that end, it has to approve the goals and policies proposed by the executives, and oversee their implementation. In particular, the Board of Directors has to ensure that the goals set by the executives are not out of proportion with the technical, human and financial resources of the company and the banks, and that the associated risks have been properly measured and managed. The Board of Directors is ultimately responsible to the shareholders, and to the regulatory and supervisory authorities for the financial solidity of the company and banks, for their organisation, for their risk management, for their internal control, for their corporate governance system, and for their respect for the legislation and regulations in force.	Nov. 2015
Board of Directors rules of procedure	These determine the ways in which meetings are called, information is accessed and decisions are taken by the collegiate body that is the Board of Directors. The rules of procedure lay down that, in the performance of its duties, the Board must always act in the company's higher interests, in accordance with (i) the legal and regulatory requirements, and (ii) its responsibility to the shareholders, the regulators and any other stakeholders. The rules of procedure also determine the make-up of the Board and lay down the procedure for appointing directors. They organise who the Board's chair and secretary are, and directors' terms and remuneration, as well as laying down the framework for assessing and training directors.	Nov. 2015
Directors' Charter	This outlines the directors' relationship with the company, particularly as regards rights and obligations.	May 2012
Internal Control and Audit Charter	The audit policy followed within Oragroup, SA is laid down in the Audit Charter, which details the targets and tasks, responsibilities, resources and powers of Internal Audit within the group. The Orabank group's in-house Audit Charter draws on the standards laid down at international level by the Basel Committee, the Institute of Internal Auditors and the banking-supervision authorities in the countries in which the group operates. The Audit Charter has been approved by the group's Audit Committee and its Board of Directors.	January 2011 November 2015
Code of Professional Conduct	The group's Code of Professional Conduct, applicable to all stakeholders (directors, executives, members of the management committees, senior managers and the staff as a whole), lays down the principles to respect and apply in relation to the following standards: 1. Respect for others; 2. Protection of the image of the Orabank group and of banks of the Orabank network; 3. Use and protection of the Orabank group's assets; 4. Respect for professional confidentiality; 5. Circulation and protection of confidential information; 6. Prevention and settlement of conflicts of interest; 7. Commercial practices and behaviour towards customers; 8. Respect for local legislation and regulations; 9. Relationships with suppliers; 10. Combating money-laundering; 11. Professional conduct principles specific to activities on the financial markets.	April 2016
Shareholders' agreement	This strategic document lays down how governance is organised within the group, and how the rights and obligations of group shareholders are organisation, particularly those of the main shareholder (ECP) and of the institutional shareholders: BIO, DEG and the BOAD. The shareholders' agreement also governs the conditions and mechanisms for investment decision-making and for shareholders to sell their share capital. The latest version of the shareholders' agreement dates from 31 December 2013, when DEG took a stake in the holding company's share capital.	Déc. 2013
Procurement procedure	This revised procedure comprises two cycles: • Purchasing of goods and services; • Fixed assets.	Sept. 2016

Procedure for declaring conflicts of interest	Procedure implemented during each Board of Directors meeting, with a view to each director voluntarily declaring any conflicts of interest with the items included on the agenda. Directors who have declared a conflict of interest in this way participate in neither the debates nor in the decisions on the issues on which they have a conflict.	2015
AML/FT procedures	Set out in a procedures manual applicable to all group companies, these comprise the core legislation in force to ensure compliance with national, ECOWAS and international anti-money laundering and the financing of terrorism regulations.	April 2015
Whistle-blowing policy	The purpose of this is to encourage any employee or stakeholder (shareholder, customer, supplier, etc.) – the “whistle-blower” – to report any actions that could constitute serious breaches of the group’s internal procedures and rules, or any criminal acts that could damage its reputation and interests..	April 2014
Credit risk-management policy manual	This document offers a frame of reference and guidelines for all stakeholders in the Orabank group’s credit process.	2010 2016
Structured finance manual	This document is intended to define the scope for using what is known as structured finance within Orabank. The structured finance manual sets out the policy for using bespoke financial products within the group. This document is incorporated into the Orabank credit-risk policy manual.	2016
Business travel policy	This sets out the policy for official travel and ensures that such trips are undertaken in a rational, economical and completely safe way.	2015
Ethics Charter	The group’s Ethics Charter lays down the general standards of professional behaviour that all staff members must follow. It sets out the ethics principles and the circle of stakeholders, for one thing, and describes the ethics governance, for another.	2015 2017
HR procedures manual	his manual is designed to set out all the policies and procedures applicable to human-resources management in the Orabank group. It covers HR’s various activities, ranging from recruitment to managing employees’ departure, also covering administrative management, pay, training, performance management, etc	Sept. 2016
In-house Recruitment Charter	The Recruitment Charter lays down the Orabank group’s principles and main commitments as regards recruitment.	Aug. 2016
Intern policy	This forms part of the “Schools Partnerships/Actions” policy, which lays down the criteria for identifying schools with which group companies can foster partnerships, the content to include in partnerships with schools, the steps to take, recruitment conditions and the training of interns.	Feb. 2017
Gift-management policy	This completes the Code of Professional Conduct and prevents practices as regards the giving and receiving of gifts from breaking the rules. The code therefore protects the Orabank group’s image and reputation.	Adopted in Dec. 2016 to come into force in Jan. 2017





## 5.7 - Glossary and acronyms

Term	Definition
Account manager	Bank staff member in direct contact with customers from the beginning to the end of the process, who projects the bank's image and is the customer's sole point of contact.
Operating ratio	The ratio of operating costs to net interest income.
Credit risk	Relates to the possibility that a borrower or counterparty will not meet its obligations in accordance with the conditions laid down in the contract, directly resulting in the loss, in whole or in part, of the lent funds. Accordingly, credit risk is incurred by transactions financing companies, individuals, banks or financial institutions.
Structured finance	A "bespoke" or specialist financial product. This term covers all types of financial product, requiring a specific approach in terms of structuring (risk assessment, amount, loan term, legal and financial arrangements), as opposed to the "classic" financial products that Orabank offers companies.
ESG risk	Environmental, social and governance risk.
ATM	Automated teller machines (ATMs) are machines from which cash can be withdrawn by any bearer of a card accepted by the machine.
SMEs	Small and medium-sized enterprises.
R&D	Research and development.
ILO	International labour organisation.
CRM	Customer relationship manager, a customer-relations management tool.
HRIS	Human resources information system
SLA	Service-level agreement: a standard defining the quality of a service between a supplier and a customer.
SUNREF	Sustainable Use of Natural Resources, a green line of credit, in partnership with the French Development Agency (AFD).
OHSC	Occupational hygiene, health and safety committee.
ATMs	Advanced automated teller machines (ATMs) are machines enabling any bearer of a card accepted by the machine to carry out numerous transaction types without the involvement of bank staff, 24 h per day.
IFRS	International Financial Reporting Standards, an accounting standard.
SBA	The Sopra Banking Amplitude software, a banking application.
PCI-DSS	Payment Card Industry Data Security Standard, the security standard for payment cards.
CORISQ	The Orabank group's Risk Committee.
ALCO	The Orabank group's Asset and Liability Management Committee.
CPN	Level One Credit Committee (CPN), the decision-making body within the subsidiary appointed by the Board of Directors to approve credit applications, within the limits of the delegated powers.
LTC	Level Two Credit Committee (LTC), which approves credit applications that fall outside the powers of the LOC.
mPOS	Mobile point of sale: terminal connected to a tablet or smartphone, making it possible to collect payments from any bank cards.
NII	Net interest income.
EPT	Electronic payment terminal.
UEMOA	West African Economic and Monetary Union (UEMOA).
CEMAC	Economic and Monetary Community of Central Africa (CEMAC)
BIC	The UEMOA's Credit Information Bureau (BIC).
IOB	Bank transaction intermediary (IOB).
Basel II/III	Standards laid down by the Basel Committee, comprising recommendations for the supervision and oversight of the banking sector at international level, along with technical standards. The Basel Committee is made up of the representatives of bank supervisory authorities and central banks from 27 countries.
UNEP FI	United Nations Environment Programme Finance Initiative.
AML	Anti-money laundering compliance standards.
KYC	Know your customer standards.
ERMAS	Comprehensive risk-management tool used by the Orabank group.
ALM	Asset and liability management.
SYMRES	The Environmental and Social Risk-Management System designed by the Orabank group.
BCP	Business-continuity planning, a procedure which ensures that services remain available and reliable, and that emergency measures are taken, in the event of a crisis, with a view to putting in place a restoration plan to ensure the continuity of operations.
ROE	Return on equity.
ROA	Return on assets.

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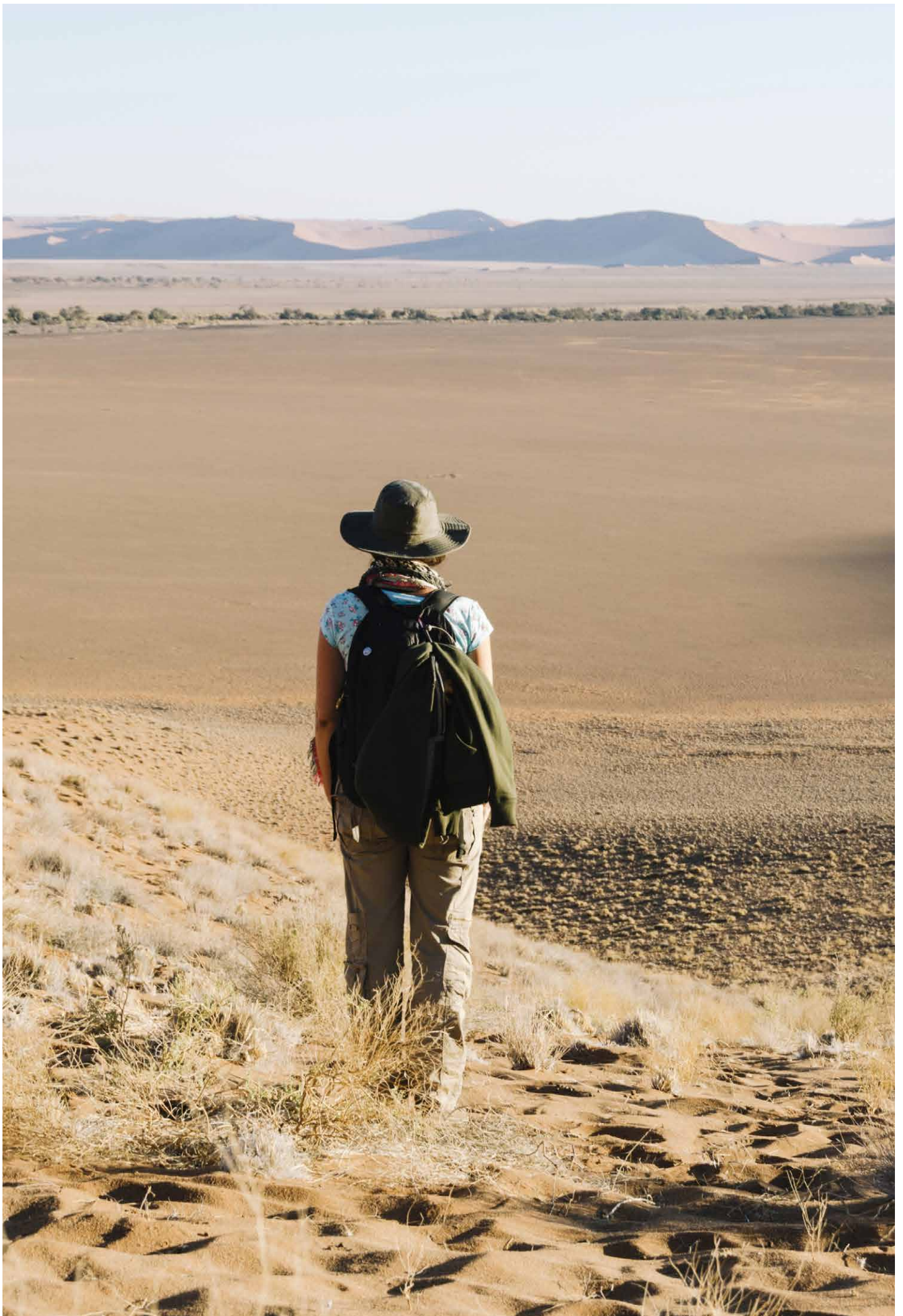
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- reducing our carbon footprint;
- using natural resources responsibly;
- cutting out any negative impact our operations may have on endangered forests.
- Printing this document meets our commitments:
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