BMCE BANK OF AFRICA

2016

ANNUAL REPORT

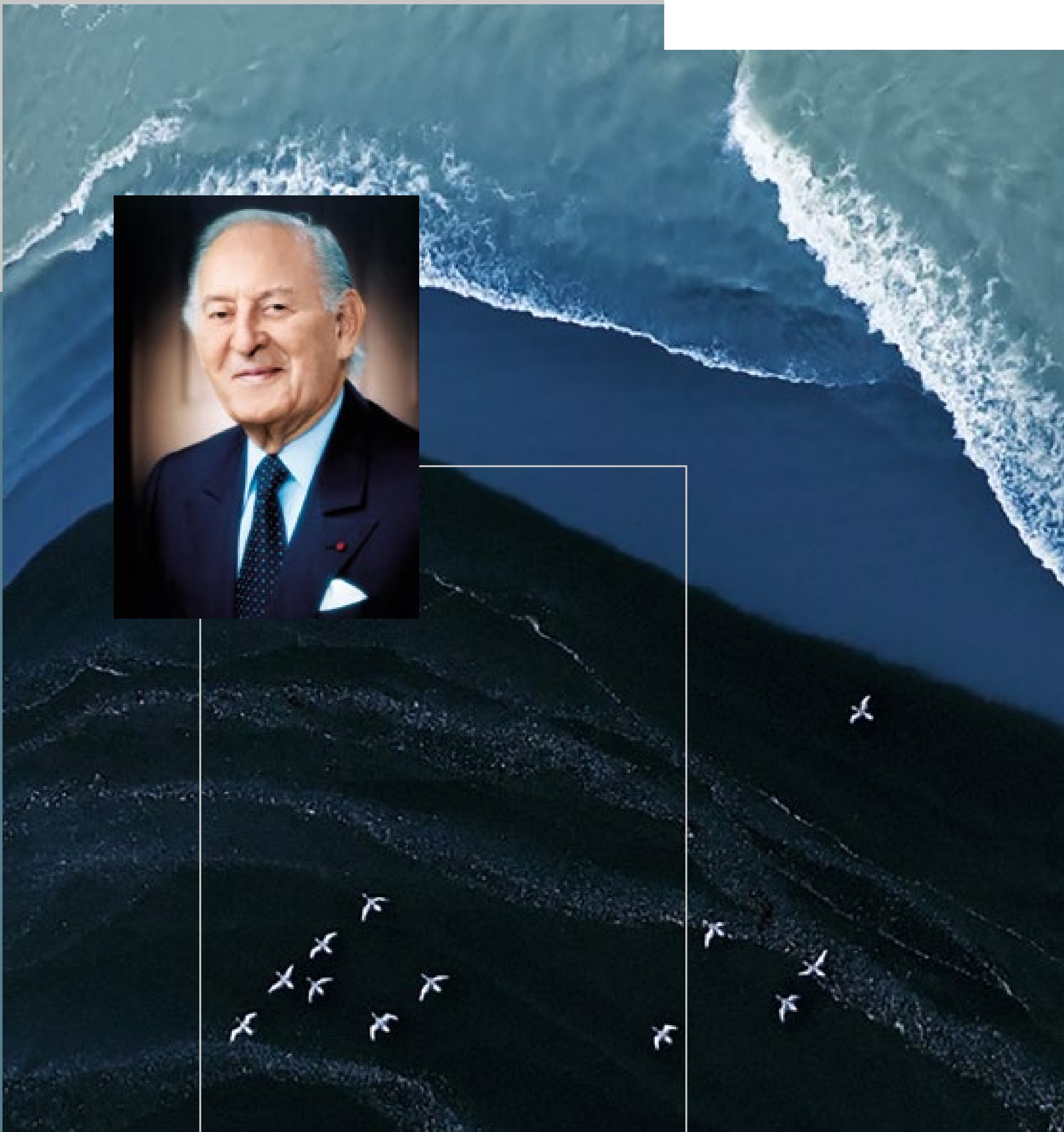
« As financial market players, we believe that Sustainable Finance, a driver in the economic transformation and energy transitions, yields wealth and employment. It is the case for banks, for the financial system in general and, above all, for our companies and our fellow citizens ».

Othman Benjelloun

Conference: Creating Green Banking Markets in Africa

October 2016

Content



OUR WORLD IS CAPITAL

Completing the first year of its Strategic Development Plan 2016-2020, BMCE Bank of Africa Group's net income attributable to shareholders of the parent company breached the MAD 2 billion mark for the first time, reaching another record high and highlighting the Group's strong growth dynamic both in its domestic market and overseas. Another record was achieved in terms of the size of the balance sheet, which surpassed the MAD 305 billion threshold.

Performance indicators registered double-digit growth such as consolidated net banking income (+10%) and gross operating income (+15%), demonstrating the underlining health of the Group's core business.

This performance was also due to the Group's clear willingness to play a supporting role in Africa's development; the Group, which has one of the most extensive branch networks, has forever shown its determination to place Africa at the heart of its international strategy, promoting African development projects on behalf of Africans.

The Group's leadership can also be seen in its strategy of accelerating the development of inclusive and sustainable finance at the Group level. The recognition bestowed on our institution, domestically and internationally, is derived from our resolute approach, adopted more than 20 years ago, culminating in our noteworthy presence at the COP22 held in Marrakesh. The pioneering and exemplary commitment shown by BMCE Bank of Africa Group and its Foundation is regularly recognised by renowned international charitable organisations in their international rankings.

With the backing of it 14,000-strong workforce and its diverse business lines, BMCE Bank of Africa Group remains committed, as a pan-African financial institution of Moroccan origin, to being a torch-bearer for Africa, a continent which is a genuine 'new frontier' of development for the world in this third millennium. Our Group also continues to fly the flag for Morocco as a bridge head and reliable agent for the continent's development.

Othman Benjelloun
Chairman & Chief Executive Officer

A Member of FinanceCom Group

CORE BUSINESS

- BMCE Bank: A universal bank that is Morocco's third private sector bank with a 14.9% share of both the loan and deposit markets
- RMA: One of Morocco's leading insurance companies with a 16.7% total market share
- RMA Capital Holding: RMA's asset management company

PRIVATE EQUITY

- Finatech: A group of companies specialising in new information technologies structured around two main business lines: the Energy & Infrastructure Division and the Systems Technologies Division
- Other investments: CTM, Air Arabia Maroc, Casablanca Jeemo Cars and Brico Invest

INTERNATIONAL

- FinanceCom International: A subsidiary overseeing the Group's asset management and real estate companies around the world

GROWTH DRIVERS

- Meditelecom-Orange: Morocco's second telecommunications operator with 13.7 million subscribers
- Agribusiness: Adarouch Ranch, Africa's largest bovine and organic beef producer and Morocco's largest red meat slaughtering, cutting and processing operation

REAL ESTATE

- CAP ESTATE: The Group's real estate subsidiary with MAD 225 million of share capital
- REVLY'S: A joint venture between FinanceCom Group and Aman Resort, specialising in financing tourism projects
- Argan Capital: A real estate investment management company

OUR WORLD IS CAPITAL

FINANCE COM

- **INTERNATIONAL**
  - **FINANCECOM INTERNATIONAL**
- **GROWTH DRIVERS**
  - **MEDITELECOM -ORANGE-**
  - **CTM**
    - CTM MESSAGERIE
  - **AGROINDUSTRIE**
    - BIO BEEF
    - RANCH ADAROUCH
- **CORE BUSINESS**
  - **BMCE BANK OF AFRICA**
    - BANK OF AFRICA
    - BMCE CAPITAL
    - BMCE BANK INTERNATIONAL
    - MAGHREBAIL
    - SALAFIN
    - MAROC FACTORING
    - LOCASOM
    - RM EXPERTS
  - **RMA**
    - RMA CAPITAL
- **PRIVATE EQUITY**
  - **FINATECH**
  - **AIR ARABIA**
  - **BRICO INVEST**
  - **CASABLANCA JEEMEO CARS**
- **REAL ESTATE**
  - **CAP ESTATE**
  - **RISMA**
  - **AMANJENA**
  - **VILLAJANA**
  - **ARGAN INVEST**
    - ACTIF INVEST
    - COLLIERS INTERNATIONAL MAROC
  - **O TOWER**

Composition of the Board of Directors

from left to right
Othman BENJELLOUN
Michel LUCAS
Abdellatif ZAGHNOUN
Azeddine GUESSOUS
Zouheir BENSAÏD
Hicham EL AMRANI
François HENROT
Brian C. McK. HENDERSON
Philippe DE FONTAINE VIVE
Christian de BOISSIEU
Hadeel IBRAHIM
Brahim BENJELLOUN-TOUIMI

OUR WORLD IS CAPITAL

BMCE Bank Group's Board of Directors comprises twelve directors, five of whom are Independent Directors including one female director.

Othman BENJELLOUN
Chairman & Chief Executive Officer
Date initially appointed: 1995*
Current term of office: 2013-2019

BANQUE FEDERATIVE DU CREDIT MUTUEL CM-CIC Group
Represented by Michel LUCAS
Date initially appointed: 2005
Current term of office: 2014-2020

CAISSE DE DEPOT ET DE GESTION
Represented by Abdellatif ZAGHNOUN
Date initially appointed**: 1966
Current term of office: 2016-2022

RMA
Represented by Zouheir BENSAID
Date initially appointed: 1994
Current term of office: 2013-2019

FINANCECOM
Represented by Hicham EL AMRANI
Date initially appointed: 2001
Current term of office: 2015-2021

Azeddine GUESSOUS
Intuitu Personae
Date initially appointed: 2017
Current term of office: 2017-2023

François HENROT
Independent Director
Date initially appointed: 2016
Current term of office: 2016-2022

Brian C. McK. HENDERSON
Independent Director
Date initially appointed: 2016
Current term of office: 2016-2022

Philippe DE FONTAINE-VIVE
Independent Director
Date initially appointed: 2016
Current term of office: 2016-2022

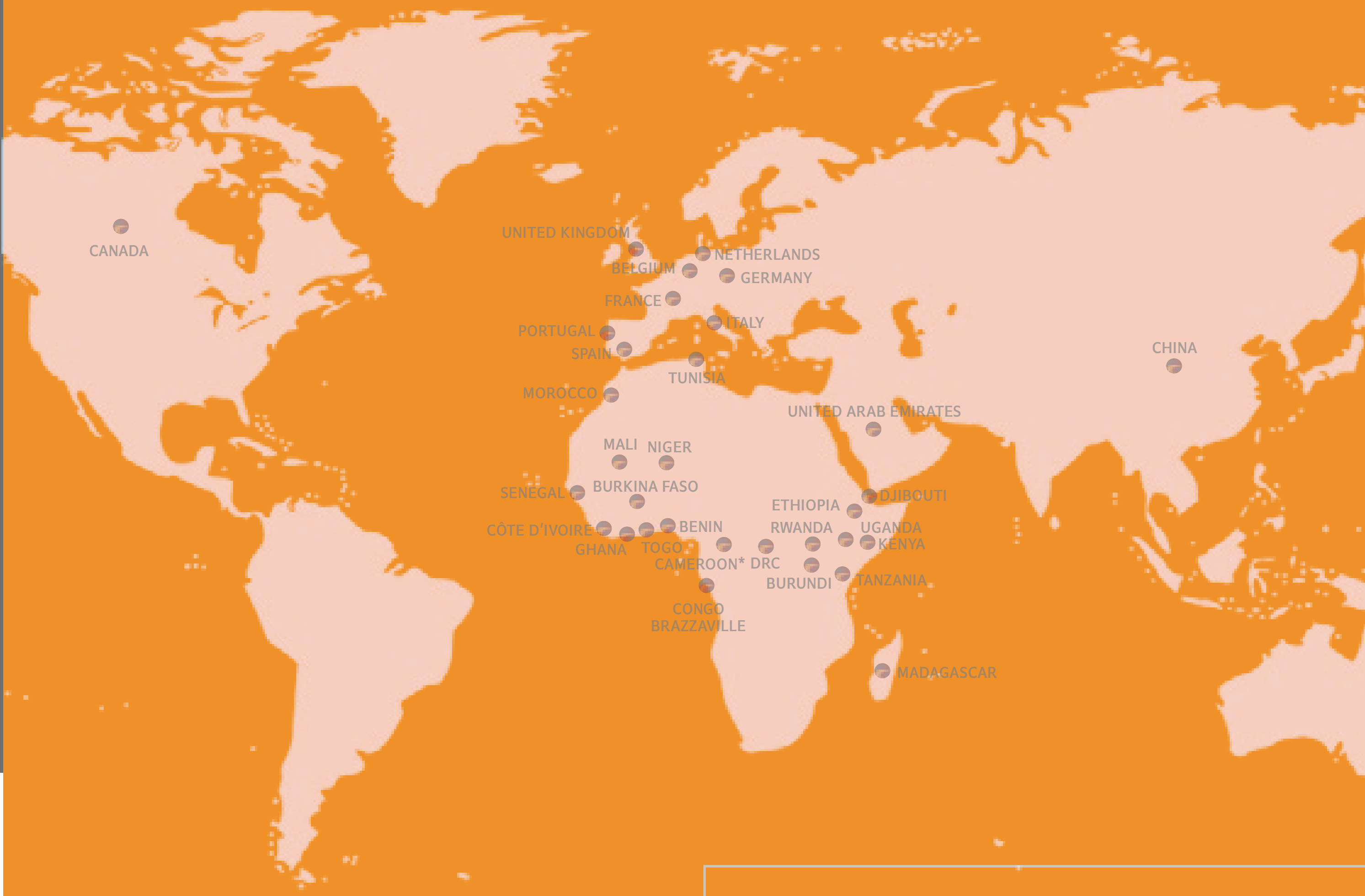
Christian de BOISSIEU
Independent Director
Date initially appointed: 2016
Current term of office: 2016-2022

Hadeel IBRAHIM
Independent Director
Date initially appointed: 2017
Current term of office: 2017-2023

Brahim BENJELLOUN-TOUIMI
Group Executive Managing Director
Date initially appointed: 2004
Current term of office: 2016-2022

(*) Each term of office shall take effect from the date on which the Annual General Meeting is convened to rule on the previous year's financial statements.
(**) CDG had a seat on BMCE Bank's Board of Directors from 1966 to 1997 and was then reappointed at the Annual General Meeting of 26 May 2010.

More than 55 Years of Growth and Development in Morocco and Overseas



Operations in 32 countries
More than 1,600 points of sale
More than 5,500,000 customers
More than 14,800 employees

(*) in progress

A PRIVATE SECTOR GROUP WITH MOROCCAN ROOTS

- **3rd bank in terms of total assets** with a 14.94% share of both the loan and deposit markets
- **2nd bank-insurer** with a 36.4% penetration rate
- **3rd asset manager with a market** share of 15%

... AN INTERNATIONAL PROFILE

- 1st bank to establish international operations when it opened a branch office in Paris in 1972
- 1st Moroccan bank to issue GDRs in 1996
- 1st corporate in Morocco to issue a Eurobond in 2013
- 1st Moroccan bank to be listed on 3 stock markets – Casablanca, London and Luxemburg
- 1st Moroccan bank to open a representative office in Beijing, China in 2000

... AND PAN-AFRICAN AMBITIONS

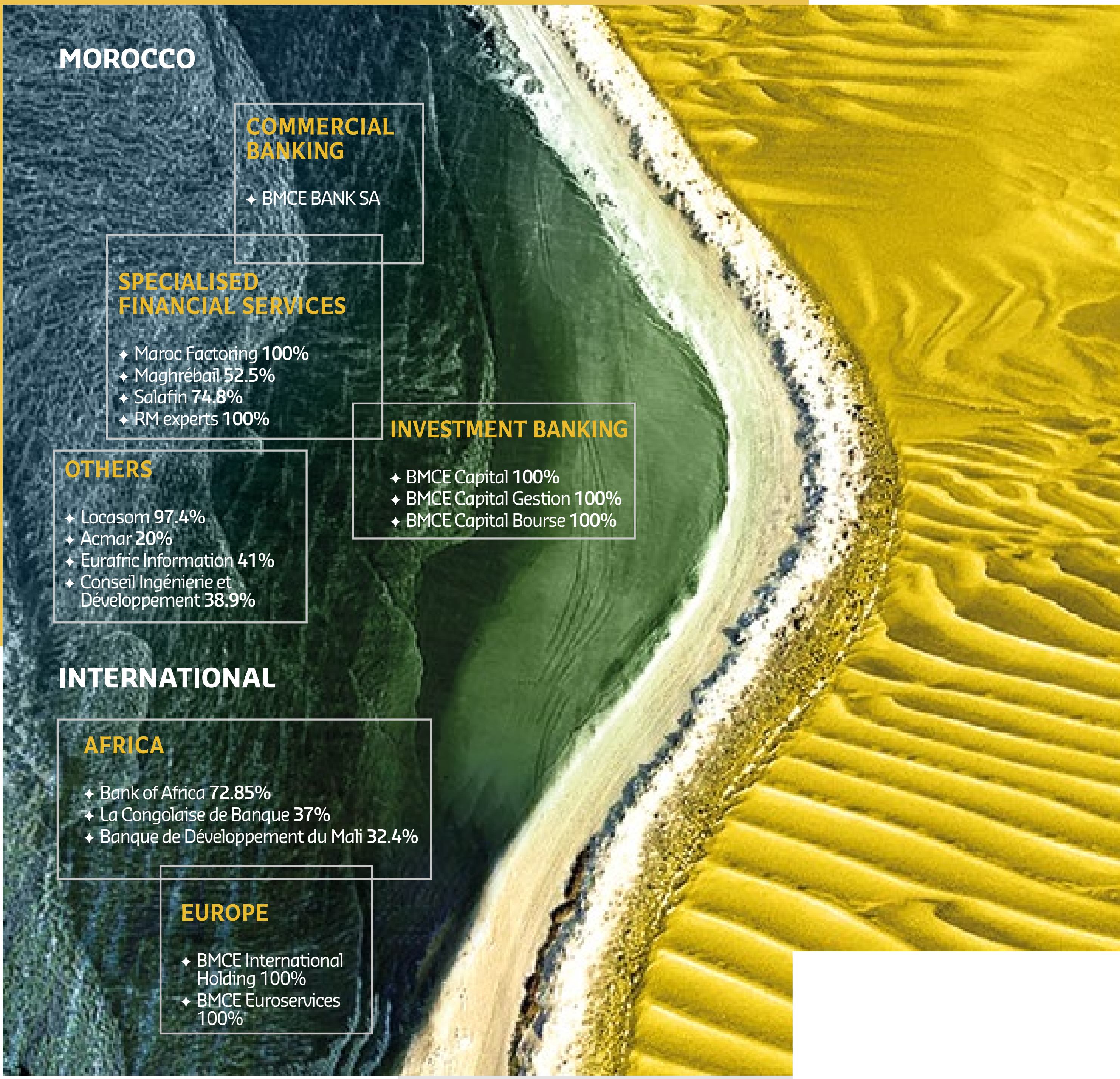
- 2nd pan-African Group in terms of geographical coverage with operations in 21 countries, covering 4 out of 5 of the continent's economic regions
- 1st bank to establish operations in sub-Saharan Africa after cleaning up Banque de Développement du Mali in 1989
- 1st Moroccan bank to have operations in East Africa and Southern Africa
- Owns stakes in three leading African subsidiaries – Bank of Africa (acquired in 2008, 73% stake), Banque de Développement du Mali (acquired in 1983, 32.4% stake), La Congolaise de Banque (acquired in 2009, 37% stake)

OUR WORLD IS CAPITAL

Namib Desert, Namibia

- 1ST BANK TO ESTABLISH INTERNATIONAL OPERATIONS WHEN IT OPENED A BRANCH OFFICE IN PARIS IN 1972
- 1ST BANK TO ESTABLISH OPERATIONS IN SUB-SAHARAN AFRICA AFTER CLEANING UP BANQUE DE DÉVELOPPEMENT DU MALI IN 1989
- 1ST MOROCCAN BANK TO ISSUE GDRS IN 1996
- 1ST CORPORATE IN MOROCCO TO ISSUE A EUROBOND IN 2013
- 1ST MOROCCAN BANK TO BE LISTED ON 3 STOCK MARKETS – CASABLANCA, LONDON AND LUXEMBURG
- 1ST MOROCCAN BANK TO HAVE OPERATIONS IN EAST AFRICA AND SOUTHERN AFRICA
- 1ST MOROCCAN BANK TO OPEN A REPRESENTATIVE OFFICE IN BEIJING, CHINA IN 2000

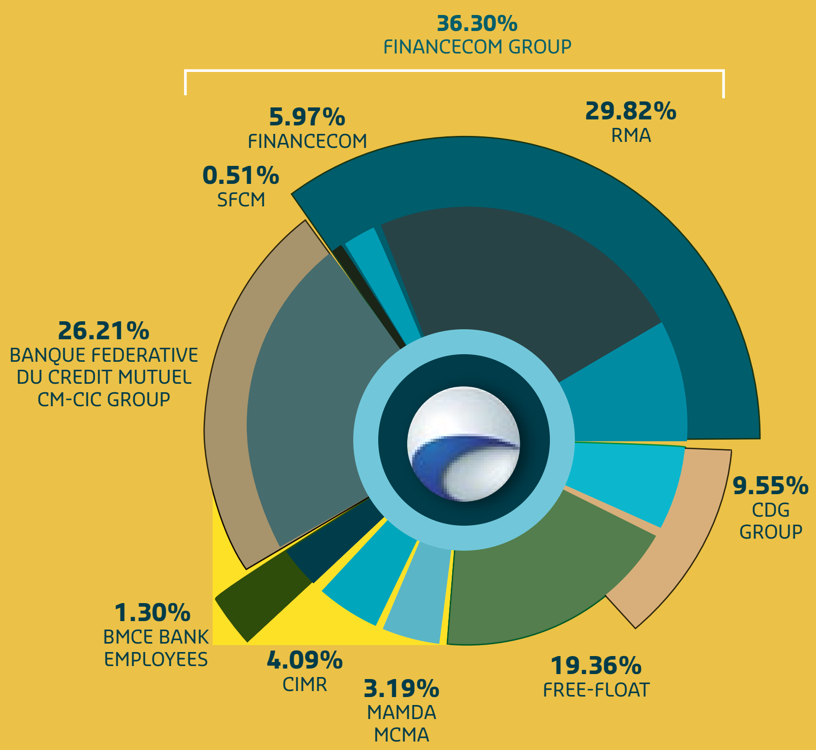
A Multi-Business, Multi-Brand and Multi-National Banking Group



OUR WORLD IS CAPITAL

BMCE BANK'S SHAREHOLDERS

AT END-MAY 2017



FinanceCom

FinanceCom, a leading private sector Moroccan Group with pan-African coverage, has operations in a variety of high growth sectors including banking, insurance, telecoms and media.

CDG Group

CDG Group is Morocco's leading institutional investor and a benchmark domestic institution with interests in businesses such as public investment finance and investment management.

BFCM-CM-CIC Group

BFCM-CM-CIC Group, which is France's 2nd retail bank with more than 13 million customers and the country's leading bank-insurer, is market leader in the electronic banking segment and a major player in banking for professionals.

RMA

A key player in the insurance and bank-insurance market, RMA Watanya is one of North Africa's leading companies with an extensive and solid distribution network.

BMCE Bank Group's Strategy

As a leading pan-African financial Group, BMCE Bank of Africa, which is a universal bank with a diversity of business lines, is pursuing an organic as well as acquisition-led growth strategy. It intends to expand its operations overseas – in Africa via Bank Of Africa Group, Banque de Développement du Mali and La Congolaise de Banque, in Europe via BMCE International Holding, which brings together the Group's two European-based subsidiaries in London and Madrid and BMCE EuroServices, a payment institution for Moroccan and African migrants and via representative offices in Asia, North America and the United Arab Emirates.

The Group's corporate strategy 2016-2020 involves bolstering its Retail Banking and Corporate Banking operations, developing the SME market segment and accelerating implementation of the Convergence Programme aimed at structuring the Group, with an emphasis on the Risks, Ad Hoc and Permanent Control, Compliance, IT and Human Capital functions.

In addition, the Group is continuing to bolster its corporate governance by appointing independent directors who, given their experience and background, reflect the Group's increasingly diverse and international operations.

BMCE Bank of Africa is also increasing intra-Group commercial and operational synergies across business lines and geographical regions while remaining firmly committed to multi-channel banking, CSR and sustainable development. The Group has taken its first steps in inclusive and sustainable finance at the continental level in line with a proactive approach to sustainable development, adopted ever since the Bank was privatised.

- Contributed to Morocco's alliance with China, assuming the role of investor and banker as part of the Cité Mohammed VI Tanger-Tech project, presided over by His Majesty the King, following the signing of a partnership agreement with HAITE Group, a Chinese group and the region of Tangier Tétouan-Al Hoceima;

- Participated in the official launch of 'Principles for positive impact finance', organised by Europlace and UNEP FI; this is a common global framework to help the finance community assess the sustainability of their assets;

- 'Let's Dream of a New World', an advertising film, won the award for Best Film in the Corporate category at the US International Film & Video Festival, Gold Camera awards for Cinematography and Direction and a Silver Screen award for Music;

- More recognition for 'Let's Dream of a New World', the advertising film, at the Mobius Awards for Advertising in Los Angeles in the 'Visual Effects' and 'Art Direction' categories. It was also nominated in the Best Film category at the American Advertising Festival.

- 'Top Performer, CSR Morocco', awarded by Vigeo-Eiris, a non-financial ratings agency, for the 4th consecutive year in the 'Environment' category

- BMCE Bank of Africa became the first Moroccan bank to issue green bonds by public offering to help finance eco-responsible projects at home and abroad and support private and public sector initiatives aimed at preserving natural resources.

- First Moroccan bank to sign up to the United Nations Global Compact, underlining its commitment and support for the ten principles relating to human rights, labour standards, environmental protection and anti-corruption.

- Signed up to the 'Mainstreaming Climate Action within Financial Institutions' initiative in conjunction with the EIB, the AfDB, the EBRD, HSBC, Yes Bank and others financial institutions.

- BMCE Bank Of Africa included in the Eiris- Vigeo Emerging 70 Index specialising in emerging countries in recognition of best practice in CSR

- BMCE Capital Gestion Privée became the first financial institution in Morocco to obtain ISO 9001:2008 certification for its private portfolio management operations;

- BMCE Capital Gestion obtained Service Commitments and ISO 9001: 2015 certifications in May 2016;

- BMCE Bank Of Africa an award winner for the 3rd consecutive year at the CSR Arabia Awards 2016

- First bank in the MENA region to obtain ISO 50001 certification for its Energy Management System

- First Moroccan bank and the second in Africa to be awarded HEQ certification from Cerway International Certification for the new BMCE Bank Of Africa Academy head office – design and implementation phases

- MOU signed with the AfDB and the EIB for Africa's first ever credit facility totalling EUR 20 million for financing Climate Change Adaptation.

CONSOLIDATED FINANCIAL STATEMENTS

Net income attributable to shareholders of the parent company

Net income attributable to shareholders of the parent company rose by +4% to MAD 2,036 million in 2016 versus MAD 1,956 million in 2015, breaching the MAD 2 billion mark. Consolidated ROE was 12.6%.

Net banking income

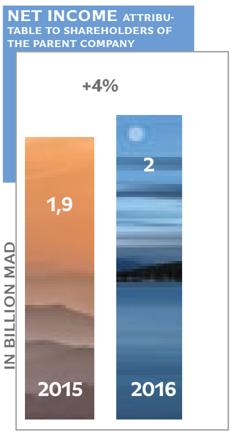
Consolidated net banking income was MAD 12,990 million in 2016 versus MAD 11,817 million in 2015, an increase of +10% on the previous year. This was due to a strong performance by market operations (+86%) as well as net interest income and fee income which were both up 8%.

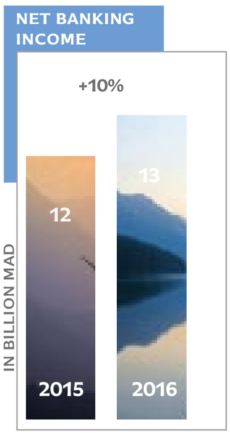
Total assets

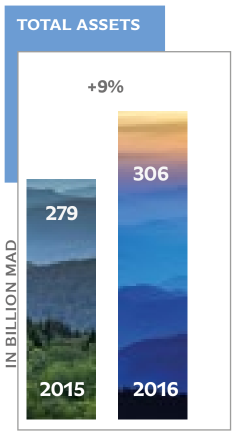
BMCE Bank Group's total assets stood at MAD 306 billion at 31 December 2016, up +9.5% compared to 2015. Total assets breached the MAD 300 billion mark for the first time.

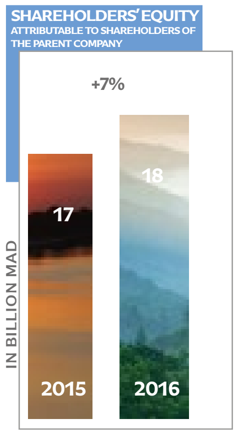
Shareholders' equity attributable to shareholders of the parent company

BMCE Bank Group's shareholders' equity rose by +7% to MAD 18.3 billion in 2016 versus MAD 17 billion in 2015.









PARENT FINANCIAL STATEMENTS

Parent Net Income

BMCE BANK S.A's net income rose by +1.6% to MAD 1,325 million in 2016 versus MAD 1,304 million in 2015.

Parent Net Banking Income

The Bank's net banking income rose by +14.2% from MAD 5,374 million in 2015 to MAD 6,136 million in 2016 due to a combination of factors:

- A steep rise in income from market operations (+68%) compared to 2015 due to the performance of the bond portfolio;
- Growth of almost +5% in net interest income;
- A +21% increase (+MAD 89 million) in dividends to MAD 512 million in 2016 versus MAD 423 million in 2015;
- A +8.5% increase in fee income.

Loans and Deposits

The Bank's loans registered growth of +9.7% versus +4% at the industry level to MAD 119 billion in 2016 versus MAD 108 billion in 2015. The Bank's share of the loan market improved by 66 basis points from 14.28% at 31 December 2015 to 14.94% at 31 December 2016.

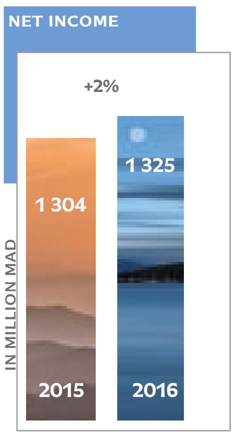
Customer deposits increased by +8.1% to MAD 122 billion while the Bank's share of the deposit market increased by 48 basis points share of the deposit market to 14.94% at 31 December 2016.

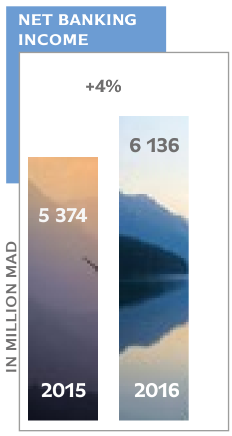
MARKET SHARES - DEPOSITS

	2015	2016
TOTAL DEPOSITS	**14.23%**	**14.94%**
Cheque accounts	13.48%	13.62%
Current accounts	11.45%	12.80%
Savings book accounts	14.62%	14.60%
Term deposits	16.38%	18.29%
Deposits from Moroccans living abroad	10.37%	10.63%

MARKET SHARES - LOANS

	2015	2016
TOTAL LOANS	**14.28%**	**14.94%**
Loans to finance companies	20.23%	18.78%
Operating loans	16.13%	17.99%
Equipment loans	9.23%	10.59%
Consumer loans	20.35%	20.13%
Loans to real estate developers	15.63%	15.66%
Mortgage loans	15.00%	15.14%





Personal and Professional Banking

PERSONAL BANKING
Developing the Young Persons market segment

In 2016, the BMCE Bank bolstered its position in the Young Persons segment by adding new customers and increasing product penetration of this customer segment.

The product range was enhanced with the launch of a number of new products such as Enseignement+ and Enseignement+ Complémentaire, the Pack Premium specialist banking service, Crédit Joker and a capped variable rate mortgage. The Jeune et merta7 communications campaign was also carried out.

A number of agreements were signed with higher educational establishments highlighting the range of financing options available to students intending to pursue their studies and a partnership agreement was also signed with Booking.com.

PROFESSIONAL BANKING
At the heart of retail banking strategy

Sales and marketing initiatives organised in 2016 resulted in the Bank attracting more than 300,000 new customers, up +15.3% compared to 2015, with the penetration rate also improving among healthcare professionals, tradesmen and small retailers.

As a follow-up to the 'Pro-Actif' project carried out in 2014, a new strategy focusing on small businesses – 'Entrepreneurial approach: growth strategy for small businesses' – was launched in 2016 to enable BMCE Bank to make inroads into this high value-added segment.

In conjunction with the Bank's Economic Intelligence Centre, 'Business Edge', a customised training programme developed by IFC was introduced, aimed at improving the skills set of entrepreneurs in a number of areas. The training cycle, programmed for all 8 regions within BMCE Bank's coverage, was already unveiled in 3 regions in 2016.

In addition, the Professional Banking segment also saw its pool of payment terminals enhanced with the introduction of mobile points of sale (MPOS). These are mobile devices connected via Bluetooth to retailers' smartphones and used when payment on delivery is required.

Consistent with the government's strategy aimed at supporting small business development in Morocco, BMCE Bank helped launch the 2nd ISTITMAR Croissance programme, a competition for small businesses with up to MAD 2 million awarded to the prize-winners.

In 2016, BMCE Bank of Africa participated in the 4th International Forum for Small Businesses and Auto-Entrepreneurs as national sponsor, underlining its reputation as a bank that supports entrepreneurs.

BMCE Bank also participated, alongside other businesses in the Small Business Regional Committees initiated by Bank Al Maghrib. BMCE Bank's Regional Divisions, by attending these committees, were able to gain a more in-depth understanding of the context and the challenges currently facing small businesses in Morocco and get to familiarise themselves with the various options that exist for promoting small businesses.

With the introduction of auto-entrepreneur status and, as part of initiatives aimed in developing this new customer segment, awareness raising seminars were organised across the entire Kingdom condition of the Regional division Local Authorities and Associations.

PRIVATE BANKING
A very high value-added market segment

In 2016, Private Banking saw its portfolio grow by +35% compared to 2015.

New products launched included BMCE Asset Facility, a leveraged loan facility, in conjunction with Salafin. This is a credit facility for customers with a securities portfolio that may be used as collateral to raise capital.

Private Banking participated in a promotional campaign with Mastercard aimed at boosting overseas payment transactions using Mastercard.

Subsequent to a number of agreements being signed between BMCE Bank of Africa and prestigious real estate developers, marketing initiatives were organised targeting the Bank's high wealth and private banking customers to provide them with better real estate opportunities.

In the context of the passing of Act 63-14 relating to assets and cash held by Moroccans living abroad who wish to transfer their tax residence to Morocco, assistance was provided to support and advise these customers.

MIGRANT BANKING
Dedicated to Moroccans living abroad

The deposits of BMCE Bank's Moroccan customers living abroad rose by +8.2% year-on-year to MAD 18.3 billion versus +5.6% at the industry level. The steepest increase was seen in cheque accounts (+11.2%) which helped improve the composition of deposits of Moroccans living abroad.

For the 3rd consecutive year, BMCE Bank's share of the deposit market continued to trend higher, reaching 10.63%, up 28 basis points compared to 2015.

Similarly, transfers handled by BMCE Bank rose by +2.1% to MAD 3.4 billion versus MAD 3.3 billion in 2015.

BMCE EuroServices continued to bolster its position, registering a +21% year-on-year increase in transfers, with the best performance coming from those countries in which the Bank has only recently established operations – the Netherlands and Belgium.

France and Spain were, as usual, the main countries of residence of Moroccan customers living abroad accounting for 42% and 23% respectively of this customer category. It is worth noting, however, that those countries in which the Bank has recently established operations registered the strongest growth – Belgium (+24%), Canada (+21%) and the Netherlands (+19%).

Responding to a tender by MoneyGram International to launch a Cash to Account transfer service in Morocco, BMCE Bank of Africa was selected to handle all MoneyGram International's cash transactions for Moroccan bank accounts.

As part of the global partnership with MoneyGram International, the Bank has become, since March 2016, a platform for centralising MoneyGram International's entire transfer flows to bank accounts in Morocco as well as acting as a payer network for MoneyGram International's cash disbursements.

The partnership with CM-CIC Group has also gone from strength to strength. Three new desks were opened in Bastia, Cannes and Nice in 2016, taking the total number of desks to 33.

Migrant Banking provides its customers with a varied range of products and services. Pack Dawli registered growth of +16% and BMCE Salama +12% while subscriptions to BMCE Direct increased by +19%.

In 2016, the overseas network participated in the participated in the 6th SMAP Immo expo in Brussels, renamed the Moroccan Property Expo, as well as the 13th SMAP Paris. Both expos are very popular with the Moroccan diaspora. These events enabled the network to market the Bank's products and services to this customer segment and expand its database of prospective customers.

Another event which had a positive impact on the Bank's expat business was the 4th tour by mobile branches across France, Spain and Italy intended to reach out to Moroccans living in Europe.

Similarly, as part of a process of diversifying the different types of Moroccan customer living abroad, seminars were organised in Barcelona and Paris for Moroccans living abroad who wish to invest in their home country.

In conjunction with these overseas seminars, a series of regional seminars was organised during summer 2016 in Beni Mellal, Tangier, Meknès, Al Hoceima, Nador, Oujda and Kénitra.

Likouala-aux-Herbes near Bouanila and Mongouma Moké, Republic of Congo (Congo-Brazzaville)

OUR WORLD IS CAPITAL

During summer 2016, nearly 2.6 million Moroccans living abroad returned to Morocco, an increase of +6.5% on 2015. A large-scale summer marketing campaign was conducted to foster closer relations with Moroccans living abroad during their stay in Morocco, assist Moroccan investors and highlight online banking channels for Moroccans living abroad.

DIGITAL BANKING
An enhanced range

New customer pathways were introduced for personal as well as professional customers aimed at meeting the growing needs of an increasingly digitalised customer base more effectively. Seven high-impact customer pathways were prioritised.

The digital banking range was enhanced with the introduction of new functionality for BMCE Direct and ATMs e.g. paying invoices, booking meetings online.

2016 saw the ongoing expansion of the Bank's branch network with 26 new branch openings, taking the total number of Personal/Professional branches to 690 units.

As far as off-site ATMs were concerned, BMCE Bank won a tender offer launched by ONCF to install ATMs in 11 stations. All 60 ATMs installed in stations will bear the Bank's colours and will have digital screens broadcasting institutional messages, thereby enabling the Bank to promote its products.

In 2016, Agence Directe was launched with three goals: (i) win market share in the Migrant Banking customer segment in those countries in which BMCE Bank does not have a branch or if there is no BMCE EuroServices' branch close by (ii) serve and market products to Migrant Banking customers more effectively and (iii) tele-sales.

Since launch until the end of 2016, the Agence Directe website has received nearly 66,000 visitors. It has also enabled the Bank to build a database of more than 1,000 prospective Moroccan customers living abroad.

BANK-INSURANCE
Constantly expanding business

At 31 December 2016, bank-insurance revenue rose by +1.42% year-on-year to MAD 2.11 billion with the number of pension policies sold up +30.43% and property & casualty policies up +17.91%. The number of outstanding bank-insurance contracts rose across all segments and by +7.7% on a year-on-year basis.
The Assistance business enjoyed an exceptional year in 2016 with revenue growing by +30% versus 2015.

Similarly, RMA, a FinanceCom Group subsidiary, signed a global strategic partnership with SAHAM Assistance on 1st January 2016. This new partnership is aimed at marketing RMA Assistance products in the domestic and migrant banking markets, replacing the previous AXA Assistance range.

PAYMENT CARDS
Market share gains

In 2016, payment cards in circulation rose by +7.4% year-on-year to 1.13 million cards.
As a result of a trend towards democratising Premium card usage, the number of payment cards has increased tenfold in just two years.

Similarly, the stock of international cards grew by almost 115,000 cards in 2016, primarily due to the commercial success of the Premium payment card range, which enables customers to make overseas payments and withdrawals in foreign currencies.

This, together with card activation campaigns, saw the average monthly number of payment cards in circulation rise to 119,000 cards in 2016.

While the Bank's volume of e-commerce transactions outpaced that of the industry, its average inter-change fees were 0.8% of transactions on average. The Bank also made market share gains, registering growth of +36.4% compared to 2015.

As far as foreign currency-denominated transactions were concerned, the use of payment cards grew by as much as +32% compared to 2015. The Bank saw its market share in this segment rise to 21.44% in 2016, generating international inter-change fees.

The volume of domestic e-commerce flows rose by 14.8% in 2016, resulting in a market share of 14.64% in 2016 versus 12.94% in 2013.

OVER-THE-COUNTER CURRENCY EXCHANGE
Indicators on the up

In 2016, the overall over-the-counter currency exchange transaction volumes rose sharply (+12.1% compared to 2015). This was primarily due to the high numbers of tourists and Moroccans living abroad using ATMs at ports and airports as well as new bureau de change outlets under franchise.

In 2016, off-site currency exchange outlets were opened in Marrakesh airport and the Sheraton Hotel, Casablanca as well as on-site in the Marrakesh Gueliz branch. Similarly, foreign exchange outlets in the Oujda downtown branch and those in Fez airport – before and after customs clearance – were redesigned.

Corporate Banking

CORPORATE BANKING
Genuine sales clout

Corporate Banking loans excluding Finex rose by +12.3% to MAD 70.9 billion in 2016 versus MAD 63.1 billion in 2015, growing more rapidly than the +4.3% growth recorded by the industry. BMCE Bank was ranked third with a 14.6% share of the market at 31 December 2016, up +82 basis points.

Similarly, Corporate Banking deposits rose by +16.4% to MAD 32.2 billion in 2016 versus MAD 27.7 billion in 2015 and -1% at the industry level. BMCE was ranked third with a 17.4% share of the market at 31 December 2016, up +246 basis points.

FOREIGN TRADE
Healthy business activity

Foreign trade flows reached MAD 145.6 billion in 2016, a steep increase of +13.7% year-on-year versus +6.9% at the industry level. This performance was due to healthy import flows (+14.4% versus +9.5% at the industry level) and export flows (+12.8% versus +2.5% at the industry level).

2016 highlights included redesigning the Foreign Trade department's information systems, which involved implementing guarantees and introducing a pilot site for import-export documentary remittances and incoming and outgoing transfers.

In addition, BMCE Bank's customers may access two different websites – BMCE Trade and Trade Maroc – if they wish to carry out foreign trade transactions. At 31 December 2016, 87,000 visitors had visited BMCE Trade with 315 profiles approved. As far as the Trade Maroc website was concerned, 1,035 profiles had been approved at 31 December 2016 from 1,380 subscription applications.

A partnership agreement was also signed in May 2016 between BMCE Bank and ASMEX providing guidelines for formal cooperation across a number of areas such as training, exchanging economic and sector-related information, organising seminars and participating in promotional and sales-based activities. BMCE Bank also participated in a variety of trade shows such as MEDFEL in Perpignan, Les Rendez-vous de l'Entreprise, SIFEL in Agadir, ELEC Expo in Casablanca, Rencontres Africa 2016 in Paris and the International Conference on One-stop Counters in Marrakesh.

PROJECT FINANCE
Financing major projects

In 2016, BMCE Bank continued to help corporates launch flagship projects as arranger or by providing partial financing or syndicated loans.

BMCE Bank was awarded the prize for the Best Wind Farm Project in 2015 by Dubai-based IJGlobal for its structuring of this large-scale project and the prize for the Best Project Finance Project 2015 by London-based EMEA Finance.

SME MARKET SEGMENT
Increased exposure to the very small business segment

In 2016, BMCE Bank continued to make every effort to consolidate its strategic position in the SME segment in line with its development strategy for this market segment.

As a result, BMCE Bank introduced a number of high value added products to meet the diverse needs of SME customers including Crédit Formaté, Avance sur Marchandise and Tréso Plus, an amortisable advance.

It also redesigned the SME business package and the corporate payment card range. To support businesses with operations in the Offshore Zone, BMCE Bank enhanced its SME Business Package, enabling current account and convertible dirham account holders to subscribe for the package.

BMCE Bank signed partnership agreements with ASMEX, the Rabat-Salé-Kénitra CGEM and Casablanca Finance City, aimed at supporting SME customers by providing training, information and quality banking services. It also signed a second EUR 35 million credit facility contract with MorSEFF.

After the initial success of the first IMTIAZ Croissance programme launched by Maroc PME, BMCE Bank participated in the 2nd IMTIAZ Croissance programme in 2016 with the aim of promoting productive investment in industrial ecosystems. This new programme received 111 applications, 20 of which were from BMCE Bank's customers.

In addition, as part of its policy of building strong customer relations and fostering customer loyalty among SMEs, BMCE Bank developed, in addition to the SME Club, two new concepts: the Centre for Expertise and Entrepreneurship for Small Businesses and Les Rendez-Vous de l'Enterprise, aimed at supporting SME customers by sharing expertise and knowledge.

Les Rendez-vous de l'Entreprise is a new event-based communications concept consisting of organising theme-based conferences and a series of meetings. Five conference-debates took place in 2016.

Similarly, another new and innovative concept named the Centre for Expertise and Entrepreneurship for Small Businesses is a dedicated forum for promoting entrepreneurship and very small businesses. The aim is to provide support, advice and assistance to SMEs that are either planning to set up a business or develop an existing business.

In addition, in accordance with the recommendations of the most recent regional small business tour organised by the Professional Grouping of Moroccan Banks (GPMB), BMCE Bank actively participated in 12 Regional Committees to develop closer relations with local businesses and provide support at the regional level.

BMCE Bank also participated in five flagship events – SIAM 2016, the Tangier Auto Sub-Contractors Expo, LOGISMED, ELEC EXPO and the Automotive Meetings Tangier – unmissable events for business owners as they provide opportunities for developing partnerships and support for SMEs in growing their businesses.

Similarly, BMCE Bank is endeavouring to forge partnerships with Industrial Zone Associations and Chambers of Commerce as a way of gaining access to prospective customers. The Bank is also developing a network of contacts such as consultants and photovoltaic manufacturers so as to promote its CAP ENERGIE product for energy efficient projects.

Cash Management

In 2016, a number of cash management services were developed or enhanced such as Cash Pool, BMCE Scan Valeurs, Ramassage de Fonds, Direct Report and Direct Valeurs.

Additional synergies with the Group's other business lines

Corporate Banking continued to generate additional synergies with the Group's various specialised subsidiaries including Maghrebail, Maroc Factoring, Locasom, RMA and BMCE Assurances.

As part of the process of developing sales synergies between the BMCE Bank and CM-CIC groups, BMCE Bank designed PLATAC, a support platform for CM-CIC Group's existing and prospective customers that would like to invest in sub-Saharan Africa.

BMCE Bank has developed a dedicated range of services comprising (i) opening special accounts with day-to-day management services, (ii) financing facilities and guarantees, (iii) cash management on preferential terms, (iv) giving advice about overseas development and (v) supporting businesses in sub-Saharan Africa.

Investment Banking

BMCE Capital posted another set of highly respectable results in 2016 due to a strong performance by its core businesses and the sound corporate strategy set by its decision-making bodies.

The benefits of implementing the Grow in Africa (GINA) strategic plan are beginning to be felt in terms of synergies, deal origination and additional revenue generated.

In addition, a number of value-accretive strategic projects were carried out in 2016 including: (i) buying out Axis Capital's minority shareholders, with the company renamed BMCE Capital Tunisia (ii) launching new business lines such as BMCE Capital Titrisation and BMCE Capital Solutions, a platform that brings together the middle and back offices (iii) implementing digital initiatives such as introducing a CRM 360° platform, conducting research into big data as well as launching a new institutional website and (iv) enhancing BMCE Capital's reputation in its markets in Morocco, Tunisia and the WAEMU region.

BMCE CAPITAL MARKETS
A highly respectable performance

BMCE Capital's Trading Floor delivered exceptional results in 2016 due to its successful organisational model and its ability to capitalise on market opportunities in a context in which business activity benefited from the positive impact of lower rates on the fixed income portfolio's valuation.

BMCE Capital Markets' Dirham Fixed Income business posted record income which accounted for 51% of overall management income.

One of the main achievements regarding the Dirham Cash business was the completion of a project for automating the extraction of SRBM flows as part of the SRBM settlement system, resulting in real-time gross settlement of payments.

In 2016, the Foreign Exchange desk managed to capitalise on the market opportunities available in terms of both sales and proprietary trading.

In addition, new functionality was developed for the BMCE FX-Direct platform while trading in two new currency pairs, the Russian Rouble and the Chinese Yuan, was added.
Income from the FX Derivatives desk accounted for an estimated 26% of total proprietary trading income.

This desk endeavoured to innovate and develop customised derivative products including a hedging strategy for the energy sector. In addition to these innovations, communication with the sales team was bolstered with the latter being encouraged to focus on products better adapted to customers' needs by sending market opportunity emails.

The Foreign Currency Denominated Fixed Income desk pursued a strategy aimed at diversifying funding sources by signing deals with new counterparties while strengthening ties with existing domestic and international banking counterparties.

The Trading Floor's sales desk continued to focus on boosting sales and bolstered its communications strategy for BMCE Capital Markets' products. The desk also focused its sales efforts on commodities and, more specifically, the energy sector, signing hedge contracts with various counterparties.

The Proprietary Trading and Solutions desk focused on developing new investment strategies for the African continent. Its earnings accounted for 14% of overall income with pan-African strategies making a very strong contribution. This Desk was also active in MENA region debt, participating in the region's most important issues in Saudi Arabia, Qatar and Abu Dhabi.

The Equities and Development desk focused on introducing new systems, enabling traders to anticipate market reactions so as to optimise the various alternative trading strategies and capitalise on the market's upward trend in 2016.

BMCE CAPITAL BOURSE
Market share gains

With market conditions benign, BMCE Capital Bourse's trading volume rose sharply (+43.5%) to MAD 15.5 billion versus MAD 10.8 billion in 2015. As a result, its market share rose to 15.4% versus 14% the previous year.

Benefiting from a sharp upturn in the market as well as a windfall pay-out resulting from the Casablanca Stock Exchange's demutualisation, BMCE Capital Bourse registered a sharp increase in profits.

BMCE CAPITAL GESTION
Positive financial results

In 2016, the Asset Management business strengthened its organisational structure, bolstering its corporate governance bodies and implementing cornerstone projects under the aegis of Head Office in Casablanca. Similarly, BMCE Capital Titrisation, a newly created specialised unit, was launched so as to enhance the existing product range.

In addition to these qualitative achievements, the Asset Management business in Morocco and the WAEMU region posted positive financial results, reflecting a strong performance by individual departments.

With assets under management registering 14% growth at the industry level in Morocco, BMCE Capital Gestion saw its assets under management rise by 4% to reach a record high of MAD 55.5 billion. It is now ranked second within the industry with a market share of 15%.

BMCE CAPITAL GESTION PRIVEE
Profits up strongly in 2016

BMCE Capital Gestion Privée managed to surpass its full-year forecasts despite tight market conditions, posting operating revenues of more than MAD 48 million, relating exclusively to discretionary management.

In 2016, BMCE Capital Gestion Privée was also strongly involved in a number of cornerstone projects, including launching its institutional website, establishing the 'BKGP Direct' platform and mobile application as well as obtaining ISO 9001:2015 certification.

BMCE CAPITAL CONSEIL
Mixed performance

With economic and financial conditions challenging in 2016, BMCE Capital Conseil managed to diversify its revenue sources, winning a number of advisory mandates in the process.

By introducing a new sales and marketing strategy and a unit dedicated to sales, greater focus was given to merger and acquisition deals.

BMCE CAPITAL TITRES
Increase in assets under custody

With operating conditions seeing a sharp improvement in 2016 compared to the previous year, particularly with SODEP-Marsa Maroc's successful IPO, the assets under custody of BMCE Capital's Custody subsidiary reached a record high of MAD 214 billion at 31 December 2016, up +9% compared to 31 December 2015.

With market share broadly unchanged at 26%, BMCE Capital Titres' mutual fund custody business saw its assets under custody trend higher (+10% year-on-year), reaching MAD 99 billion at 31 December 2016.

Institutional assets rose by +5% to MAD 58 billion at 31 December 2016.

Bay of Cadiz, Spain

BMCE CAPITAL RESEARCH
Working on behalf of other business lines

BMCE Capital's Research Department continued to provide the brokerage division with Equity coverage, publishing an extensive range of documents.

The Department's activities were also focused on working for other entities within BMCE Capital including developing credit research, primarily for BMCE Capital Gestion and BMCE Capital Gestion Privée, as well as continuing to work on a number of deals including those relating to BMCE Bank.

BOA CAPITAL SECURITIES
Financial indicators resilient

In an increasingly competitive market in terms of competitors' pricing policy as well as a growing number of brokerage firms, BOA Capital Securities put up some hearty resistance, as can be seen in its financial indicators.

Thanks to a strong performance in brokerage and custody, BOA Capital Securities' revenues rose by 10% to MAD 39.1 million in 2016, despite seeing a contraction in primary market activity, particularly in the fixed income segment.

BOA CAPITAL ASSET MANAGEMENT
Improved financial performance

Benefiting from benign operating conditions, operating revenues rose by +52% to MAD 19.2 million in 2016.

BOA CAPITAL CONSEIL
Support for sub-Saharan Africa

BOA Capital Advisory refocused its strategy on financing as part of a new strategy consisting of financing SMEs and increasing BOA's commitments in other WAEMU countries besides Senegal and Ivory Coast.

Against such a backdrop, BMCE Capital Conseil managed to diversify its revenue sources by focusing on IPO mandates as well as financing mandates.

Resources and Means

GROUP HUMAN CAPITAL

Group HR assuming greater importance

In 2016, human capital management at Group level was bolstered thanks to an HR seminar that brought together, for the first time, all HR staff working from the Group's 40 subsidiaries. Workshops were organised dealing with important issues such as (i) the strategic challenges facing the HR function, (ii) HR policies and systems, (iii) HR risk management, (iv) HR information systems and (v) growth drivers for the HR community.

Several were also held for the Group's entire HR staff aimed at validating key principles governing HR practice at Group level and formalising HR Group policies in areas such as recruitment, career management, skills development, staff appraisal and compensation.

A Community Management approach was also adopted aimed at fostering a culture of dialogue within the Group Human Capital community. As part of a process of developing intra-Group HR synergies, one of the highlights of 2016 was the sourcing of some 300 job applications on behalf of Moroccan subsidiaries.

In addition, new opportunities for mobility and career development, both at the parent company and at subsidiary levels were proposed to employees.

In the same vein, a number of training initiatives were carried out in 2016. In fact, 66% of the Bank's employees benefited from some form of training, mainly in banking, followed by induction programmes, regulatory training and personal development training.

In addition, nearly 2,000 employees took part in e-learning courses in support of the Group's global expansion with nearly 5% of the workforce attending English and Spanish courses. Similarly, more than one hundred Corporate Managers and Group Assistant Directors benefited from the M4Banking programmes aimed at fostering participants' value creation, team motivation and relational skills.

A commitment to healthy employer-employee relations

Improving social benefits and employees' well-being have become the cornerstone to the Bank's approach to employee welfare, in perfect harmony with the trade unions. In this respect, a number of agreements have been signed for the benefit of staff, enabling them to benefit from preferential terms and conditions. In addition, ongoing improvements were made to healthcare benefits for employees and their offspring after an agreement was signed with Sphera Global Healthcare, a specialist in healthcare marketing, either in person or remotely.

In addition, the BMCE Bank Club has continued to organise a series of cultural and sporting activities for employees' children such as Swimming School and Music School as well as a morning for handicapped children.

Internal communications embedded in the Group's corporate culture

In 2016, to foster a sense of belonging, different types of information media, guides and capsules were published in addition to corporate events being organised.

The Bank's various projects or internal events were the subject of poster campaigns or publishing media such as the Annual Appraisal Campaign, the Multichannel Project and the Sphera Offer.

In addition, the list of events organised in 2016 was extensive which included International Women's Day, Achoura, a tribute ceremony for retirees, team building sessions, the BMCE EuroServices Seminar and the Corporate Banking and Personal & Professional Banking's sales meeting.

ECONOMIC & CUSTOMER INTELLIGENCE

Economic and sector knowledge provided by the Institute Of Africa

The goals of the Institute of Africa, launched at the start of 2016, are to provide economic and sector analysis about every country in which the Group has operations and help customers identify opportunities on the continent.

Bank Of Africa no has access to a set of deliverables with new investor-oriented models for analysing countries while the output has been enhanced with about twenty deliverables made up of editions of the publication 'African Trends' and research focusing on Morocco and Africa, as well as a sector review covering 17 sectors.

At the same time, the Group's expertise is now recognised externally with a request made by the European Investment Bank to present a report in Abidjan on the banking sector in West and Central Africa. Similarly, Euler Hermès requested a major meeting with the BMCE Bank of Africa Group to present the potential for developing its business in Morocco and Africa.

Ongoing customer knowledge and support for the Network

The decision to adopt a Big Data approach, an excellent tool for developing knowledge about customers, was taken so as to be able to offer the customer the right product at the right time and via the right channel.

Regional Knowledge continues to provide support to the sales force, providing analysis for marketing purposes and where to establish points of sale. In 2016, an overall analytical approach was taken to identify growth drivers for each region within Morocco.

In 2016, a strategy was implemented to influence customers across all market segments, the ultimate goal being to win new and retain existing customers. A series of conferences and seminars was held in every region of Morocco to support auto-entrepreneurs as well as encouraging customers living abroad to invest in the country.

In addition, training sessions for small businesses, organised in conjunction with the Young Managers' Centre and the IFC, have helped raise awareness of best practice in business management.

GROUP COMMUNICATIONS

Corporate communications and media relations

As an adjunct to the Royal Visit to China, BMCE Bank of Africa actively took part in the meetings organised by the Moroccan delegation in Beijing, which resulted in strategic partnerships being signed between Moroccan and Chinese private sector operators. In this regard, a dedicated communications campaign was implemented in Morocco and China.

In addition, the Bank invested in renovating the Moroccan maritime pavilion by setting up a new Moroccan shipping company, Africa Morocco Links (SML), in partnership with Attica, a Greek company, and implemented a communications campaign via the most influential domestic and international media.

In addition, a dedicated campaign was conducted at the COP22 in November 2016 via a 360° communications system developed on display panels made from plant-based matter, a dedicated website 'ourworldiscapital.com', an educational capsules video and a multimedia campaign.

In 2016, BMCE Bank employed every type of communication channel to the full: (I) nearly 500 press releases were issued via more than 80 media types with a noteworthy editorial content, most often dealing with the Group's operations and expansion in Africa, (ii) 1,530 radio ads were broadcast on 10 national and regional stations and three programs were sponsored – the Africa Journal on Med Radio, Exchange rates on Medi 1 and Al Moukawil on MFM; (Iii) 242 4x3 panels and 108 kakemonos, mainly in Arabic, were produced, 2 wall facades in the centre of Casablanca and 80 dynamic display screens.

In addition, BMCE Bank's audio-visual coverage was exceptional this year with 169 ads broadcast in French and Arabic on national TV channels 2M, Medi 1 and Al Aoula during the Mawazine festival. Similarly, in cinemas, the 'New World' ad was screened in a French 70'' version in 35 cinemas in Casablanca, Marrakesh, Fez and Tangier.

Sales-based communications and trade marketing

As part of an ongoing process of enhancing and expanding the scope of sales-based communications, the communications strategy in 2016 was structured around four operational stages varying according to potential, the issue in question, the goal and the target for theme-based campaigns, tactical initiatives, network support initiatives and sales-based events.

This approach was underpinned by well-defined major strategic guidelines including rethinking the role of the commercial brand so as to meet business objectives – market/product, building a strong and differentiated communications strategy, adopting a communications plan tailored to the specific needs of each market segment, integrating the different communications channels within an overall approach, bolstering relations-based communications and adopting a strong business communications approach.

Digital communications

In 2016, BMCE Bank's online campaigns, organised around one-off and annual campaigns via online media partnerships, generated more than 8.3 million clicks and more than 729 million impressions – the number of times that a page with an ad is loaded. BMCE Bank registered a high click rate of 1.1%, highlighting the excellent overall performance of the one-off and annual campaigns.

In 2016, the Bank's flagship campaigns targeted the Personal Banking market segment (the Joker campaign received 604,000 clicks and more than 49.2 million impressions), the Moroccans living abroad segment (Agence Directe was popular with more than 48.2 million impressions and 182,412 clicks) and the Young Professionals segment (the Young Professionals campaign attracted more than 61.9 million impressions and 693,215 clicks).

Three separate social networking communities are proactively managed: (i) the general BMCE Bank community with 590,133 fans, (ii) the 'jesuisjeune.ma' Moroccan youth community with 97,554 fans and (iii) the 'AE Award' community of African entrepreneurs.

Direct channels

With 1,824,419 visits in total in 2016, www.bmcebank.ma is experiencing an ongoing increase in traffic, which rose by +21.69% compared to the previous year.

Similarly, the www.jesuisjeune.ma website achieved a total of 535,091 visits, up 110% compared to 2015. This steep rise was due, in particular, to the 'Young Professionals' online campaign which began in October 2016.

The most recent addition to BMCE Bank's portfolio, Agence Directe is becoming increasingly on the net. It has had 100,578 visits to date, mainly from France and Belgium.

As far direct communications were concerned, use of mailing as a distribution channel is constantly on the rise. In addition to the regulatory mailings contributing to this rise in 2016, sales-based mails such as Joker and Fatourati also had an impact.

CONVERGENCE IT
Strong emphasis on Group-wide aspect

In terms of Group Convergence, the Bank continues to help subsidiaries develop their Information Systems. Overseas, worked continued on BMCE EuroServices and LCB Bank's information systems.

As part of the strategic development of its IT activities, the Bank finished building and commissioning its new data centre at the Bouskoura site. This data centre was designed in accordance with best practice, the aim being to obtain 'Tier III+' certification based on Uptime Institute's classification.

DEVELOPING OPERATIONAL PROCESSES AND MEANS
Bolstering performance steering processes

In 2016, the main focus was on bolstering performance steering processes, introducing new digitalised customer pathways, integrating and developing new types of digital contact – Agence Directe – and distance selling, enhancing the functionality provided by the Bank's remote channels, developing operational processes at branch level and implementing a new quality assurance approach within the Remote Customer Relationship Management function.

Similarly, in 2016, an action plan was introduced for IS and organisational projects for Personal & Professional Banking, assistance provided and feedback and Network-based malfunctions processed and branch openings monitored.

PROJECT BRANCH
Successfully implemented

This program consists of updating branch-based applications to provide a real-time overview of front-to-back office operations.

One of the flagship innovations that has resulted from implementing the first batch – centralising balances, processing values and managing counter transactions – consisted in setting up the workflow for managing overruns and introducing a replacement process for managers should they be absent.

2016 also saw the ongoing development and enhancement of cash management products such as Cash Pool, BMCE Scan Valeurs, Ramassage de Fonds, Direct Report and Direct Valeurs.

CUSTOMER RELATIONS CENTRE
Contributing to sales

The Remote Customer Relationship Management function registered a sharp rise in call traffic, split between permanent and one-off campaigns. In addition, as part of Group synergies, the CRC carried out outbound call campaigns on behalf of BMCE EuroServices, RMA and Salafin relating to customer satisfaction, unit-linked auto insurance finance and on-demand loan renewals.

In addition, 2016 also saw the launch of Agence Directe, the showcase for the Multi-channel programme with has three major goals: (i) winning market share in Migrant Banking, (ii) increasing the penetration rate of Migrant Banking customers and (iii) tele-sales.

Since it was launched in 2016, Agence Directe's showcase site has had just short of 66,000 online visitors, enabling the Bank to build a database of more than 1,000 prospective Moroccan customers living abroad, some of whom have since become BMCE Bank clients.

In addition, implementation of a new quality assurance approach within the Remote Customer Relationship Management function with a new governance approach and segregation of duties, has resulted in better follow-up and a significant improvement in service quality. The audit carried out at the end of 2016 by the firm Bureau Veritas Certification resulted in renewal of certification in 2017 of service commitments for the remote customer relationship business with zero deviation with a customer satisfaction rate of 81% vs. 75% in 2015.

FOREIGN TRADE BUSINESS OVERHAULED
Position bolstered

To bolster its position in the foreign trade segment, the Bank conducted a strategic review of its foreign trade operations – organisation, processes, information systems etc. The aim was to improve service quality, risk management and productivity.

The purpose of this redesign project was to have a comprehensive, reliable and effective platform that meets international standards for processing BMCE Bank Of Africa's international trade transactions.

The first steps were taken to implement a strategic project aimed at redesigning foreign trade information systems. The 'Import title domiciliation management' and 'Import documentary credit' modules were implemented across the entire Network.

Specialised Financial Subsidiaries

Okavango River, Botswana

MAGHREBAIL

In 2016, Maghrebail's parent net income increased significantly (+35.3%) to MAD 87.1 million, driven primarily by a steep increase in net revenue which rose by 145% to MAD 388.8 million.

After factoring in MAD 169.5 million of provisions for non-performing loans and MAD 26.1 million of write-backs, the net cost of risk stood at MAD 143.4 million at 31 December 2016. One of the highlights of 2015 had been a net write-back of MAD 17.5 million. The loan-loss provision ration stood at 90.3% at 31 December 2016 versus 89.4% the previous year.

Thanks to its industry experience acquired over more than 40 years, its membership of BMCE Bank Group enabling it to reduce its funding costs and market its products, the improvements made in risk analysis and recovery and its diversified its income sources, Maghrebail's net outstandings rose by +7.6% to MAD 10.9 billion in 2016. As a result, the leasing company's market share rose to 25.2% to become the second-ranked company within the industry.

In a highly competitive market, new production rose by +6% year-on-year to MAD 3.4 billion in 2016.

SALAFIN

Salafin registered +2.4% year-on-year growth in net loan outstandings to MAD 2.4 billion at 31 December 2016, driven primarily by a +6.3% increase in loan outstandings.

In 2016, Salafin's parent net income rose by 10.6% to MAD 138.5 million, resulting in an ROE of as high as 21.6%. This was achieved against a backdrop of positive net banking income growth, contained general operating expenses and an -11.7% year-on-year fall in the cost of risk.

In terms of its financial results, Salafin saw its net banking income grow by 4.7% to MAD 371 million. Growth was driven by an 11.7% increase in net interest income from its lending business and a 6.3% rise in fee income.

General operating expenses rose by +2.6% year-on-year to MAD 106.4 million in 2016. The cost-to-income ratio improved by 60 basis points to 28.7% at 31 December 2016 with operating expenses remaining well contained.

Gross operating income increased by +6% year-on-year to MAD 269 million in 2016.

Preventive risk management and more effective recovery initiatives resulted in an improvement in the quality of the customer portfolio. As a result, provisions fell by as much as -11.7% to MAD 46.7 million in 2016 versus MAD 52.9 million in 2015.

MAROC FACTORING

Working closely with BMCE Bank, its parent company, Maroc Factoring adopted a new governance system that not only meets Bank Al-Maghrib's regulatory requirements but is entirely consistent with the Group's governance standards.

After embarking on a process overhauling its business model in 2016 aimed at optimising its regulatory capital needs while highlighting the expertise it has acquired in factoring, Maroc Factoring's net income declined by a modest 2% to MAD 15.1 million in 2016 with net banking income down -12%.

The decline in net banking income was largely due to concerns over improving risk control. In addition, its impact was offset by developing existing contracts and sales and marketing.

The cost-to-income ratio declined from 47.4% at 31 December 2016 versus 40.6% at 31 December 2015 due to the -12% fall in net banking income together with a +2% rise in general operating expenses.

RM EXPERTS

RM Experts continued to implement its portfolio diversification strategy, supported by good command of debt recovery processes, a strong performance in debt recovery and well-developed information systems, enabling information to be processed rapidly and accurately and ensuring that both the Group's and customers' needs were met.

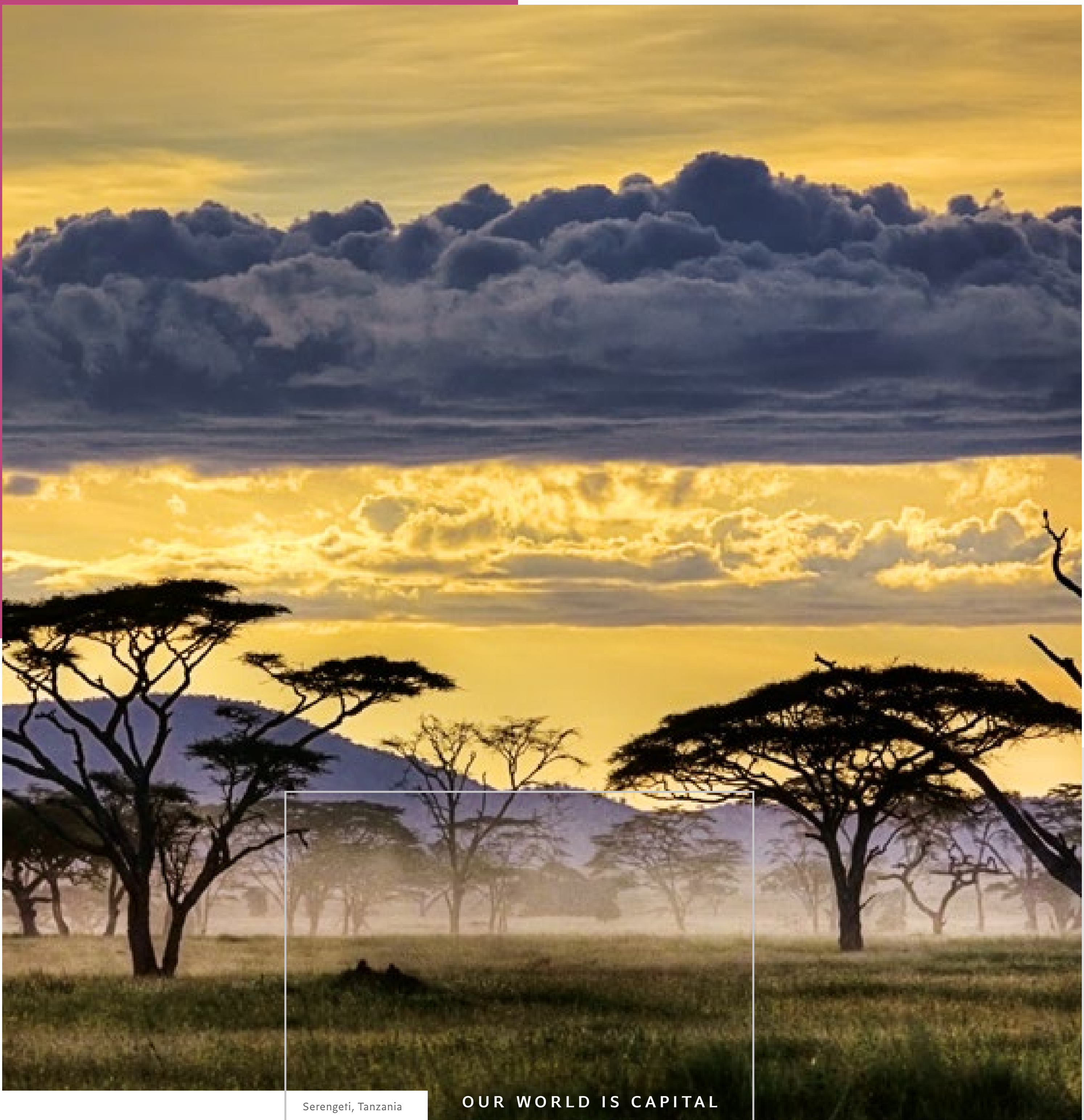
Thanks to a combination of amicable debt recovery processes and enforced debt recovery procedures, RM Experts has acquired a reputation as a leading company in the area of debt recovery.

At 31 December 2016, recovery of capital totalled MAD 406 million with write-backs up 17% year-on-year to MAD 295 million.

In addition, RM Experts provided a boost to sales by launching a communications campaign and bolstering efforts at marketing to prospective customers. This resulted in a number of collaborative agreements being signed with new customers.

RM Experts posted parent net income of MAD 6.3 million in 2016 against a backdrop of rising non-performing loans within the Moroccan banking industry.

African Activities



Serengeti, Tanzania

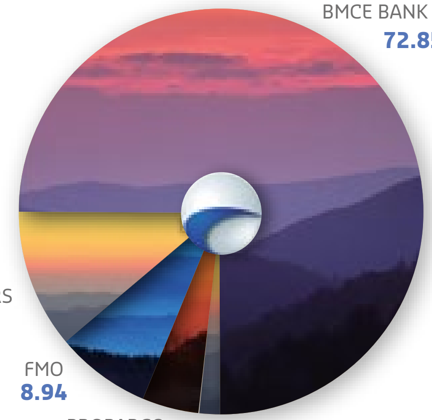
AFRICAN OPERATIONS

Operations in **20** countries
Coverage of **4** economic regions within the African continent
Nearly **550** branches in sub-Saharan Africa
Nearly **3.5** million bank accounts

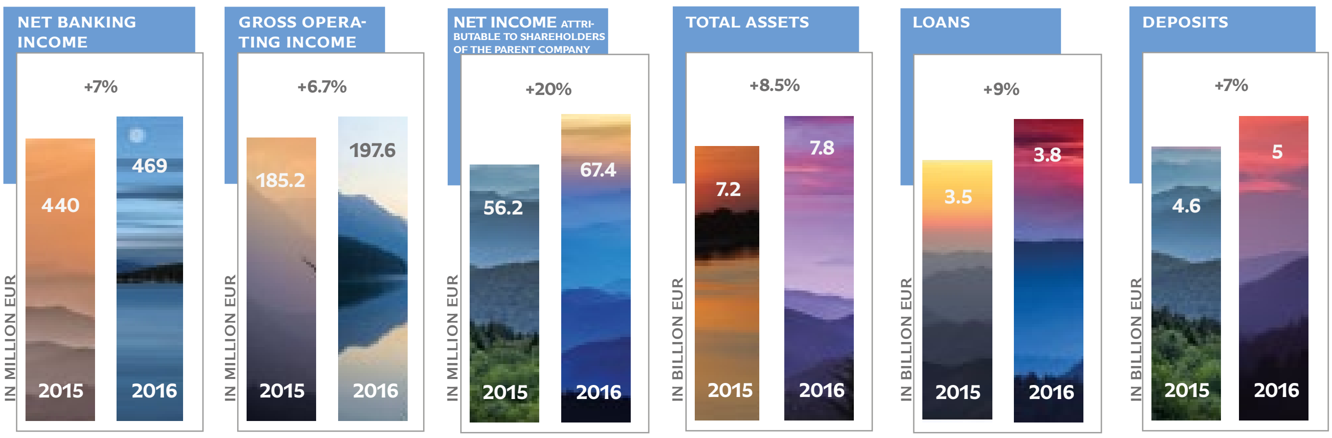
BANK OF AFRICA GROUP PROFILE

The history of BANK OF AFRICA Group dates back to 1982 when the original BANK OF AFRICA was established in Mali as an almost entirely private entity. Almost 35 years later, BOA Group is one of the largest pan-African groups with operations in 18 countries, 17 of which are in Africa.
Since 2010, BANK OF AFRICA Group has been majority owned by BMCE BANK, Morocco's third largest bank. BMCE Bank provides BOA Group with powerful strategic and operational support.

BANK OF AFRICA SHAREHOLDING AT 31 DECEMBER 2016



BOA GROUP'S CONSOLIDATED FIGURES IN 2016



2nd pan-African group in terms of geographical coverage

BOA-BENIN
1989
Number of branches: 48

BOA-FRANCE
2010
Number of branches: 3

BMCE BANK SA MOROCCO
1959
Number of branches: 723

TUNISIA
2006
BMCE Capital Tunisie

East Africa
West Africa
Central Africa
North Africa
Southern Africa

BOA-BURKINA FASO
1987
Number of branches: 50

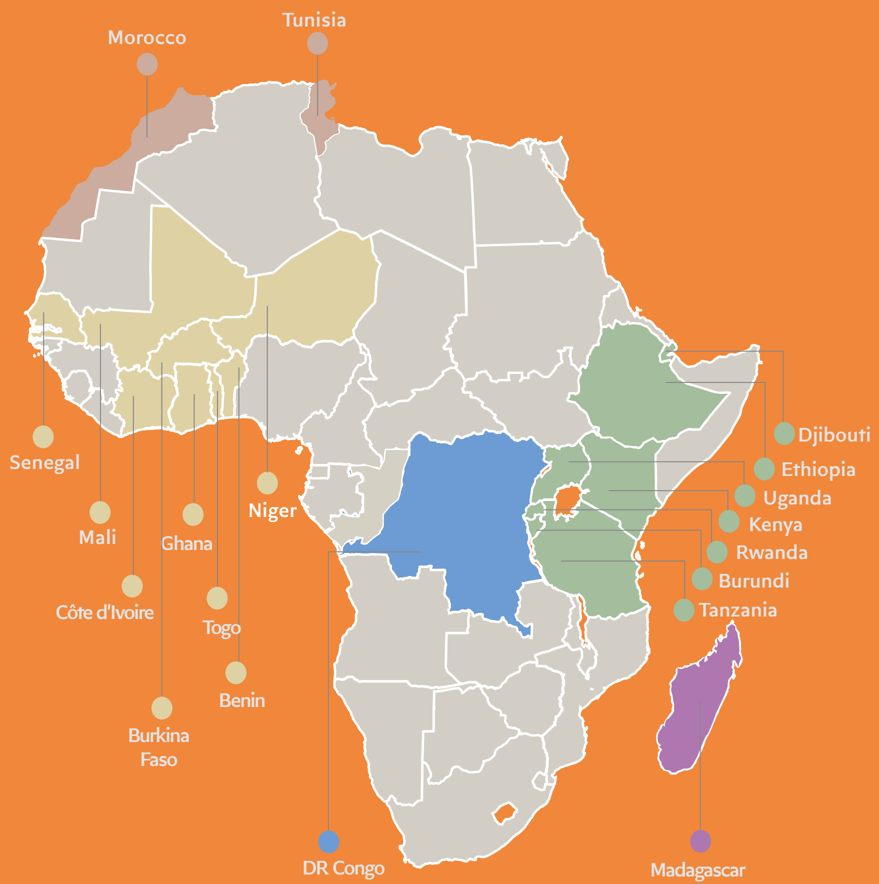
BOA-CÔTE D'IVOIRE
1996
Number of branches: 33

BOA-GHANA
2011
Number of branches: 26

BOA-MALI
1983
Number of branches: 60

BDM SA MALI
1983
Number of branches: 54

BOA-NIGER
1994
Number of branches: 28



BOA-MER ROUGE
2010
Number of branches: 8

BANQUE DE CREDIT DE BUJUMBURA
2008
Number of branches: 21

BOA-UGANDA
2006
Number of branches: 35

BOA-TANZANIA
2010
Number of branches: 27

BOA-KENYA
2004
Number of branches: 43

BOA-RWANDA
2015
Number of branches: 12

BOA-TOGO
2013
Number of branches: 10

BOA-SENEGAL
2001
Number of branches: 42

BOA-DRC
2010
Number of branches: 11

LCB
2009
Number of branches: 20

BOA-MADAGASCAR
1999
Number of branches: 90

BOA-ETHIOPIA
2014
Representative office

Robust growth despite a somewhat challenging environment

In 2016, BOA Group's economic and political environment was marked by a liquidity and banking sector crisis in Kenya, an economic crisis in Nigeria and its impact on neighbouring countries, new regulations in Madagascar and their impact on foreign exchange revenues as well as presidential elections in Uganda, Niger, Benin, Djibouti and Ghana.

Against such a backdrop, BOA Group registered a positive commercial and financial performance in 2016. In commercial terms, BOA Group bolstered its core business, adding 453,822 new accounts to take the total number of accounts to 3.1 million. It continued to attract savings (deposits +10%) to finance various African economies (loans +8%), while continuing to expand its branch network (45 branch openings, taking the total number of branches to 540).

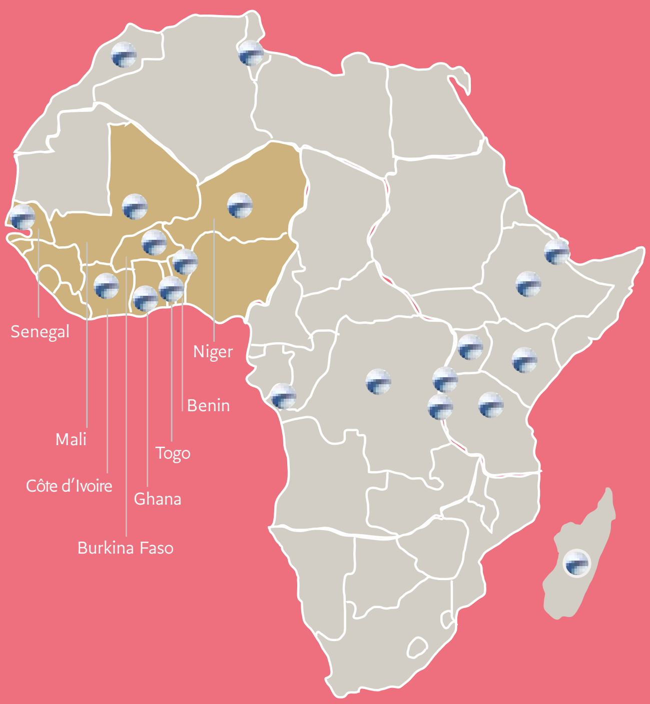
As far as BOA Group's financial performance was concerned, aggregate net banking income rose by 6.6% to EUR 469 million in 2016 versus EUR 440 million in 2015. The aggregate cost-to-income ratio was broadly unchanged at 61.4% in 2016 versus 61.7% the previous year. Despite BHB booking an exceptional provision, the overall cost of risk ratio was unchanged at 1.7% at 31 December 2016. Aggregate net income grew by 18.5% year-on-year to EUR 113.3 million versus EUR 95.6 million the previous year.

Dune in the Namib Desert

OUR WORLD IS CAPITAL

West Africa

Sunrise over the Okavango Delta, Botswana



WAEMU region overview

Established in 1994, the West African Economic and Monetary Union is a sub-regional international organisation with its headquarters in Ouagadougou (Burkina Faso), bringing together 8 countries in West Africa – Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo.

WAEMU aims to promote economic integration between its member states by means of an open and competitive market, adoption of a common standardised legal framework and integration of domestic economies, the goal being to transform the Union into a single market that is attractive to investors.

BOA has operations in 7 countries within the WAEMU region as well as in Ghana, which is not a WAEMU member.

West Africa, economic growth remains firm in the WAEMU region

Despite a challenging environment in security and health terms, economic activity in the WAEMU region maintained its upward trend, registering growth of 6.3% in 2016. This was due to increased activity in the trade and services sector, good agricultural and industrial productivity and a buoyant construction and public works sector, particularly in Senegal and Côte d'Ivoire.

Real GDP is forecast to grow by 6.5% in 2017, primarily due to rising infrastructure investment and increased economic diversification.

Banque de L'Habitat du Benin

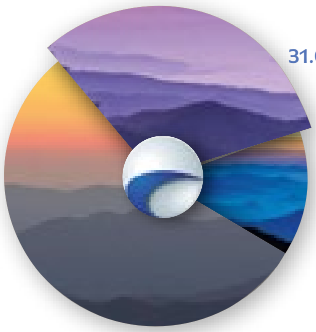
Established in 2004 as part of a public sector initiative, Banque de l'Habitat du Bénin subsequently became a private sector institution. Banque de l'Habitat du Bénin was established to enable Beninese to acquire housing through long-term loans at attractive interest rates. The Bank lends directly to retail customers as well as to real estate developers.

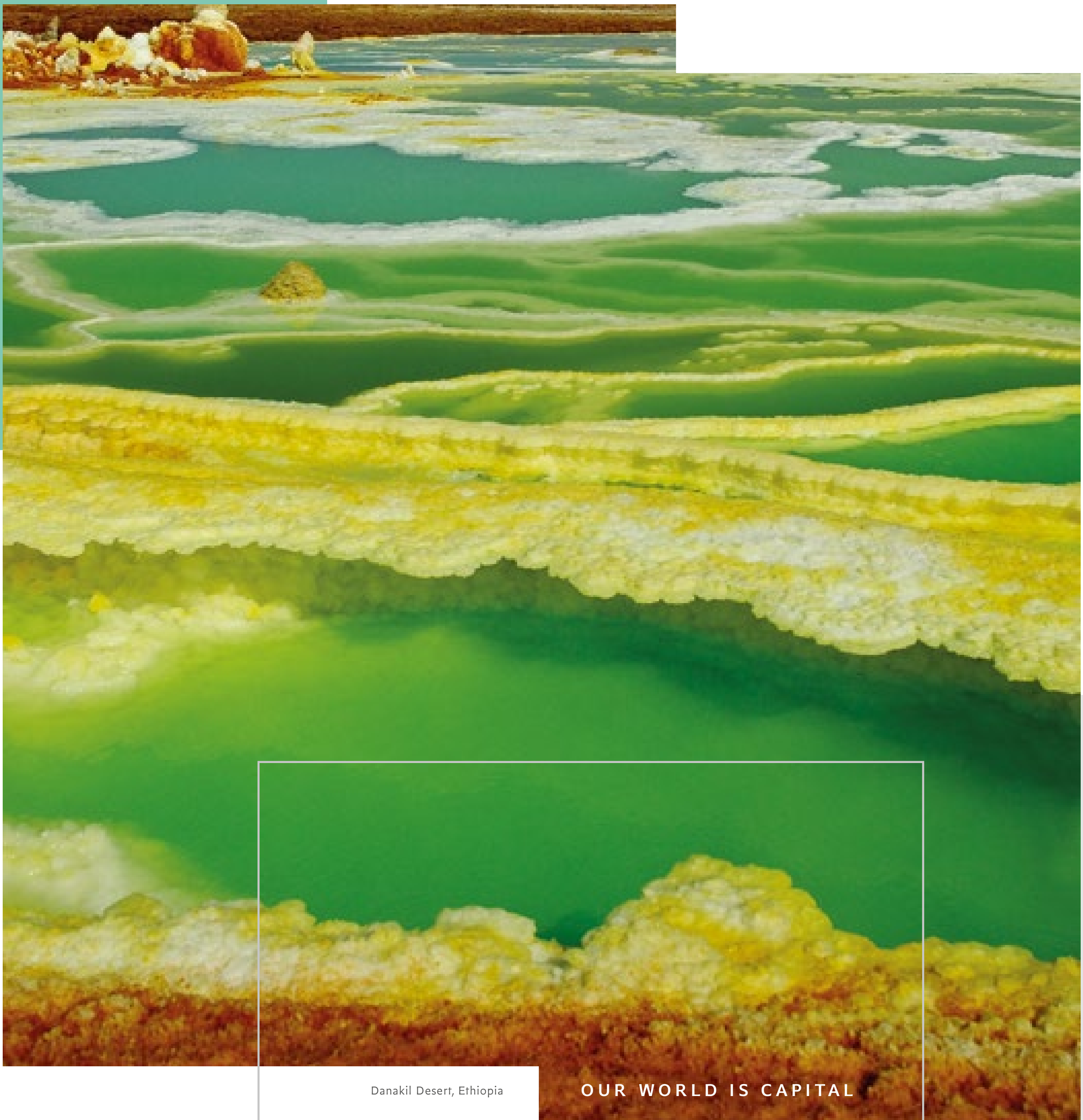
KEY FIGURES 2016

Total assets	**€ 34.7 million**
Customer deposits	€ 30.1 million
Customer loans	**€ 26.7 million**

1 Euro = 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2016





Danakil Desert, Ethiopia

OUR WORLD IS CAPITAL

BOA-BENIN

STRONG COMMERCIAL activity despite a challenging economic environment

BANK OF AFRICA-BENIN's total assets grew by 10% to EUR 1,422 million at 31 December 2016. Customer deposits increased by 4% from EUR 788 million in 2015 to EUR 821.69 million in 2016. Sight deposits accounted for 42% of total customer deposits, broadly unchanged on the previous year.

The Bank remained the top-ranking institution within the country's banking industry with a market share of 25%. Customer loans registered growth of 28% over the period to EUR 510.20 million.

RESILIENT FINANCIAL performance

In 2016, net banking income rose by 0.4% to EUR 59.97 million. This weak growth rate was due to a base effect with 2015 earnings being boosted by a EUR 3.9 million capital gain on the disposal of securities held by the Bank in a number of Group subsidiaries.

As a result, the cost-to-income ratio went up to 52.4% at 31 December 2016 versus 48.8% the previous year.

Net income rose by 28.8% year-on-year to EUR 24.60 million while the Return on Equity was 24%.

2016 HIGHLIGHTS

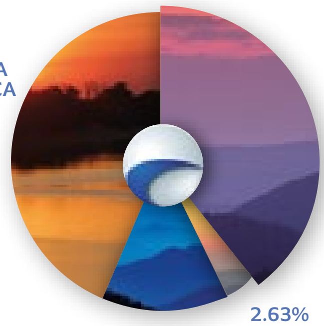
- Crédit-bail and MTN Mobile Money launched
- A satellite branch opened at Abomey-Calavi University (UAC), 20 km north of Cotonou
- Customer deposits surpassed the EUR 760 million mark while net income reached almost EUR 20 million

KEY FIGURES 2016

Total assets	**€ 1 422 million**
Customer loans	€ 510 million
Customer deposits	**€ 822 million**
Net banking income	€ 60 million
Net income	**€ 24.6 million**
Employees	583
Branch network	**48**

1 Euro = 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2016



BOA-BENIN – STOCK MARKET DATA (FCFA)

	2014	2015	2016	AAGR*
Closing price at 31/12	82 005	130 000	167 995	43.1%
Annual performance	36.3%	58.5%	29.2%	
Earnings per share	11 854	11 854	16 023	16.3%
Book value per share	60 458	64 014	71 916	9.1%
Market capitalisation at 31/12 (billions)	82.6	130.9	169.2	43.1%
Dividend per share	7 716	8 100	9 614	11.6%
Dividend yield (%)	9.41%	6.23%	5.72%	-22.0%
Price Earnings Ratio	6.9x	11.0x	10.5x	
Price to Book Ratio	1.4x	2.0x	2.3x	

(*) Average Annual Growth Rate
1 Euro = 655.957 FCFA

STRONG COMMERCIAL
Performance

In 2016, Bank of Africa-Burkina Faso registered a positive growth in its main business indicators, illustrated by a 9.8% increase in customer deposits to EUR 656 million. Loan growth was also strong at +6.6%, reaching EUR 567.75 million.

Similarly, total assets rose by 8.7% to EUR 1,088.68 million. In addition to this significant increase, the Bank's capital base also improved with shareholders' equity growing by 9.8%.

CONVINCING
results

Net banking income rose by 7.6% to EUR 51.35 million, primarily driven by net interest income (66%), fee and miscellaneous income (31%) and income from investments in subsidiaries (3%).

Operating expenses grew by 15.3% year-on-year due to improvements made to the Bank's security system as well as pay rises.

In addition, as a result of positive growth in the Bank's main P&L indicators together with the tax optimisation effect on income from available-for-sale securities, net income rose by 3.5% year-on-year to EUR 19 million.

2016 HIGHLIGHTS

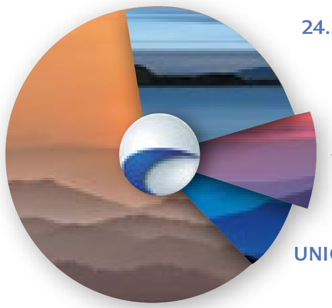
- Three branches opened in Houndé, Orodara and Trame d'accueil
- Threshold of 300,000 accounts breached
- New products launched including « Prêt Ma Moto », Moneygram's money transfer service and Airtel Money's mobile money transfer service

KEY FIGURES 2016

Total assets	**€ 1 088 million**
Customer loans	€ 567.75 million
Customer deposits	**€ 656 million**
Net banking income	€ 51.35 million
Net income	**€ 18.97 million**
Employees	428
Branch network	**50**

1 Euro = 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2016



BOA-BURKINA FASO - STOCK MARKET DATA (FCFA)

	2014	2015	2016	AAGR*
Closing price at 31/12	90 000	120 000	139 500	24.5%
Annual performance	11.1%	33.3%	16.3%	
Earnings per share	9 526	10 935	11 312	9.0%
Book value per share	40 116	45 025	49 453	11.0%
Market capitalisation at 31/12 (billions)	99.0	132.0	153.5	24.5%
Dividend per share	5 845	6 692	7 920	16.4%
Dividend yield (%)	6.49%	5.58%	5.68%	-6.5%
Price Earnings Ratio	9.4x	11.0x	12.3x	
Price to Book Ratio	2.2x	2.7x	2.8x	

(*) Average Annual Growth Rate
1 Euro = 655.957 FCFA

BOA-CÔTE D'IVOIRE

ONGOING PROGRESS on the commercial front

In 2016, BOA-Côte d'Ivoire opened 5 new branches, taking the total number of branches to 33 and 358 employees. Deposits rose by 13.5% to EUR 514 million. Deposit growth was outpaced by loan growth, with the latter rising by 13.6% to EUR 448.7 million despite the highly competitive operating environment.

Total assets rose by 2.6% to EUR 950 million, surpassing the symbolic FCFA 600 billion mark.
With EUR 38 million of regulatory capital, BOA-Côte d'Ivoire capital adequacy ratio stood at 8.8% versus the minimum 8% regulatory requirement.

SATISFYING results

In 2016, net banking income rose by 14.8% to EUR 44 million versus EUR 38 million in 2015. General operating expenses increased by 5.9% with five new branched opened in 2016. As a result, the cost-to-income ratio improved by 4.2 basis points to reach 49.1% versus 53.3% in 2015.

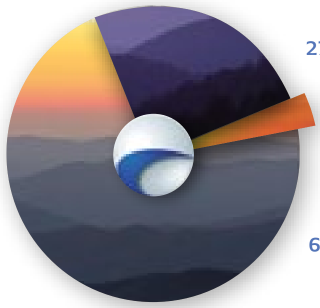
Net income stood at EUR 15.5 million, an increase of 23.2% on the previous year.
Return on Assets and Return on Equity were 1.7% and 28.7% respectively, an improvement on 2015.

KEY FIGURES 2016

Total assets	**€ 950 million**
Customer loans	€ 448.7 million
Customer deposits	**€ 522 million**
Net banking income	€ 44 million
Net income	**€ 15.5 million**
Employees	358
Branch network	**33**

1 Euro = 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2016



BOA-CÔTE D'IVOIRE - STOCK MARKET DATA (FCFA)

	2014	2015	2016	AAGR*
Closing price at 31/12	90 000	125 000	139 000	24.3%
Annual performance	39.5%	38.9%	11.2%	
Earnings per share	9 850	9 850	10 149	1.5%
Book value per share	38 429	41 576	39 013	0.8%
Market capitalisation at 31/12 (billions)	73.8	102.5	139.0	37.2%
Dividend per share	6 200	6 200	6 089	-0.9%
Dividend yield (%)	6.89%	4.96%	4.38%	-20.3%
Price Earnings Ratio	9.1x	12.7x	13.7x	
Price to Book Ratio	2.3x	3.0x	3.6x	

(*) Average Annual Growth Rate
1 Euro = 655.957 FCFA

SOLID
fundamentals

Total assets stood at EUR 783.59 million at 31 December 2016 while shareholders' equity before appropriation rose by 8.6% to EUR 62.91 million.

Customer deposits declined by a modest 2.0% to EUR 478.60 million in 2016 versus EUR 488.36 million in 2015.

Customer loans totalled EUR 392.85 million in 2016 versus EUR 394.24 million in 2015.

NET INCOME
sharply higher

Net banking income stood at EUR 45.35 million in 2016.

Net income rose by as much as 32.0%, however, from EUR 10.86 million in 2015 to EUR 14.33 million in 2016, breaching the FCFA 9 billion mark for the first time.

2016 HIGHLIGHTS

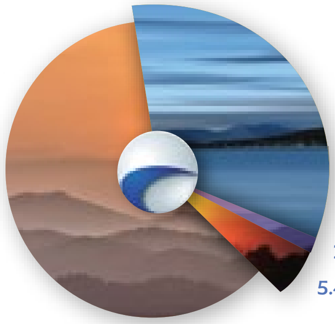
- BANK OF AFRICA-MALI was the largest stock by market capitalisation on Abidjan's Regional Securities Exchange (BRVM)
- Participated in the 27th Africa-France summit, organised by African and French employers federations, as sponsor of its Economic Forum
- 6 new branches opened in Bamako, Baguinéda and Ouelessebougou

KEY FIGURES 2016

Total assets	**€ 783.59 million**
Customer loans	€ 392.85 million
Customer deposits	**€ 478.60 million**
Net banking income	€ 45.35 million
Net income	**€ 14.33 million**
Employees	366
Branch network	**60**

1 Euro = 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2016



BOA-MALI - STOCK MARKET DATA (FCFA)

	2016
Closing price at 31/12	40 000
Annual performance	NS
Earnings per share	4 565
Book value per share	20 033
Market capitalisation at 31/12 (billions)	82.4
Dividend per share	3 000
Dividend yield (%)	7.50%
Price Earnings Ratio	8.8x
Price to Book Ratio	2.0x

(*) Average Annual Growth Rate
1 Euro = 655.957 FCFA

BOA-NIGER

BUOYANT COMMERCIAL activity

BANK OF AFRICA-NIGER, which is the largest Nigerien company listed on the Regional Securities Exchange (BRVM), is a major player in the country's banking industry. In 2016, the domestic operating environment was benign although economic growth was slower than in the previous year.

In 2016, BOA-NIGER's commercial activity was buoyant with total assets registering 9% growth to EUR 437 million versus EUR 401 million in 2015.

Customer deposits and customer loans grew by 1.2% and 7.2% respectively to EUR 222 million and EUR 250 million versus EUR 219 million and EUR 234 million the previous year.

SATISFYING financial results

Net banking income rose by 5.7% to EUR 29 million in 2016 versus EUR 27.5 million in 2015. Gross operating income was broadly unchanged at EUR 15.02 million. General operating expenses including amortisation rose by 13.1% to EUR 14 million in 2016 versus EUR 12.5 million the previous year.

Net income grew by 13.9% year-on-year to EUR 10.1 million in 2016 versus EUR 8.8 million in 2015, resulting in a Return on Equity of 24.7%, despite a 7.3% increase in shareholders' equity.

2016 HIGHLIGHTS

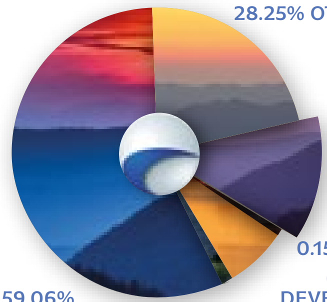
- Agreement signed with the French Development Agency (AFD) for an insurance guarantee for intervention zone investment risk (ARIZ)
- New Chief Executive Officer appointed
- Increase in share capital from FCFA 9.5 billion to FCFA 10 billion (EUR 15 million) by incorporating share premium
- Two branches opened in Niamey

KEY FIGURES 2016

Total assets	**€ 437 million**
Customer loans	€ 250 million
Customer deposits	**€ 222 million**
Net banking income	€ 29 million
Net income	**€ 10 million**
Employees	245
Branch network	**28**

1 Euro = 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2016



BOA-NIGER - STOCK MARKET DATA (FCFA)

	2014	2015	2016	AAGR*
Closing price at 31/12	87 000	85 000	89 995	1.7%
Annual performance	101.4%	-2.3%	5.9%	
Earnings per share	5 364	6 100	6 600	10.9%
Book value per share	26 499	28 844	29 411	5.4%
Market capitalisation at 31/12 (billions)	82.7	80.8	90.0	4.3%
Dividend per share	3 492	4 817	5 600	26.6%
Dividend yield (%)	4.01%	5.67%	6.22%	24.5%
Price Earnings Ratio	16,2x	13.9x	13.6x	
Price to Book Ratio	3.3x	2.9x	3.1x	

(*) Average Annual Growth Rate
1 Euro = 655.957 FCFA

DOUBLE-DIGIT GROWTH
in commercial activity

In what was a fiercely competitive operating environment and despite having to clean up the customer loan portfolio, Bank Of Africa-Senegal registered deposit growth of 54.7% and loan growth of 21.9% to EUR 486 million and EUR 358.85 million respectively in 2016. As a result, total assets rose by 44.2% to EUR 795.37 million.

In terms of profitability, the Bank's Return on Assets was 0.9%, up 30 points on the previous year.

EARNINGS
up by a substantial 95%

As far as the key profit indicators were concerned, net banking income rose by 29.5% to EUR 33.52 million in 2016. After factoring in overheads, gross operating income increased by 74.2% year-on-year to EUR 16.37 million in 2016. The cost-to-income ratio was 51.2% at 31 December 2015 versus 63.7% at 31 December 2016, a 12.5 points improvement on the previous year.

Due to a combination of significantly higher net banking income and lower expenses, net banking income rose by 94.9% year-on-year to EUR 6.18 million.

2016 HIGHLIGHTS

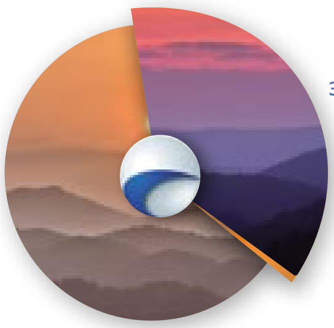
- LIBCARD, a prepaid Visa card launched as well as a new version of Pack Mon Business
- Participated in the African Business Connect initiative, resulting from a partnership between Bank Of Africa and Maroc Export, aimed at bringing together Moroccan and sub-Saharan African companies
- Partnership agreement signed with the Priority Investment Guarantee Fund (FONGIP) to provide a loan guarantee for Pack Mon Business

KEY FIGURES 2016

Total assets	**€ 795.37 million**
Customer loans	€ 358.85 million
Customer deposits	**€ 486.00 million**
Net banking income	€ 33.52 million
Net income	**€ 6.18 million**
Employees	346
Branch network	**42**

1 Euro= 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2016



BOA-SENEGAL – STOCK MARKET DATA (FCFA)

	2014	2015	2016	AAGR*
Closing price at 31/12	64 500	79 000	47 000	-14.6%
Annual performance	NS	22.5%	-40.5%	
Earnings per share	2 813	1 732	3 376	9.5%
Book value per share	22 134	21 899	24 442	5.1%
Market capitalisation at 31/12 (billions)	77,4	94.8	56.4	-14.6%
Dividend per share	1 770	750	1 000	-24.8%
Dividend yield (%)	2.74%	0.95%	2.13%	-11.9%
Price Earnings Ratio	22.9x	45.6x	13.9x	
Price to Book Ratio	2.9x	3.6x	1.9x	

(*) Average Annual Growth Rate
1 Euro = 655.957 FCFA

BOA-GHANA

GROWTH
in commercial activity*

Customer deposits and customer loans rose by 8.7% and 15.4% to EUR 153.26 million and EUR 100.77 million respectively.

Total assets declined by a modest 0.2% year-on-year from EUR 258.52 million to EUR 257.96 million.

A RELATIVELY
poor set of results

In 2016, BANK OF AFRICA-GHANA registered net income of EUR 5.45 million while gross operating income declined by 48% year-on-year to EUR 8.17 million.

Net banking income stood at EUR 25.33 million in 2016 versus EUR 29.59 million in 2015.

Operating expenses rose by 22% from EUR 14.01 million in 2015 to EUR 17.15 million in 2016, resulting in a cost-to-income ratio of 67.7% in 2016 versus 47.4% in 2015.

2016 HIGHLIGHTS

- 3 branches opened in Accra and 2 others in towns located to the north of the capital
- Ranked as the 'Best Bank' in the Customer Advisory Services category at the 15th Ghana Banking Awards
- Bank-insurance products - Family Care Assurance and Assured Child Education - launched

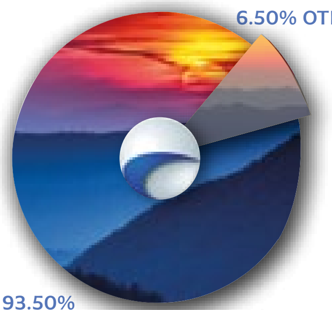
*At constant exchange rates

KEY FIGURES 2016

Total assets	**€ 257.96 million**
Customer loans	€ 100.77 million
Customer deposits	**€ 153.26 million**
Net banking income	€ 25.33 million
Net income	**€ 5.45 million**
Employees	398
Branch network	**26**

1EURO= 4,4367 Cédis Ghanéens

SHAREHOLDING AT 31 DECEMBER 2016



COMMERCIAL DEVELOPMENT
gaining momentum

2016 proved to be another positive year in the Group's ongoing development. Despite the challenging operating conditions and increasingly tough competition, BOA-Togo continued to deliver positive growth and gain market share. Its earnings, which were in line with estimates, were encouraging overall.

Customer deposits rose by 15.4% to EUR 49.58 million while customer loans increased by 33.4% to EUR 84.40 million. The branch network now comprises 10 branches.

Total assets stood at EUR 178.39 million. As a result, BOA-Togo was ranked 8th out of 13 banks by assets.

Net banking income rose up 31.9% to EUR 5.43 million, enabling the Bank to cover almost its entire overheads which totalled EUR 5.83 million.

The cost-to-income ratio also improved to 107.3% versus 134.5% the previous year. Risk-weighted assets totalled EUR 62.91 million, resulting in a capital to risk-weighted assets ratio of 12.3% versus the minimum regulatory requirement of 8%.

2016 HIGHLIGHTS

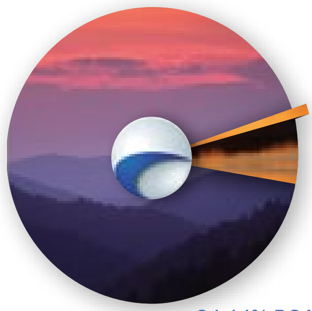
- New Chief Executive Officer appointed
- Baguida branch opened on the outskirts of Lomé
- 'Everyone to School', 'Savings' and 'Fonxionaria' campaigns launched

KEY FIGURES 2016

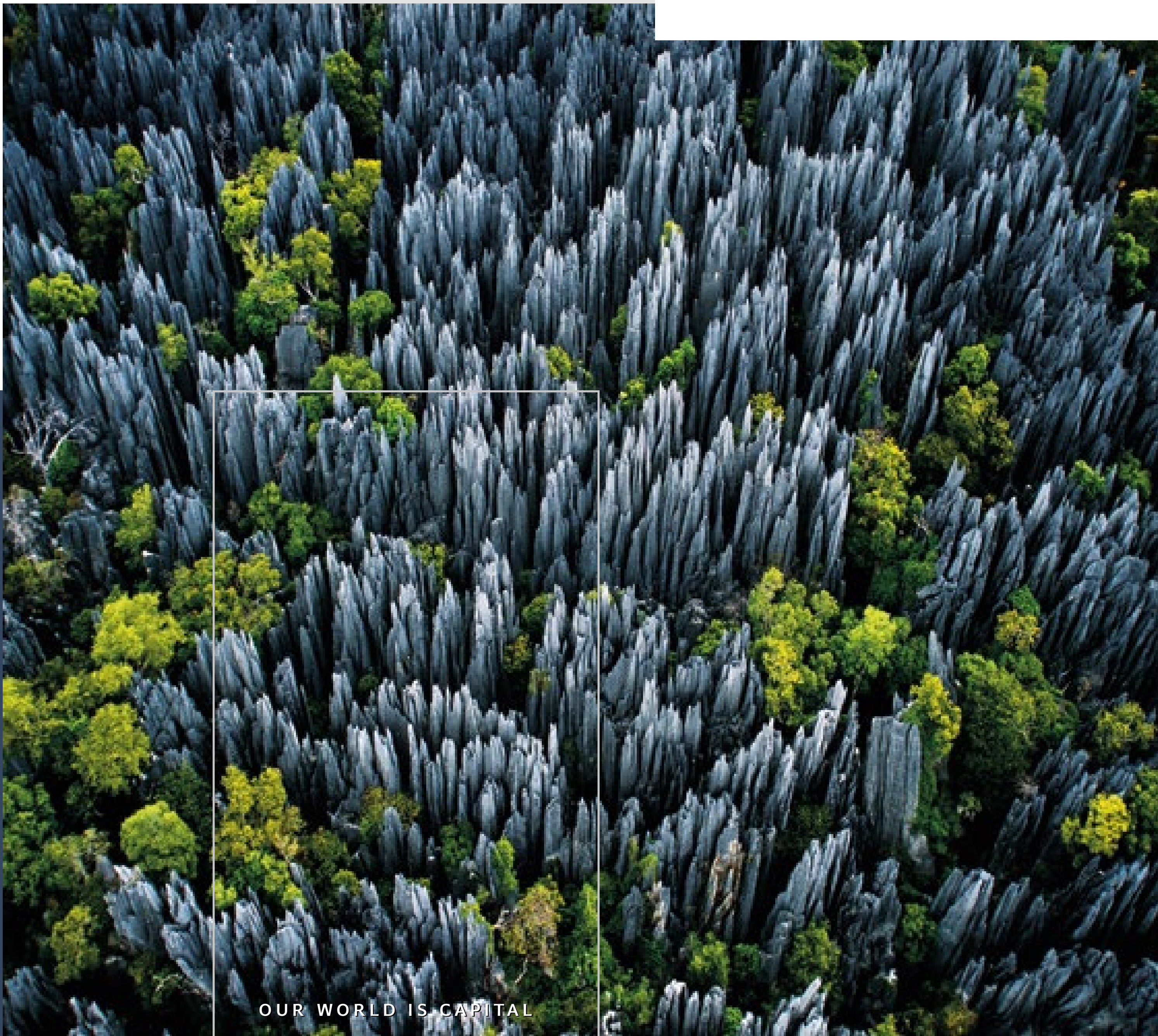
Total assets	**€ 178.39 million**
Customer loans	€ 84.40 million
Customer deposits	**€ 49.58 million**
Net banking income	€ 5.43 million
Net income	**€ -1.6 million**
Employees	104
Branch network	10

1EURO= 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2016



Central Africa



Tsingy De Bemaraha, Morondava region, Madagascar

(*) In progress

CEMAC Region overview

The Economic and Monetary Community of Central Africa (CEMAC) was established on 16 March 1994, bringing together 6 countries: Cameroon, Congo, Gabon, Guinea Equatorial, Central African Republic and Chad

CEMAC aims to promote harmonious growth of its member states within a framework of a genuinely common market while ensuring price stability and a secure economic and business environment.

La Congolaise de Banque and BOA-RDC operate within the CEMAC region

CEMAC, a growth recovery in 2017

Falling oil prices continued to weigh down on economies within the CEMAC region. As a result, regional GDP slowed from +2.1% in 2015 to +1% in 2016 according to IMF estimates. This was due to a weak oil sector, on which four out of six of the region's economies are heavily dependent. In addition, a high level of expenditure was required to maintain security in a number of countries within the region.

In terms of the outlook, economic growth is expected to recover to +2.6% in 2017 due to a pick-up in crude oil prices and implementation of economic and financial reforms within the CEMAC region.

Aerial view over Logipi Lake, Kenya

ONGOING IMPROVEMENT in commercial activity

In 2016, BANK OF AFRICA-DRC registered strong growth in customer deposits and loans to large enterprises and SMEs. Customer deposits rose by 15.3% while customer loans increased by 46%, giving the Bank a 5.9% share of the loan market versus 4.9% in 2015. As a result, net interest income rose by as much as 44%.

SUBSTANTIAL rise in earnings

In 2016, net banking income rose by 39% to EUR 17.6 million. The cost-to-income ratio declined significantly from 76.3% in 2016 to 75.8% in 2015.

In 2016, net income reached EUR 1.4 million versus EUR 1.8 million the previous year, a decline of 24%.

Return on Equity was 10.8% in 2016.

The Bank's capital to risk-weighted assets ratio was comfortable at 11.6% despite strong growth in the Bank's business activity.

All these initiatives will continue in 2017 while the network will see further expansion with 8 branch openings scheduled.

2016 HIGHLIGHTS

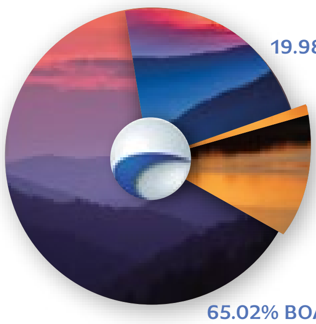
- New Chief Executive Officer appointed
- Sponsored the DRC national rugby team, champions of the African Nations Cup D2 South Zone and the 4th Cycling Tour of Democratic Republic of Congo

KEY FIGURES 2016

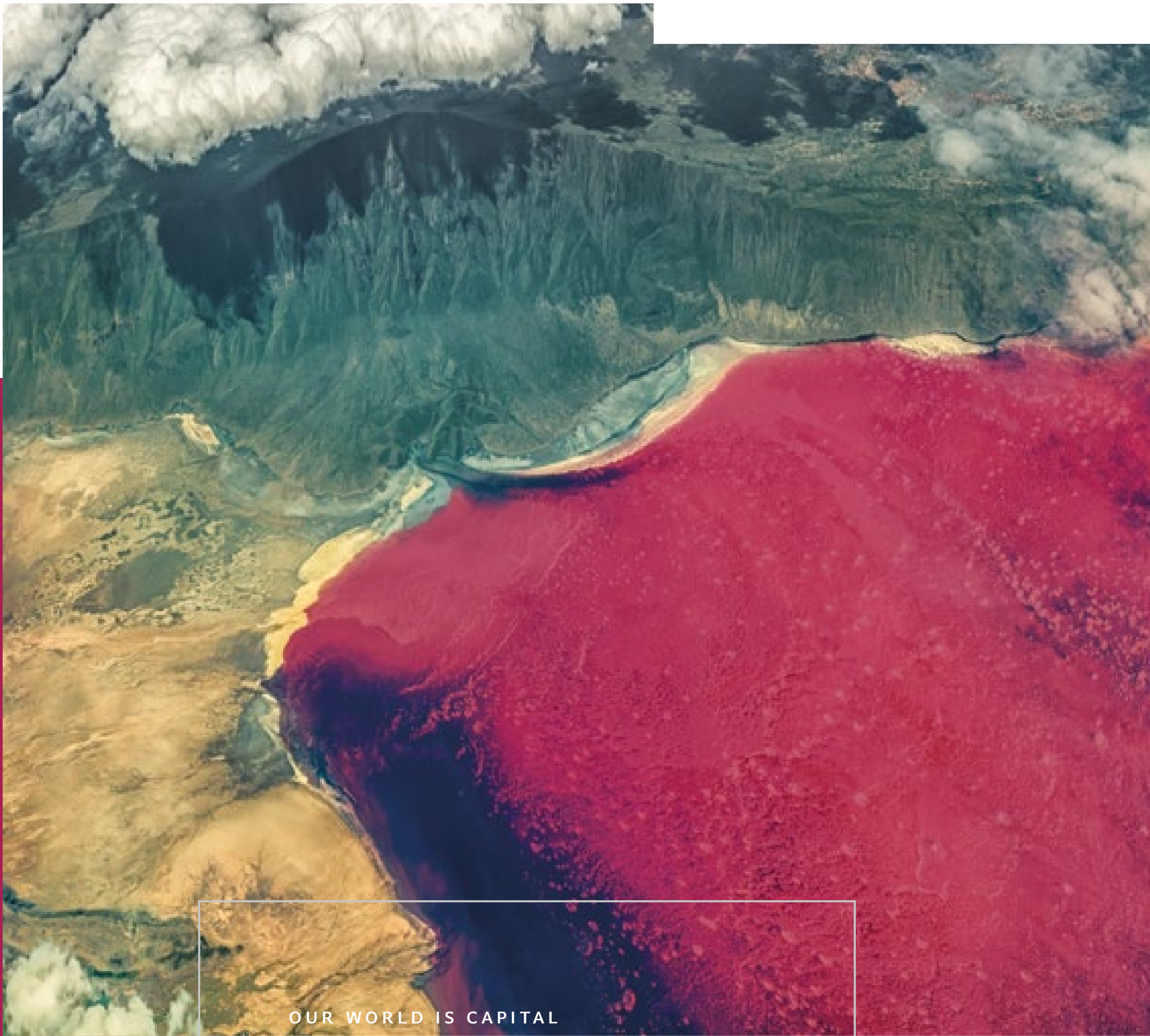
Total assets	**€ 175 million**
Customer loans	€ 131 million
Customer deposits	**€ 94 million**
Net banking income	€ **17.6** million
Net income	**€ -1.4 million**
Employees	198
Branch network	**11**

1EURO= 1255.008 CDF

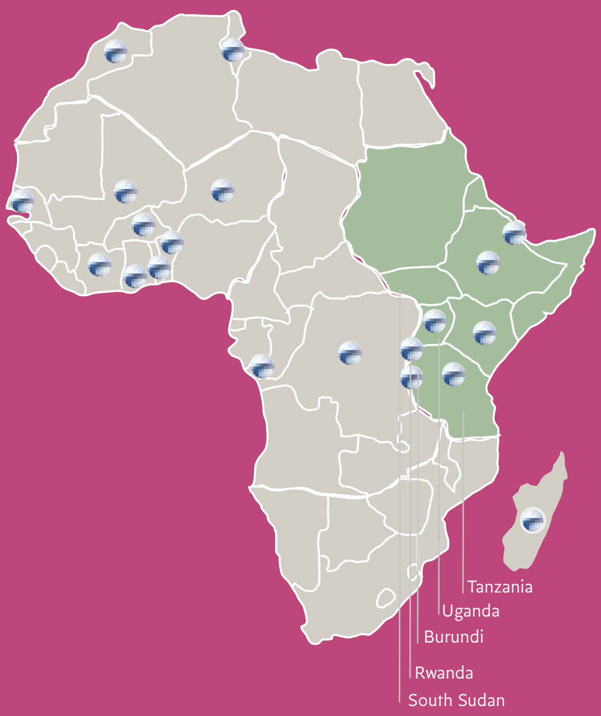
SHAREHOLDING AT 31 DECEMBER 2016



East Africa



Lake Natron, Tanzania



EAC region overview

The East African Community (EAC) is a regional inter-governmental organisation founded in 1967, dissolved in 1977 and then re-established on 7th July 2000. It brings together the republics of Burundi, Kenya, Rwanda, Tanzania and Uganda and South Sudan. It is headquartered in Arusha, Tanzania.

After acquiring Agaseke Bank, a Rwandan bank, Bank of Africa now covers the entire EAC region with a subsidiary in 5 out of the 8 countries within the region.

East Africa, region with solid fundamentals boosted by investment programmes

East Africa, which registered growth of +6.1%, was one of the most dynamic economies in Africa in 2016, driven by improving regional infrastructure and a high level of FDI in Tanzania, Kenya and Ethiopia. These economies were also among those of sub-Saharan Africa which have seen the most improvement in their business climate, thereby attracting more investors.

In terms of the outlook, the region is expected to maintain its role as a growth locomotive with economic growth forecast to be +6.3% in 2017. This is primarily driven by implementation of major investment programmes and stronger domestic demand.

Banque de Credit du Bujumbura-BCB

SOLID
results*

In 2016, BANQUE DE CREDIT DE BUJUMBURA S.M. (BCB) was negatively impacted by the ongoing turbulent political and security situation which has persisted since the most recent elections in Burundi.

Customer deposits declined by 1.6% to EUR 144.49 million. Net customer loans contracted by 10.8% to EUR 64.09 million. Total assets rose by 0.2% to EUR 182.86 million.

In terms of results, net banking income rose by 3.9% to EUR 17.72 million.

General operating expenses declined by 4.4% to EUR 11.24 million.

Gross operating income rose by 3.1% to EUR 6.48 million in 2016 while net income increased by 40.4% to EUR 4.09 million.

2016 HIGHLIGHTS

- Inauguration of the new Kayanza branch building, 59 km to the north of Bujumbura
- AUDEC campaign launched, an automatic overdraft facility on the SESAME card

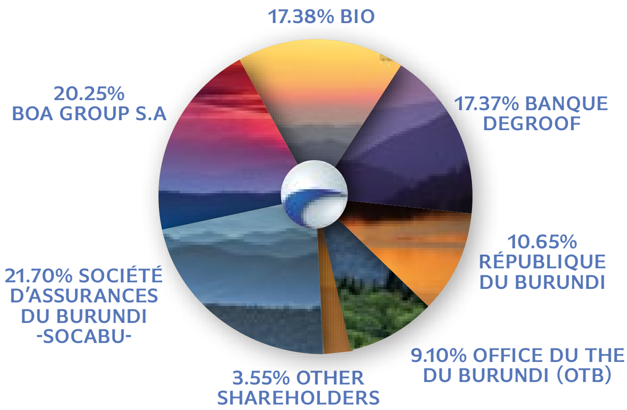
* At constant exchange rates

KEY FIGURES 2016

Total assets	**€ 182.86 million**
Customer loans	€ 64.09 million
Customer deposits	**€ 144.49 million**
Net banking income	€ 17.72 million
Net income	**€ 4.09 million**
Employees	342
Branch network	**21**

1EURO= 1 779.0984 BIF

SHAREHOLDING AT 31 DECEMBER 2016



EARNINGS
under pressure

In 2016, total assets declined by 19%. Customer deposits fell by 27% due to depositor instability and higher funding costs as a result of a liquidity crisis in Kenya.

The Bank opened two new branches in 2016, taking the total number of branches to 44.

BANK OF AFRICA-KENYA's net banking income declined by 7% year-on-year while net income was EUR 0.1 million in the black. The aim of shrinking the balance sheet was to reduce the level of costly assets and liabilities which yielded less than the required minimum as well as improving asset-liability management.

The Bank also cleaned up its customer loan portfolio in compliance with the Group's convergence principles. BOA-Kenya remains optimistic for 2016. It intends to continue to improve the quality of its loan portfolio and recover doubtful loans.

2016 HIGHLIGHTS

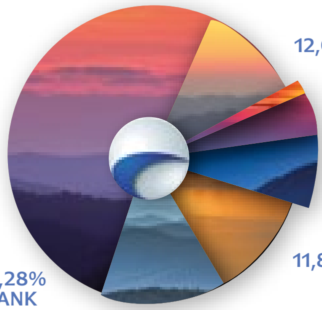
- Two new branches opened in Kakamega in west Kenya and Ukunda, in coastal Kenya
- Sponsored SupaMama events in Kisumu and Nairobi in support of women, providing them with a forum for discussion about female property owners, personal branding and financial management
- BOA-KENYA's Head Office at Reinsurance Plaza transferred to Taifa Road

KEY FIGURES 2016

Total assets	**€ 518 million**
Customer loans	€ 29 million
Customer deposits	**€ 319 million**
Net banking income	€ 37.9 million
Net income	**€ 0.1 million**
Employees	515
Branch network	43

1EURO= 108.165 KES

SHAREHOLDING AT 31 DECEMBER 2016



BOA-UGANDA

SUBSTANTIAL * results

Despite the uncertain economic environment, BOA-UGANDA registered exceptional growth in its financial results in 2016. Net income stood at EUR 3.19 million versus EUR 0.14 million in 2014 while net banking income rose by 35% to EUR 20.67 million.

The Bank's cost of risk contracted by 52% to EUR 0.75 million in 2016 versus EUR 1.57 million in 2015.

COMMERCIAL PLAN gaining momentum

Customer deposits and customer loans each rose by 11% to EUR 126.16 million and EUR 77.04 million respectively. As a result, total assets increased by 9% to EUR 180.88 million in 2016 versus EUR 165.34 million the previous year.

In 2017, the Bank will continue to focus on using new distribution channels to enhance customers' experience and improve business processes. It will further highlight the growth of the economy by increasing support for the country's small and medium-sized enterprises which are genuine growth drivers. It intends to continue to promote a risk-based culture, increase provision of foreign currency and ensure that the interests of its customers, shareholders and employees are protected and the communities in which the Bank operates.

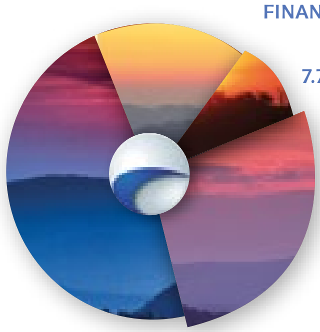
* At constant exchange rates

KEY FIGURES 2016

Total assets	**€ 180.88 million**
Customer loans	€ 77.04 million
Customer deposits	**€ 126.16 million**
Net banking income	€ 20.67 million
Net income	**€ 3.19 million**
Employees	443
Branch network	**35**

1EURO = 3806.773 UGX

SHAREHOLDING AT 31 DECEMBER 2016



RESULTS *
impacted by the challenging environment

BANK OF AFRICA-TANZANIA's performance was weaker than the previous year's. Net income declined by 27.7% to EUR 1.6 million in 2016 versus EUR 2.22 million the previous year. This was due to the challenging operating environment experienced by Tanzania's banking industry which negatively impacted the Bank's foreign currency revenues and resulted in the cost of risk almost doubling.

In 2016, net banking income rose by 7.2% to EUR 20.20 million.

ONGOING
implementation of the commercial plan

The Bank's customer loan portfolio grew by 6% to EUR 141.17 million in 2016 versus EUR 133.45 million in 2015 while total assets increased by 9% to EUR 273.28 million versus EUR 250.01 million the previous year. In addition, by focusing on the retail banking segment, BOA-TANZANIE successfully expanded its portfolio of retail loans by more than 56% and will continue to concentrate on the retail and SME segments in accordance with the Bank's three-year strategic plan.

Customer deposits grew by 12% year-on-year to EUR 171.05 million in 2016 versus EUR 152.40 million in 2015.

2016 HIGHLIGHTS

- 'Bid Bond' campaign launched to promote a TZS 1 billion (about EUR 410,000) bid bond without guarantee.

- Agreement signed with the French Development Agency (AFD) for a EUR 11.2 million (USD 11.84 million) credit facility to finance the purchase of renewable energy and energy efficiency equipment

- Products launched including Visa cards, a leasing product and the WEZESHA LOAN for home construction

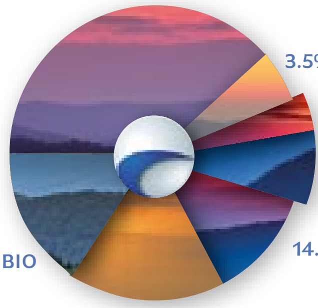
* At constant exchange rates

KEY FIGURES 2016

Total assets	**€ 273.28 million**
Customer loans	€ 141.17 million
Customer deposits	**€ 171.05 million**
Net banking income	€ 20.20 million
Net income	**€ 1.6 million**
Employees	309
Branch network	27

1EURO= 2 301.226 TZS

SHAREHOLDING AT 31 DECEMBER 2016



BOA-RWANDA

AN ENCOURAGING first year*

In its first financial year in 2016, BOA-RWANDA's net income registered a significant decline. This was mainly due to the Bank's transformation from being a microfinance bank to a full-service commercial bank, requiring significant investment.

Customer loans rose by 46.24% in line due to benign market conditions.

Group synergies and the cost incurred in the Bank's transformation into a commercial bank contributed to the 24.44% growth in deposits.

The Bank will pursue its expansion programme with two new branch openings planned over the next 12 months. It will also introduce a new product for small and medium-sized enterprises.

2016 HIGHLIGHTS

- Head Office transferred from KN 46 Nyarugenge to KN 2 Chic Complex in Kigali
- New website launched and new business centre opened in Kigali

KEY FIGURES 2016

Total assets	**€ 19.35 million**
Customer loans	€ 9.58 million
Customer deposits	**€ 10.97 million**
Net banking income	€ 1.99 million
Net income	**€ -0.65 million**
Employees	131
Branch network	**12**

1EURO= 860.08181 FRW

* At constant exchange rates

REMARKABLE
results

Net banking income and gross operating income rose by 18.3% and 34.5% respectively to EUR 24 million and EUR 12.17 million in 2016 versus EUR 20.4 million and EUR 9.4 million.

Net income grew by 23.5% to EUR 8.38 million in 2016 versus EUR 7 million in 2015. The cost-to-income ratio improved from 53.8% at 31 December 2015 to 47.3% at 31 December 2016.

The cost of risk improved by 136.5% year-on-year to negative EUR 0.29 million in 2016 versus EUR 0.11 million the previous year.

ONGOING GROWTH
in commercial activity

At 31 December 2016, total assets stood at EUR 505 million versus EUR 468.7 million at 31 December 2015, an increase of 3.2%, with the balance sheet structure relatively unchanged.

Customer deposits rose by 2% to EUR 434.6 million in 2016 versus EUR 427.2 million in 2015. Customer loans registered a steep increase with volumes reaching EUR 124.8 million at 31 December 2016.

2016 HIGHLIGHTS

- New website launched
- Two new branches and a business centre opened in Djibouti
- Agreement signed with the International School of Africa (ISA) to provide student loans on preferential terms

KEY FIGURES 2016

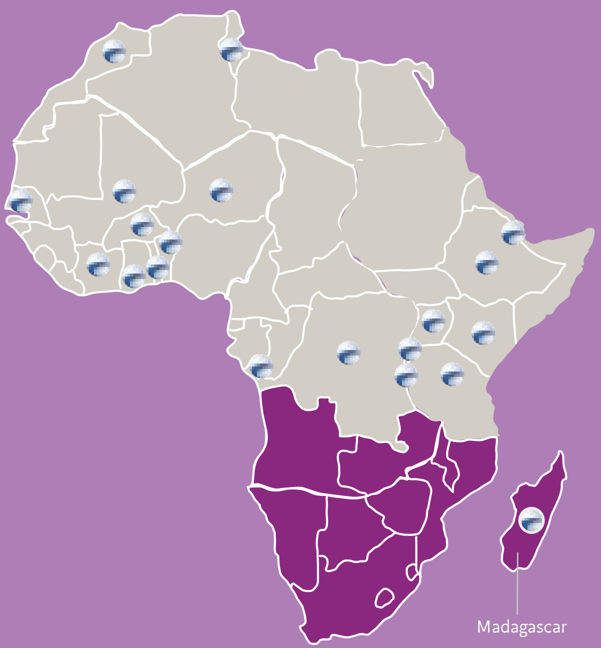
Total assets	**€ 505,21 million**
Customer loans	€ 124,81 million
Customer deposits	**€ 434,59 million**
Net banking income	€ 24,08 million
Net income	**€ 8,76 million**
Employees	147
Branch network	8

1EURO = 186.0561 DJF

SHAREHOLDING AT 31 DECEMBER 2016

Southern Africa

Grandidier's Baobab Forest road, Madagascar



SADC region overview

The SADC is a Free Trade Area comprising 15 southern African states. It is an economic space with 243 consumers. With aggregate GDP of USD 424 billion (EUR 336.5 billion), it is the largest economic area in sub-Saharan Africa. The regional economy is driven by South Africa. SADC is currently negotiating a free trade agreement with the European Union within the framework of the economic partnership agreements (EPA) scheme.

Bank of Africa Group's is exposed to the SADC region via BOA-Madagascar (Indian Ocean), the Group's largest subsidiary in terms of the number of branches.

Southern Africa, moderate growth prospects

The ongoing commodity price decline is continuing to have an impact on southern African economies. As a result, in 2016, economic growth slowed to 1.9% after registering growth of 2.2% in 2015 according to African Development Bank estimates. This was due to the decline in commodity prices and drought. The South African economy, which is the largest within the region, experienced a slowdown. Electricity shortages and weak commodity prices are continuing to weigh down on the country's economic growth.

Regional economic growth is likely to remain moderate in 2017 although the outlook is generally positive due to anticipated investment in non-petroleum strategic sectors such as electricity, construction and new technologies.

BOA-MADAGASCAR

STRONG CONTRIBUTION
from commercial activity to financing economic development

2016 was a year of positive results, enabling BOA-MADAGASCAR to consolidate its position as the top-ranked bank within the industry in terms of the number of customers and deposits while registering a noteworthy increase in customer loans.

Business activity saw significant growth in 2016 with deposits up 14.4% increase and loans up 10.4%. Total assets surpassed the EUR 570 million mark, reaching EUR 593 million at 31 December 2016, an increase of 12.1% year-on-year.

The Bank's capital adequacy ratio stood at 11.9% at 31 December 2016 versus the minimum 8% regulatory requirement.

EARNINGS
modestly down

Net banking income rose by 11.5% to EUR 49 million due to significant growth in net interest income and a 14.4% increase in fee income. Operating expenses increased by only 1.1% year-on-year as a result of the Bank's cost containment strategy. As a result, the cost-to-income ratio contracted by as much as 6.1 points to 59.3% at 31 December 2016.

Gross operating income rose by as much as 31.4% to EUR 20 million, primarily due to good control of general expenses.

Net income stood at MGA 53.2 billion, modestly down on 2015, with the latter having been positively impacted by a number of extraordinary items including a write-back of a sizeable non-performing loan. If this exceptional write-back in 2015 were excluded, 2016 net income would have grown by 21.8% year-on-year.

The Bank's financial profitability was satisfying with ROE and ROA of 24.8% and 2.7% respectively.

2016 HIGHLIGHTS

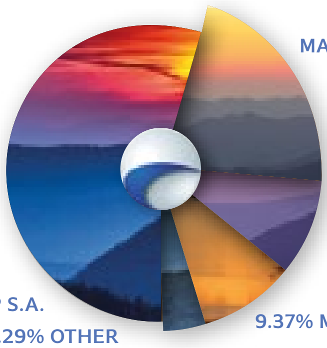
- Two agreements signed with the Ministry of Public Health and the Justice Ministry giving staff preferential terms when applying for the Bank's products
- New Chief Executive Officer appointed
- Participated in a number of trade fairs and expos including: (i) Job and Entrepreneurship Fair (ii) Madagascar International Fair (FIM) and (iii) 18th International Home Expo

KEY FIGURES 2016

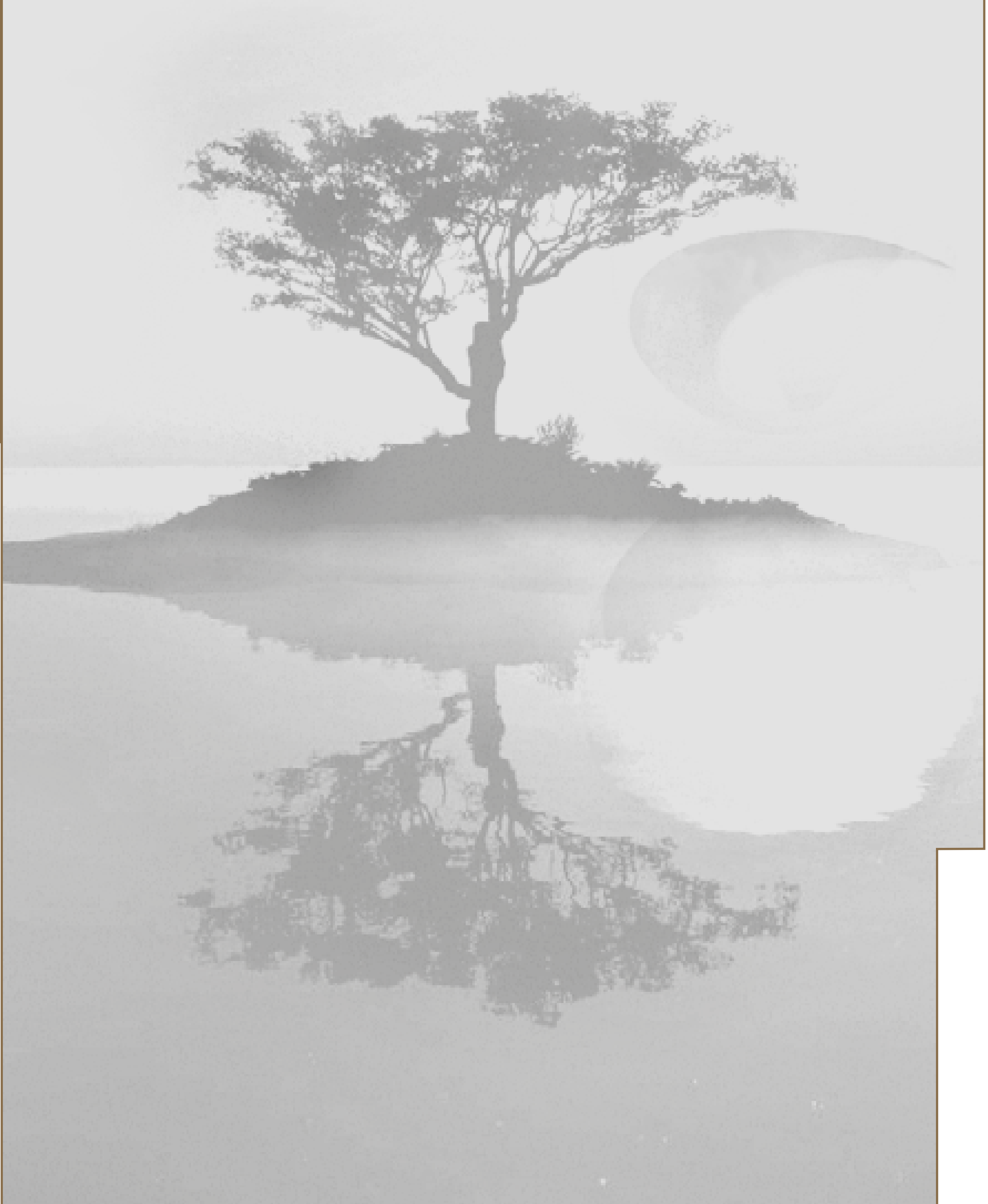
Total assets	**€ 593 million**
Customer loans	€ 284 million
Customer deposits	**€ 481 million**
Net banking income	€ 49 million
Net income	**€ 15 million**
Employees	905
Branch network	**90**

1EURO= 3509.5300MGA

SHAREHOLDING AT 31 DECEMBER 2016



Other African Subsidiaries



Banque de Développement du Mali

Banque de Développement du Mali, Mali's leading bank with nearly 50 branches and more than 70 points of sale, managed to build on its very strong year-on-year performance in 2015.

In 2016, BDM maintained its status as market leader with some exceptional performances. Total loans grew by 10.75% from FCFA 522.296 billion in 2015 to FCFA 578.454 billion in 2016. Total deposits rose by 16.92% from FCFA 531 billion in 2015 to FCFA 620 billion in 2016.

Total assets increased by 16.6% to FCFA 710 billion in 2016 versus FCFA 609 billion in 2015.

Similarly, net banking income rose by 21% from FCFA 29.3 billion in 2015 to FCFA 35.8 billion in 2016. As a result, the Bank was the only banking institution within its industry to post double-digit earnings growth.

2016 saw the launch of the bank-insurance business, resulting from a partnership between two Malian insurance companies, SONAVIE and SAHAM Assurance Mali.

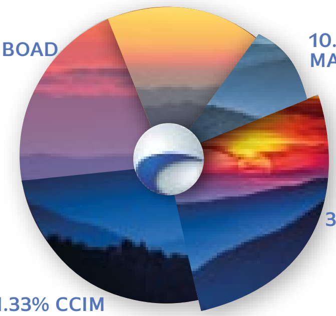
The partnership with BMCE Euroservices with regard to transfers from Malians living abroad became operational after the official launch 20th May 2017 in Paris.

KEY FIGURES 2016

Total assets	**FCFA 709 836 million**
Customer loans	FCFA 578 454 million
Customer deposits	**FCFA 620 548 million**
Net banking income	FCFA 35 819 million
Net income	**FCFA 11 923 million**
Employees	470
Branch network	**50**

1 Euro = 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2016



La Congolaise de Banque, one of the market leaders in credit distribution in Congo and the country's largest bank in terms of branch network size, aims to become a leading regional bank in Central Africa.

In 2016, its share of the deposit market rose to 13.97% versus 13.85% in 2015 while its share of the loan market grew from 14.61% in 2015 to 14.90% in 2016.

Deposits totalled FCFA 185 billion while loans stood at FCFA 175 billion.

Net banking income rose by 5% and gross operating by 17%. By contrast, net income declined by 43% to FCFA 2 billion, impacted by a 150% jump in loan-loss provisions to FCFA 3.5 billion.

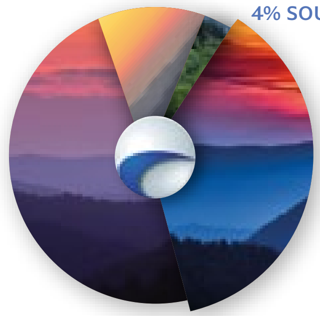
The non-performing loan ratio went up to 6.62% versus 4.92% in 2015 while the loan-loss coverage ratio was broadly unchanged at around 56% versus 48% in 2015.

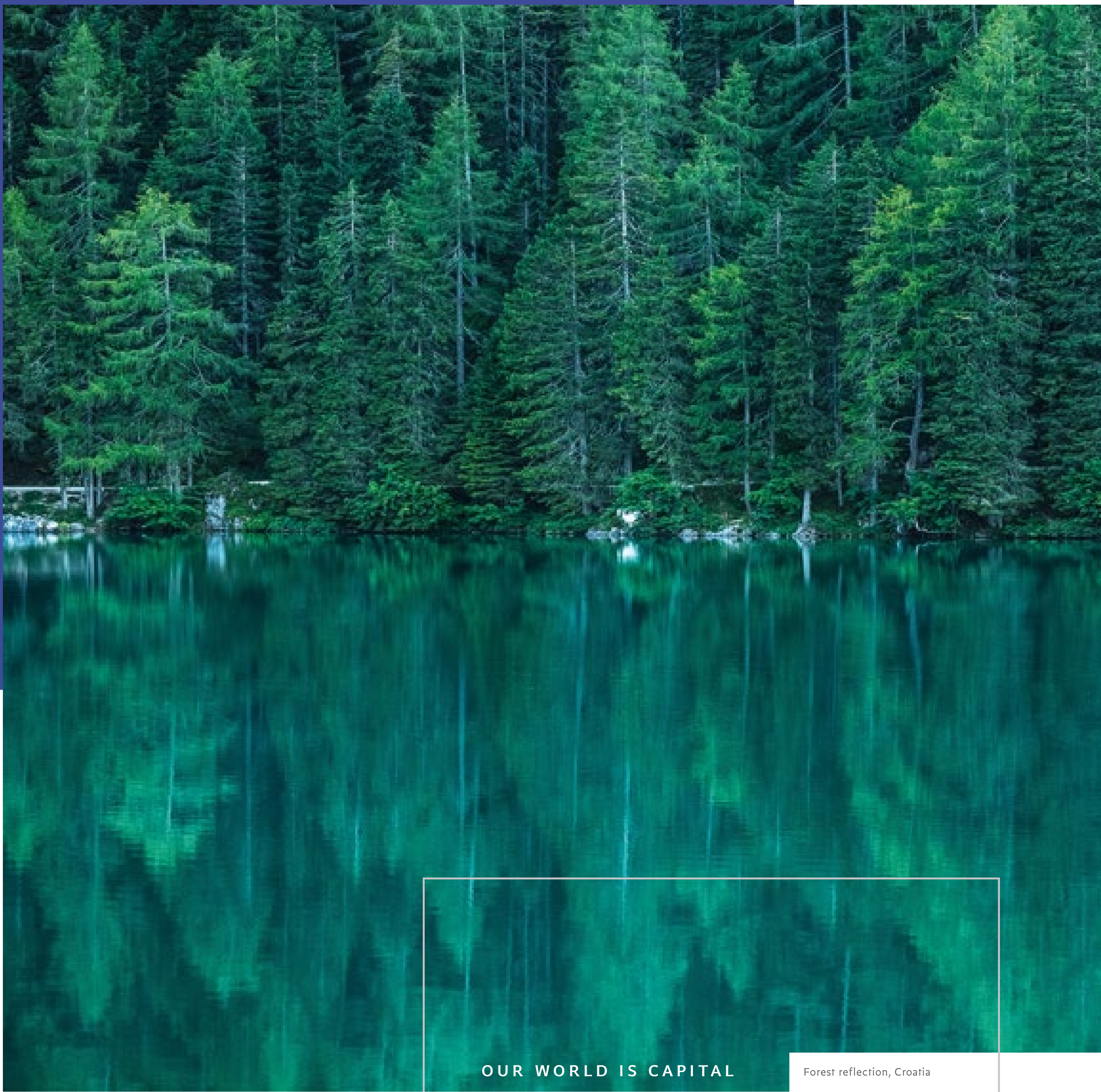
KEY FIGURES 2016

Total assets	**FCFA 230 billion**
Customer loans	FCFA 175 billion
Customer deposits	**FCFA 185 billion**
Net banking income	19 billion
Net income	**2 billion**
Employees	288
Branch network	**19**

1 Euro = 194.444 DJF

SHAREHOLDING AT 31 DECEMBER 2016





Forest reflection, Croatia

The European platform registered positive year-on-year earnings growth thanks to the performance of its two units, BBI London and BBI Madrid. As a result, it is now the Group's 3rd largest profit centre, accounting for 9% of net income attributable to shareholders of the parent company in 2016.

EUROPEAN PLATFORM **registers profit growth**

The European platform, which is now the Group's 3rd largest profit centre, saw its net income rise by as much as 21% to GBP 13.9 million while net banking income increased by 25% to GBP 36.4 million.

BMCE BANK INTERNATIONAL **MADRID**

Against a backdrop of stronger economic growth and a tightening of legal and regulatory requirements in Spain's banking industry, particularly in the areas of risk assessment and management, prudential standards, liquidity and financial information, BMCE Bank International Madrid (BBI Madrid) posted contrasting commercial and financial results in 2016.

Net banking income rose by 9% to EUR 18.5 million in 2016, in line with full-year forecasts, while net interest income was 21% ahead and fee income was up 8%. Similarly, gross operating income increased by 6% year-on-year to EUR 13.2 million in 2016.

Operating performance was bolstered by a 36% increase in total assets which reached EUR 516.7 million, 16% growth to EUR 432 million in the loan portfolio and a 55% increase in products and services transaction volumes, ahead of full-year forecasts.

BBI Madrid intends to implement a strategy aimed at boosting sales with an emphasis on new markets in Latin America.

BMCE BANK INTERNATIONAL **LONDON & PARIS**

Against a backdrop of slower global economic growth, high volatility in African markets, falling commodity prices and their impact on the budgets of several African countries, in particular, those that are oil producers, BMCE Bank International Plc London posted positive commercial and financial results in 2016.

Net banking income rose significantly (+27.3%) to GBP 20.6 million in 2016 versus GBP 16.2 million in 2015. The average annual growth rate for the period 2014-2016 was 25.5%. Net banking income was higher than the GBP 20 million forecast despite the impact from the Federal Reserve's interest rate hike on borrowing costs.

Net income rose by 10.1% to GBP 8.6 million in 2016, ahead of full-year forecasts, versus GBP 7.8 million in 2015. The average annual growth rate over the period 2014-2016 was 36.3%. Return on Equity was 14.1% versus 14.6% the previous year.

BEIJING REPRESENTATIVE OFFICE

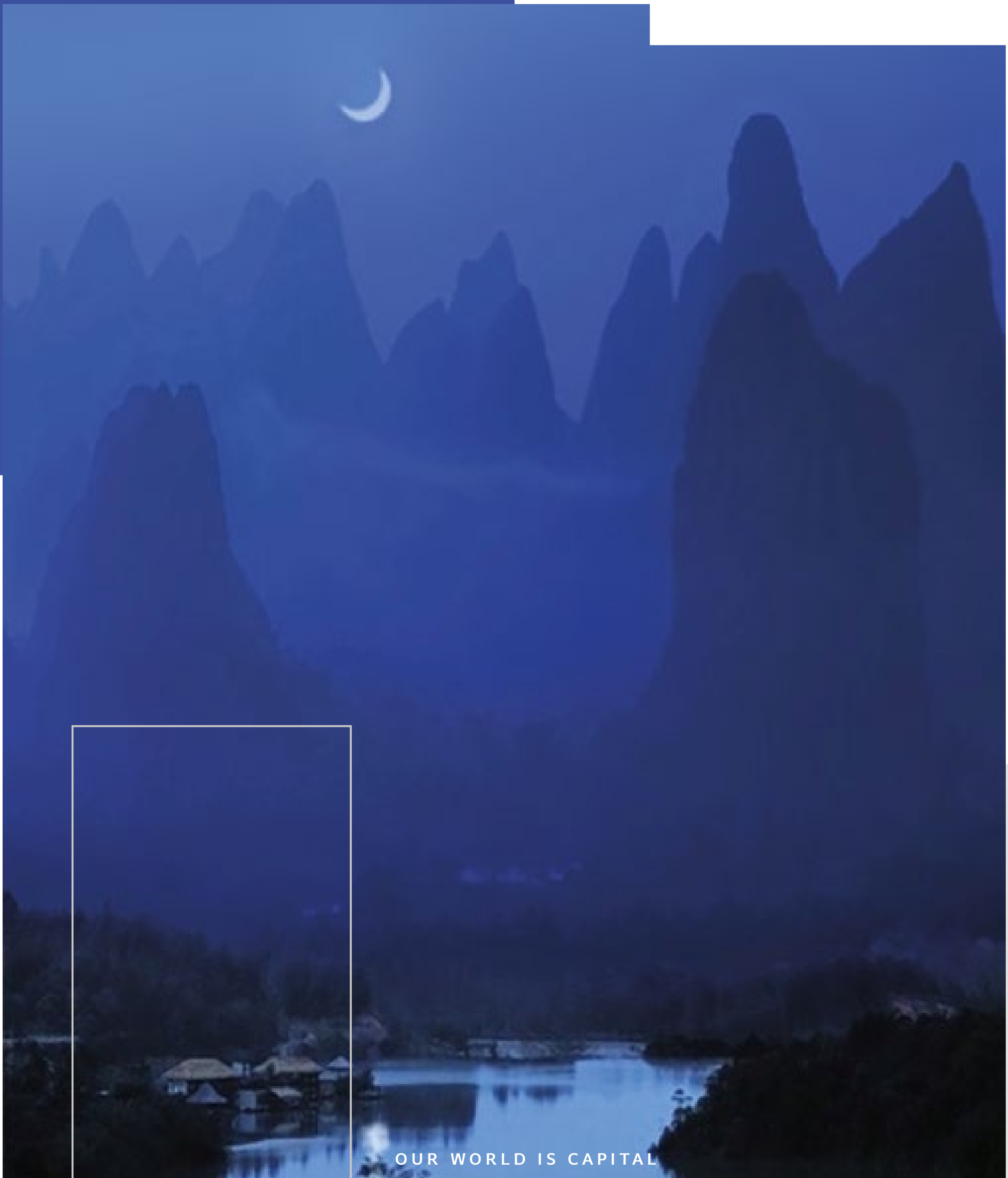
In 2016, the Beijing Representative Office's main focus was on bolstering relations with the Chinese regulatory authorities and Bank Al-Maghrib as well as boosting marketing and relationship-building initiatives.

2016 proved to be a packed year with the Beijing Office carrying out a number of marketing, relationship-building or assistance assignments including: (i) the marketing initiatives in which the Beijing Office participated alongside General Management for International Coordination (DGCI) included presenting the full range of services of a number of Chinese equipment manufacturers that are planning to set up operations in Morocco; (ii) it also submitted to the DGCI the initial information as part of a finance application for a solar power plant project; (iii) the Beijing Office organised visits by several delegations to both China and Morocco within the framework of a strategic partnership agreement. As a result, a visit was organised to industrial parks in China as well as meetings with Chinese officials in addition to visits to Casablanca and Tangier Med; (iv) the Beijing Office also provided assistance and advice as part of a joint project between Chinese companies and BMCE Bank aimed at setting up an insurance company; (v) other missions were organised in Morocco in which various Chinese companies participated.

CANADA REPRESENTATIVE OFFICE

After signing a partnership agreement with Le Mouvement Desjardins in March 2014, BMCE Bank opened a representative office in Montreal to foster closer relations with the Moroccan community in North America. This agreement enables BMCE Bank to provide support to Moroccans living in Canada, students and investors and meet their financial needs by offering preferential, rapid and secure banking terms.

In 2016, a number of events and marketing initiatives were carried out: (i) participated in the mobile consular tour organised by the Consulate General of the Kingdom of Morocco in Montreal in the cities of Toronto, Quebec and Edmonton; (ii) sponsored the cultural week and an evening to celebrate the 13th anniversary of the Association of Moroccans in Toronto, during which the Representative Office received significant coverage and publicity via social networks, the website and newsletters throughout the entire event; (iii) BMCE Bank participated exclusively in a real estate expo organised by Dyar Al Mansour at Laval's conference centre; (iv) sponsored and participated in the Gala Dinner and the awards ceremony in honour of Canadians of Arabic origin organised by the Council of Arab Ambassadors to Canada, chaired by the Moroccan Ambassador to Canada. This event attracted more than 500 Canadians of Moroccan or Arabic origin.



Li River, Guilin, China

Global economy

Economy resilient despite an uncertain environment

In 2016, the global economy proved resilient despite uncertainties caused by two major events: the United Kingdom's withdrawal from the European Union and the election of Donald Trump as President of the United States. Given the slowdown in advanced economies, with domestic demand and investment remaining moderate, global GDP rose by +3.1%, after being revised down by 0.3 points.

The outlook for emerging countries is positive with Brazil and Russia moving out of recession. A number of sub-Saharan African countries are continuing to feel the effects of the decline in commodity prices.

Moderate growth in the euro zone

Euro zone GDP rose by a modest +1.6%, according to IMF estimates, as a result of lower oil prices, a depreciation in the value of the euro and the ECB's accommodative monetary policy, in a low inflationary environment.

Despite the low level of investment, persistently high unemployment and relative uncertainty surrounding Brexit and the outcome of elections in 2017 in France, Germany and the Netherlands, an acceleration in private sector activity towards the end of 2016 would appear to suggest that the growth recovery is sustainable.

Economic growth revised down in the United States

In the United States, despite growth being weaker than expected (+2.4%), the ongoing improvement in the labour market – unemployment fell to its lowest level (4.6%) since 2007 – underpinned consumer spending. Against a backdrop of a modest pick-up in inflation, the US Federal Reserve raised its key interest rate by 25 basis points in December 2016.

There is room for improvement as far as the country's macroeconomic balances are concerned with public debt reaching 108% of GDP, the budget deficit surpassing 4% of GDP and import growth accelerating to +8.3%, leaving the new administration with little margin for manoeuvre.

Emerging and developing countries continue to underpin global growth

Economic growth in emerging and developing countries is estimated at +4.6% in 2016 according to the IMF although prospects vary from one region to another.

In China, growth stabilised in second half 2016 at around +6.7%, driven more by consumption and services than by the manufacturing sector and investment.

The Latin America and Caribbean region registered growth of -0.5% in 2016, according to IMF estimates and remained negatively impacted by lower commodity prices. Mexico, Brazil and Argentina faced political tensions and economic challenges while Latin America and the Caribbean registered an improvement, benefiting from a recovery in the United States.
Emerging Asian economies were resilient, particularly India, which registered growth of +7.2% in 2016. Growth remained robust in Europe's emerging and developing economies. An attempted coup d'état and terrorist attacks added to economic uncertainty in Turkey in 2016 while Russia is likely to have resumed positive growth due to a pick-up in oil prices.

Sub-Saharan Africa's diversified economies come through unscathed

In 2016, sub-Saharan Africa's main economies continued to be negatively impacted by lower commodity prices together with political tensions. In Nigeria, economic activity slowed to +1.5% in 2016 due to a shortage of foreign currency and crude oil production disruptions while South Africa's economy is estimated to have grown by only +0.3%, according to the IMF.

Other more diversified countries within the region registered positive growth, driven by private consumption and investment - Côte d'Ivoire +8%, Senegal +6.6%, Kenya +6% and Ethiopia +5.5%.

Improving economic fundamentals in West African Economic and Monetary Union (WAEMU)

The economic growth rate in *WAEMU* countries is expected to be broadly unchanged at +6.3%. With an overall budget deficit of 4.5% of GDP in 2016 and low inflation, *WAEMU* countries are continuing to invest in infrastructure and social sectors.

In Senegal, growth prospects are encouraging due to ongoing investment as part of the Emerging Senegal Plan, a recovery in exports in the wake of a strong agricultural sector and efforts made to diversify the economy.

In Côte d'Ivoire, growth is being driven by an improving business climate, political stability and strong infrastructure spending. Public investment continues to underpin Mali's economy.

If individual member states are to comply with the community's budget deficit target of 3% of GDP, then they will have to increase tax receipts and reduce public spending.

Robust growth in East Africa despite a less benign environment

With growth averaging +6.1% in 2016, East Africa's growth rate is well above the average for the entire sub-Saharan African region. A pick-up in inflation in Kenya, Uganda and Tanzania, however, together with currency weakness, is having a relative impact on the economy.

In Ethiopia, after a decade of continuous growth, the economy slowed to +4.5% in 2016. Implementation of a major investment programme is likely to offset this slowdown, however.

In Kenya, the region's pivotal economy, economic growth was broadly unchanged at +6% in 2016, underpinned by public investment and a diversified economy. This was also the case for Rwanda, the most successful economy in the region in terms of business affairs.

Tanzania's economy remained one of the most buoyant in 2016. Growth, estimated at +7.2%, will continue to be driven by the transport, construction, telecommunications and banking sectors together with public investment.

The Central African Economic and Monetary Community (CEMAC) remains prey to challenging economic and financial conditions

After registering the weakest rate of growth in 2015, CEMAC economies are likely to have again slowed in 2016 with growth estimated at +1.9% according to the IMF.

The region's budget deficit is expected to be 6% of GDP due to a high level of public spending and lower oil prices – 5 out of 6 countries in the region are oil-producing nations, while foreign currency reserves have dwindled from USD 15 billion in 2014 to USD 5 billion in 2016.

Moroccan economy

Ongoing improvement in economic fundamentals

Entre Deux Lacs, Melsbroek, Belgium

After an exceptional year in 2015, 2016 was characterised by weak cereal output, estimated at 35 million quintals versus 115 million in 2015, and by a slowdown in non-agricultural activity. Growth was only +1%, however, despite consumer spending and investment continuing to underpin economic activity.

Budget deficit under control

In 2016, the budget deficit continued to contract, reaching 4% of GDP. A 4% rise in tax receipts together with a reduction in current expenditure offset the impact from a less than benign operating environment and weak growth.

Modest growth in inflation

In 2016, consumer prices both for foodstuffs and non-foodstuffs, continued to rise with inflation estimated at 1.6% in 2016.

The increase in non-food prices was more pronounced, impacted by a recovery in oil prices, while food prices suffered the effects of weak domestic production.

Trade balance deteriorates

The country's foreign trade position was characterised by an acceleration in imports of capital goods and foodstuffs, resulting in a widening of the trade deficit to MAD 184 billion, up +19% compared to 2015.

Exports of goods and services rose by +2.9% to MAD 334 billion, driven primarily by automobiles, textiles and clothing, food products and pharmaceuticals. Phosphates and derivatives again registered negative growth (-12%) due to a contraction in global commodity prices. As a result, the sector surrendered its status to the auto industry as the country's largest export sector.

The +9.3% increase in imports was primarily due to capital goods imports (+25.7%) and finished consumer goods (+15.2%), boosted the recovery in public infrastructure projects.

Modest decline in unemployment

Unemployment declined from 10.1% to 9.6% in 2016. It is worth noting that, as a result of the loss of 103,000 jobs in the unpaid sector, Morocco registered a net loss of 73,000 jobs across all sectors, 96% of which were in rural areas.

Industrial Acceleration Plan 2014-2020 to boost the country's competitiveness

The auto sector, the Moroccan manufacturing industry's new flagship sector

The auto industry, which is the growth engine of the Industrial Action Plan, has seen remarkable growth in recent years. The sector posted record high exports for a third consecutive year in 2016 with 316,712 vehicles exported, up +22.4% year-on-year. Growth, which was primarily driven by an 18% increase in output from Renault's car plants in Tangier and Casablanca, is likely to accelerate over the coming years with the setting up of a new Peugeot plant in 2019.

Aeronautical industry registers a remarkable performance

Morocco's aeronautical industry now ranks 15th in global aeronautical investment and generates more than 11,000 jobs and USD 1 billion in revenue. The creation of four ecosystems in 2015 is likely to generate 23,000 new jobs and export revenue of USD 16 billion with the local content rate reaching 35%.

Marked improvement in the textiles and clothing sector

Benefiting from a benign export environment, the textiles and clothing sector is undergoing profound change, benefiting from the global industry's new dynamic, with China focusing more on its domestic market and a fast-fashion ecosystem emerging. In first half 2016, Morocco was ranked as the 7th largest supplier to the European Union after Cambodia and Vietnam.

Exports of textiles and leather rose by +6.1% to MAD 32.5 billion in 2016 with exports of manufactured clothes up +8.4%, hosiery items +4.9% and, to a lesser extent, shoes +0.7%.

Solid performance by the telecommunications sector

In 2016, the telecommunications sector continued to benefit from a positive environment. Total outgoing voice traffic rose by +7.7% year-on-year versus +8.1% in 2015. The number of internet subscribers grew by +17.9% in 2015, resulting in a penetration rate of 50.4% versus 42.8% the previous year.

These results offset the -3.8% decline in total telephone subscribers to nearly 43.6 million with mobile subscribers registering a -3.6% fall.

Positive performance by the tourism sector in second half

After the downturn in 2015, the tourism sector resumed growth in second half 2016. Tourist arrivals rose by +1.5% in 2016 after registering a -0.7% drop the previous year with arrivals by Moroccans living abroad outpacing foreign tourist arrivals.

Banking sector sees modest growth in credit

In response to Bank Al-Maghrib's accommodative monetary policy which saw the key interest rate cut, demand for credit remained strong at +4% in 2016.

This was primarily due to a strong recovery in public sector projects and strong demand for credit from retail banking customers. Loans to private sector corporates, by contrast, remained sluggish.

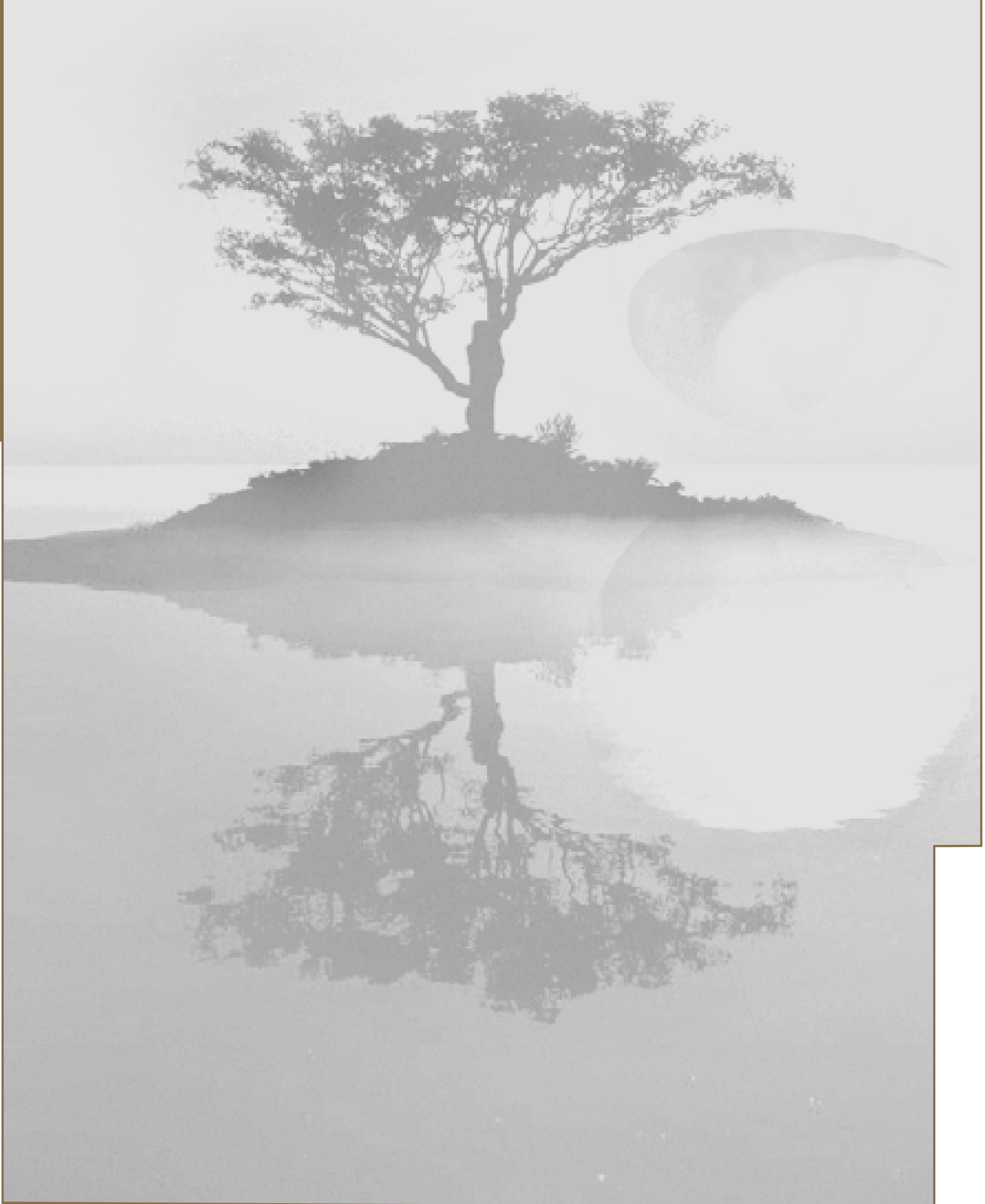
Improved outlook for 2017

Moroccan economic growth is likely to accelerate in 2015 due to a better crop year. GDP growth is expected to be +3.6% according to the Haut Commissariat au Plan.

An increase in imports by advanced countries and a gradual recovery in emerging countries should result in an acceleration in global trade. In such a context, global demand for Moroccan merchandise is expected to rise by +3.2%, benefiting export sectors such as autos, electronics and clothing and textiles.

An anticipated modest rise in global oil prices and industrial commodity prices, however, is likely to make domestic imports slightly more expensive.

BMCE Bank and its Governance



Work of the Board of Directors

In 2016, BMCE Bank's Board of Directors met on 6 occasions to discuss the following issues:

- Approve the financial statements for the financial periods ended 31 December 2015 and 30 June 2016;
- Propose appropriation of income in respect of financial year 2015;
- Appraise the Strategic Development Plan 2016-20;
- Reappoint CDG and Mr Brahim BENJELLOUN-TOUIMI as Directors;
- Propose the appointment of four Independent Directors to the Board;
- Authorise a programme to issue up to MAD 3.5 billion of subordinated debt in one or more tranches;
- Set the terms and characteristics of the subordinated bond issue's first MAD 2 billion tranche;
- Issue a MAD 500 million Green Bond;
- Set the terms and characteristics of the MAD 500 million Green Bond issue;
- Align the Bank's Memorandum and Articles of Association with the provisions of Act No. 78-12, amending and completing Act No. 17-95 regarding limited companies and the provisions of Act No. 103-12 regarding credit institutions and similar organisations, revoking Act No. 34-03;
- Renew the three-year authorisation of an option to convert into shares amounts owing in respect of a EUR 70 million subordinated loan granted by International Finance Corporation (IFC)
- Prepare the Management Report and Resolutions to be put to the Annual General Meeting for its approval;
- Appraise the recommendations of the Specialised Committees;
- Related party agreements.

Green Bonds issued for the first time in Morocco

BMCE Bank of Africa's MAD 500 million Green Bond issue, the first of its kind in Morocco, was one of the various initiatives carried out within the framework of the Kingdom of Morocco organising the COP22 conference in Marrakesh in October 2016.

This issue was aimed at:
(i) Bolstering BMCE Bank of Africa's commitment to corporate social responsibility in relation to environmental protection;
(ii) Financing eco-responsible projects and
(iii) Supporting private and public sector initiatives aimed at protecting natural resources.

This issue reflects the Group's longstanding commitment, ever since the Bank was privatised in 1995, to sustainable development and environmental protection, upon the Chairman's initiative and under the impetus of the BMCE Bank Foundation for Education and the Environment.

BMCE Bank of Africa pioneered sustainable finance solutions for customers. The Bank, as an adjunct to its environmental policy, demonstrated its commitment to promoting Green Business by launching, in 2012, BMCE Energico, Morocco's first ever green investment loan.

In addition, BMCE Bank was the first banking group to establish a socially responsible mutual fund, FCP Capital ISR, managed by BMCE Capital Gestion. In doing so, it extended its commitment to social responsibility to its asset management operations.

In 2015, within the framework of the MorSEFF programme, developed with the support of the European Union in conjunction with bilateral (AFD and KfW) and multilateral institutions (EIB, EBRD), BMCE Bank launched Cap Energie, the first product in the southern and eastern Mediterranean region to offer technical assistance, subsidies and loans.

In October 2016, a second EUR 35 million MorSEF facility was launched to finance energy efficiency and renewable energy projects.

This issue, which attracted MAD 4.1 billion of subscriptions, was 8.3 times oversubscribed. MAD 89 million was allotted to Tranche A (fixed rate, unlisted) and MAD 411 million to Tranche B (floating rate, unlisted).

MAD 2 billion of subordinated debt issued

In March 2016, the Board of Directors submitted a resolution to the Annual General Meeting requesting authorisation to issue up to MAD 2 billion of non-convertible subordinated debt with a minimum maturity of 5 years, in one or more tranches.

This issue was intended to bolster the Bank's capital base and enable it to meet it prudential and capital adequacy ratios, support implementation of its Strategic Growth Plan 2016-2020 and its growth strategy in Morocco and overseas.

Against such a backdrop, the Board of Directors set the terms and characteristics for issuing the subordinated bond's first MAD 2 billion tranche.

The bond issue, which took place in June 2016, was a resounding success as it was 2.37 times oversubscribed. MAD 447 million was allotted to Tranche A (unlisted), MAD 1,374 million to Tranche B (unlisted) and MAD 79 million to Tranche C (listed).

BMCE Bank's Board of Directors – changes to RMA's and FinanceCom's permanent representatives

Upon the proposal of Mr Othman BENJELLOUN, BMCE Bank's Chairman and Chief Executive Officer, RMA, the Bank's benchmark shareholder, will be represented by Mr Zouheir BENSAID, its Chairman and Chief Executive Officer.

Similarly, FinanceCom will be represented by Mr Hicham EL AMRANI, who has been Chairman and Chief Executive Officer of the holding company since 2011. He is also a Director of RMA, FinanceCom Group's insurance company and Méditel-Orange, Morocco's second telecoms operator.

Mr Azeddine GUESSOUS, until now RMA's permanent representative, will remain on the Board as an Intuitu Personae Director, a decision that was approved by the Annual General Meeting of 23rd May 2017.

Reappointment of Caisse de Dépôt et de Gestion and Mr Brahim BENJELLOUN TOUIMI, BMCE Bank's Chief Executive Officer, as Directors

The Annual General Meeting of May 2016, upon the Board's proposal, approved the reappointment of Caisse de Dépôt et de Gestion, represented by Mr Abdellatif ZAGHNOUN and Mr Brahim BENJELLOUN TOUIMI, BMCE Bank Group Executive Managing Director as Directors.

Similarly, in accordance with the Bank Al-Maghrib directive on corporate governance in credit institutions, the Annual General Meeting approved the appointment of four new Independent Directors:

- Mr François Henrot
- Mr Brian C. Mck. Henderson
- Mr Philippe De Fontaine Vive
- Mr Christian de Boissieu.

With the appointment of these new directors, the Bank has given greater independence to the Specialised Committees.

A female Director appointed to BMCE Bank's Board

As part of a process aimed at making BMCE Bank's Board more independent, female and international in its outlook, in March 2017, the Board of Directors welcomed on board Mrs Hadeel IBRAHIM.
Mrs IBRAHIM is the Founder and Executive Director of the Mo Ibrahim Foundation, which strives to promote social and economic development in Africa by adopting best corporate governance practice.

Aligning BMCE Bank's Memorandum and Articles of Association

With the introduction of Act No. 78-12, amending and completing Act No. 17-95 regarding limited companies and Dahir No. 1-14-193 of 5th March 2015, enacting Act No. 103-12 regarding credit institutions and similar organisations, revoking Act No. 34-03, the Bank brought its Memorandum and Articles of Association into line with the provisions of the said legislation.

These amendments relate primarily to the articles about related party agreements, convening shareholder meetings, publishing the results of shareholder voting, shareholders' right to information, appointing independent directors to the Board, setting up an Audit Committee and a Risks Committee reporting directly to the Board and the fact that the independent directors do not hold any shares in the Bank.

Renewal of the three-year authorisation of an option to convert into shares amounts owing in respect of a EUR 70 million subordinated loan granted by International Finance Corporation (IFC)

In accordance with the undertakings given to International Finance Corporation (IFC) when BMCE Bank contracted a EUR 70 million perpetual subordinated bond with the IFC, the World Bank Group's development finance institution, an Extraordinary General Meeting of May 2016 approved the renewal of the authorisation of an option enabling BMCE Bank to convert, under certain circumstances, the convertible bonds issued 8th April 2008.

It is worth recalling that the Annual General Meeting's authorisation is for a 3-year period and must be renewed at least six months prior to its expiry in accordance with the provision of the contracted IFC loan.

In this context and, in the event that the IFC would be required to exercise the conversion option in accordance with its contractual commitments, the Annual General Meeting also authorised the Board to carry out, within three years, an equity issue reserved for IFC, by which the latter would subscribe in consideration for the amount due to it by BMCE Bank in respect of the aforementioned loan.

Strategic Development Plan 2016-2020

The Board of Directors appraised BMCE Bank of Africa Group's Strategic Development Plan for the period 2016-2020.

This Plan is structured around 7 major themes:

1. Continue to grow organically by expanding the branch network with the opening of one hundred or so branches in Morocco and sub-Saharan Africa;
2. Bolster the Group's operations in Africa via Bank of Africa, in Europe via BMCE International Holding for corporate banking and trade finance and via BMCE EuroServices for Migrant Banking and in China by opening a branch office in Shanghai;
3. Consolidate retail banking and corporate banking operations, particularly in the SME segment and develop new high-growth niche segments such as participatory banking and green business;
4. Remain firmly committed to multi-channel banking, the aim being to become market leader in digital banking in Morocco and Africa;
5. Increase intra-Group commercial and operational synergies across business lines and geographical regions;
6. Implement the Convergence Programme aimed at structuring the Group, with an emphasis on Risks, Ad Hoc and Permanent Control, Compliance, IT and Human Capital;
7. Remain at the forefront of CSR and sustainable development.

BMCE Bank of Africa Group therefore continues to maintain its profile as a universal, innovative, multi-African, synergistic, socially responsible and human bank.

GOVERNANCE PRINCIPLES

Board of Directors' responsibilities

The primary responsibility of the Board of Directors is to maintain a balance between shareholders' interests and growth prospects, long-term value creation and depositor protection.
This responsibility rests on two fundamental factors: decision-making and monitoring. The decision-making function consists of drawing up, in concertation with General Management, fundamental policies and strategic goals as well as approving a number of important decisions. The monitoring function involves assessing General Management's decisions, ensuring compliance of systems and controls and implementing policies.
The Board of Directors has a quadruple responsibility. It determines corporate strategy, appoints the directors responsible for managing the company within the confines of this strategy, chooses the method of organisation, controls the management process and monitors the quality of the information provided to shareholders and the market by means of the financial statements or when there is a major corporate action.

The Board of Directors has the following responsibilities:
(i) Strategic planning,
(ii) Determining and managing risk,
(iii) Internal control,
(iv) Corporate governance
(v) Corporate Social Responsibility

Independence criteria

To comply fully with best practice in corporate governance, the Board of Directors endeavours to ensure that at least one-third of the Board is made up of independent Directors.
For a Director to qualify as independent, the following criteria must be complied with in their entirety:

- Criterion 1: The Director must not be an employee or member of the managing body of the Bank, a representative, employee or member of the governing body of a major shareholder or a consolidated company and must not have been so during the previous three years.
- Criterion 2: The Director must not be a member of the managing body of a company in which the Bank directly or indirectly holds office on its governing body or in which a member of the Bank's managing body, currently in office or having been in office during the previous three years, holds office on its governing body.

- Criterion 3: The Director must not be a member of the governing or managing bodies of a major customer or supplier of the Bank or the Group, such as for consulting and project management services or for whom the Bank or the Group accounts for a significant share of their business.
- Criterion 4: The Director must not have close family ties with a member of the managing or governing bodies of a major shareholder of the Bank.

- Criterion 5: The Director must not have been a statutory auditor of the Bank during the previous three years.

- Criterion 6: The Director must not have been a member of the governing body of the Bank during the previous twelve years.

On appointing or reappointing an independent director, the Corporate Governance Committee verifies that the independence criteria are met. An annual review is conducted to ensure compliance with the criteria mentioned above.

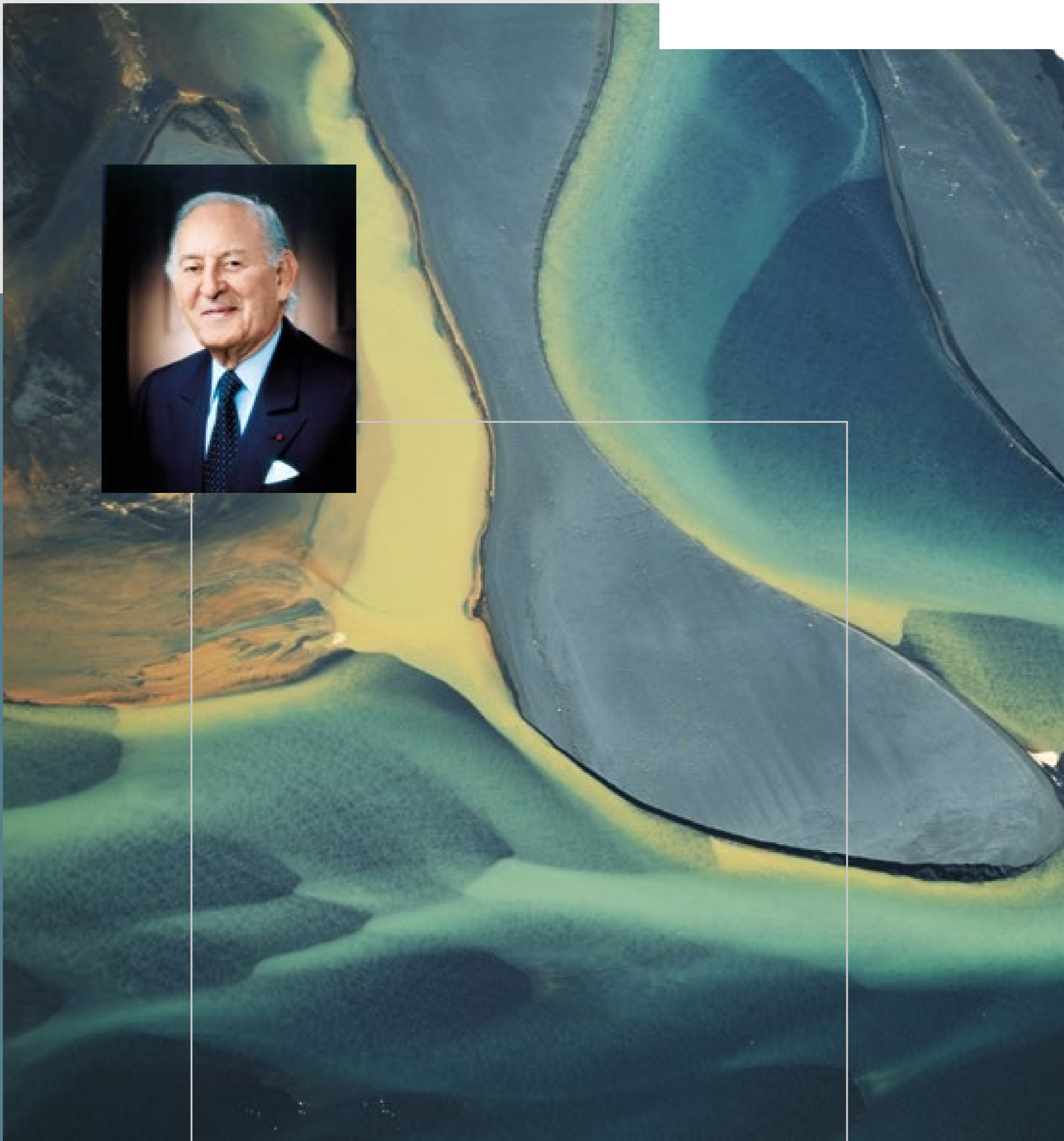
Remuneration

In accordance with the responsibilities entrusted to it, the Corporate Governance Committee proposes to the Board of Directors a remuneration policy for Directors based on relevant and objective criteria defined by this committee.
Once validated by the Board of Directors, this remuneration policy will specify an annual budget for Directors' fees which the General Meeting may then allocate to the Directors as remuneration for their work.
The fees will be made up of two components:

- A fixed component
- A variable component

The variable component will be divided among the Directors in consideration for the work that they have accomplished as Chairman or as a member of the Board's Specialised Committees.
Directors' fees will be recognised under the Bank's operating expenses.
Expenses incurred with regard to Directors' travel, accommodation, meals and missions for Board meetings or committee meetings are borne by the Bank and reimbursed on presenting receipts.

Board of Directors



OUR WORLD IS CAPITAL

MR OTHMAN BENJELLOUN,
Chairman and Chief Executive Officer

Mr Othman BENJELLOUN is Chairman and Chief Executive Officer of BMCE Bank Of Africa Group, formerly Banque Marocaine du Commerce Extérieur, which was privatised in 1995. He is also Chairman of FinanceCom, the Bank's holding company.

He has been the Chairman of the Moroccan Banking Association (GPBM) since 1995 and was Chairman of the Union of North African Banks from 2007 to 2009.

Mr BENJELLOUN founded BMCE Bank Foundation with a two-fold mission – education, primarily fighting illiteracy by building and managing community schools in rural areas in Morocco and Africa and environmental protection.

Mr BENJELLOUN was appointed as Chancellor of Al Akhawayn University of Ifrane between 1998 and January 2004 by His Majesty the late King Hassan II.

In 2007, he was awarded an Honorary Fellowship by King's College, London.

Since 1981, he has been an Adviser to the Washington-based Center for Strategic International Studies (CSIS) that was formerly overseen by Dr Henry Kissinger. In 2013, the CSIS conferred upon him the prestigious title of Honorary Trustee.

Mr BENJELLOUN has received a number of decorations including Officer of the Order of the Throne by His Majesty the late King Hassan II, Commander of the Order of the Polar Star by His Majesty the King of Sweden, Commander of the National Order of the Republic of Senegal, Commander by Number of the Order of Isabella the Catholic by His Majesty King Juan Carlos of Spain, Commander of France's Order of Arts and Letters and, more recently, Commander of the Order of the Grand Star by the Republic of Djibouti.

On 7th April 2010, Mr BENJELLOUN was elevated to the rank of Commander of the Order of the Throne by his Majesty King Mohammed VI.

Born in 1932 in Casablanca, he is a graduate of École Polytechnique Fédérale de Lausanne in Switzerland. Mr BENJELLOUN is married to Dr Leïla Mezian Benjelloun who is an ophthalmologist. They have two children, Dounia and Kamal.

Board of Directors

MR MICHEL LUCAS

Mr Michel LUCAS was until recently Chairman of Crédit Mutuel Group (CIC).

Mr Michel LUCAS joined Crédit Mutuel de Strasbourg in 1971 as an IT specialist after working at Siemens and an IT services company. Leveraging his expertise in IT, he ensured that Crédit Mutuel gained a head-start in customer management. He actively participated in the bank's geographical expansion and its foray into the insurance business. He helped set up the current Fédération Centre-Est-Europe Centre-Est-Europe, the largest of its kind. In 1992, he oversaw the demutualisation of Assurances du Crédit Mutuel, providing them with increased margin for manoeuvre in their development.

In January 1998, Mr Michel LUCAS became Chief Executive Officer of Crédit Mutuel Group, while retaining his previous functions. In April 1998, he oversaw the acquisition of Crédit Industriel et Commercial by Fédération Centre-Est-Europe. Mr Michel Lucas was also Chief Executive Officer of Banque Fédérative du Crédit Mutuel, Chairman of Assurances du Crédit Mutuel and Chairman of CIC's Supervisory Board.

In October 2010, Mr Michel LUCAS was appointed as Chairman of Confédération Nationale and Fédération Centre-Est-Europe.

Born in 1939, Mr Michel LUCAS is an engineering graduate from Lille's Institut Industriel du Nord-Ecole Centrale.

MICHEL LUCAS,
Representative, Banque Fédérative du Crédit Mutuel

MR ABDELLATIF ZAGHNOUN

Mr Abdellatif ZAGHNOUN has been Chairman and Chief Executive Officer of Caisse de Dépôt et de Gestion since 2015.

After graduating in 1982 from the Ecole Mohammedia des Ingénieurs with a specialisation in mining, Abdellatif ZAGHNOUN began his career at the Office Chérifien des Phosphates (OCP), where he held a number of positions of responsibility until 2004.

In 2004, he was appointed as head of the Directorate General of Customs and Indirect Taxes. In 2007, Mr ZAGHNOUN became Vice-Chairman of the World Customs Organization (WCO) and Chairman of the WCO MENA region. In 2008, he was appointed as Chairman of the World Customs Organization's Audit Committee.

In 2010, he became Director-General of the Directorate General of Taxes.

In January 2015, Mr ZAGHNOUN was appointed by His Majesty as Chief Executive Officer of the Caisse de Dépôt et de Gestion (CDG).

Mr Abdellatif ZAGHNOUN is married and has 3 children.

ABDELLATIF ZAGHNOUN,
Representative, Caisse de dépôt et de Gestion

Board of Directors

MR AZEDDINE GUESSOUS

Mr Azeddine GUESSOUS has been Chairman and Chief Executive Officer of Maghrébail since 2004. He also sits on the Boards of a number of companies including RMA, BMCE Bank, Bank of Africa, BMCE Bank International Madrid, RISMA, Société Nationale d'Investissement, Sonasid and Imperial Tobacco Morocco.

Between 2010 and 2012, Mr GUESSOUS was Chairman of RISMA's Supervisory Board. In 2001, he became Chairman and Chief Executive Officer of Al Watanya, an insurance company and, in 1995, Caisse Interprofessionnelle Marocaine de Retraite (CIMR).

Between 1978 and 1994, Mr GUESSOUS held a number of senior government positions including Minister of Trade, Industry and Tourism in 1978, Minister responsible for relations with the European Economic Community in 1985 and Morocco's Ambassador to Spain between 1986 and 1995.

Mr GUESSOUS has received a number of decorations including Officer of the Order of Wissam, Spain's Order of Civil Merit and Grand Cross, France's National Order of Merit and the Order of the British Empire (Officer).

Mr GUESSOUS was born in 1941.

AZEDDINE GUESSOUS,
Intuitu Personae Director

MR ZOUHEIR BENSAID

Mr Zouheir BENSAID is currently Chief Executive Officer of RMA, the insurance company of FinanceCom Group, of which he has been Deputy Chief Executive Officer since January 2005.

He sits on the Boards of several companies including BMCE Bank, Medi Telecom-Orange, CGI, Maghrebail, RISMA, LYDEC, CTM and other Group subsidiaries as well as being a member of several audit committees.

Mr Zouheir BENSAID has a wealth of experience spanning more than 26 years of the banking, financial and manufacturing industries. In the mid '80s, after assuming responsibility for financial institutions at CITIBANK Maghreb, he spearheaded ABN AMRO's expansion into Morocco's north-east region.

In 1994, after a three-year period heading up an agri-business, Mr Zouheir BENSAID returned to the financial sector to play an active role in reforming Morocco's capital markets. He became Chief Executive Officer of Maroc Inter Titres (MIT), BMCE Bank's brokerage firm, where he oversaw the firm's first capital-raising deals as well as being involved in privatisations and initial public offerings on the Moroccan Stock Exchange.

Mr Zouheir BENSAID then went on to become Vice-Chairman of the Casablanca Stock Exchange (SBVC) and the Professional Association of Brokerage Firms (APSB) between 1996 and 1998. Between 1998 and 1999, he was Chairman of the Casablanca Stock Exchange, overseeing a period of rapid modernisation.

A former student of Cornell, Mr Zouheir BENSAID was born in 1960. He graduated in Finance from the University of Nevada in 1985 and was a member of the Phi Kappa Phi Honour Society.

ZOUHEIR BENSAID,
Representative, RMA

Board of Directors

MR HICHAM EL AMRANI

Mr Hicham El AMRANI has more than 20 years' experience of private equity investment, financing and corporate strategy across a wide variety of industries.

When FinanceCom was founded in 2001, Mr EL AMRANI assumed responsibility for the Technologies & Telecommunications division. Appointed as Director of Strategy and Development between 2005 and 2008, Mr EL AMRANI was then promoted to the post of Deputy Chief Executive Officer in 2008. He then went on to become the Chief Executive Officer of the holding company in June 2010. He has been responsible for adopting best practice in steering the performance of the various entities within the holding company's portfolio. He has also spearheaded a number of M&A deals, LBOs and restructurings as part of a process of rationalising the holding company's portfolio and reducing debt.

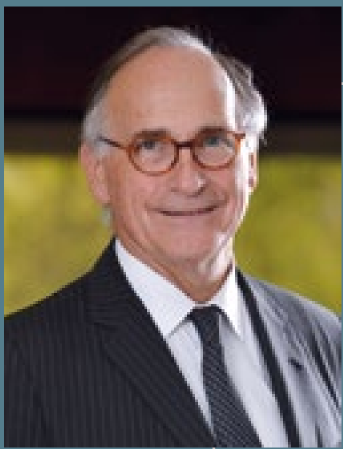
In 2009, Mr EL AMRANI also coordinated the process enabling Portugal Télécom and Téléfonica to acquire a stake in Medi Telecom and the subsequent sale of a 40% stake in the company to France Telecom Orange in 2010. He is a Director and standing member of Medi Telecom-Orange's various governing bodies.

In addition to these roles, Mr EL AMRANI is a Director of RMA, CTM, RISMA, Finatech, Colliers International Morocco and a member of Air Arabia Morocco's Audit Committee.

Mr Hicham EL AMRANI is an engineering graduate of Ecole Hassania des Travaux Publics and holds an MBA and a Graduate Certificate in Manufacturing and Service Management from Southern New Hampshire University.

Born in 1973, Mr EL AMRANI is married and has two children.

Hicham EL AMRANI,
Representative, FinanceCom



MR FRANÇOIS HENROT

Mr François HENROT is a leading figure in the world of European finance. He has held several important positions within the Rothschild Group including Vice-Chairman of Rothschild & Co.'s Supervisory Board. He was also an Advisory Director and Vice-Chairman of the Board of Rexel, a global leader in the distribution of low-voltage electrical products.

He began his career at France's Council of State and went on to hold several senior positions such as Chairman of the Board of COPEBA, a Belgian independent private investment company, Chief Executive Office and then Chairman of Compagnie Financière de Paribas's Supervisory Board, member of the Supervisory Board of Yam Invest NV, a Dutch independent European investment company.

Having a keen interest in cultural affairs, Mr HENROT was Chairman of France's Ecole Nationale Superieure des Arts décoratifs and is a member of the Association pour le Rayonnement de l'Opéra de Paris.

Additionally, he has co-authored a number of works including 'the Banker and the Philosopher' which deals with the 2008 financial crisis.

Born in 1949, Mr François HENROT is a graduate of Ecole Nationale d'Administration (ENA) and Stanford University.

FRANÇOIS HENROT,
Independent Director

Board of Directors

MR BRIAN C. MCK. HENDERSON

Mr Brian C. Mck. HENDERSON is the Founding Partner of Henderson International Advisors, LLC. During a career spanning 43 years in international banking, he has forged significant client relationships in both the private and public sectors as well as developing expertise in management and corporate governance.

At Merrill Lynch, where he spent a large part of his career, Mr Mck. HENDERSON held several important positions including Executive Assistant to the Chairman and Chief Executive Officer, Vice-Chairman of Merrill Lynch Europe, Middle East and Africa and Chairman of the Global Public Sector division. He also served as Chairman of Prime Merrill S.p.a Italy and as member of the Board of Merrill Lynch South Africa Pty Ltd.

Mr Mck. HENDERSON began his career at Chase Manhattan Bank where he held a number of important positions within the Group's European Institutions division, including Vice-Chairman and Director of the sub-Saharan Africa region and within the Investment Banking division. He was also a Board member of Banque Ivoirienne du Développement Industriel and Chase Bank Cameroon SA.
He is currently non-executive Chairman of Augustea Bunge Maritime Ltd., Malta, and Advisor to Cremades & Calvo Sotelo, Madrid.

His public engagements include those of Vice-Chairman and Treasurer of the Atlantic Council of the United States, the Chatham House Foundation, Honouring Nations' Board of Governors, the Harvard project on American-Indian economic development, the John F Kennedy School of Government and Director of the Fort Apache Heritage Foundation.

Mr Mck. HENDERSON holds a Bachelor of Science degree in International Economic Relations from Georgetown University, School of Foreign Service, Washington DC.

BRIAN MCK HENDERSON,
Independent Director

MR PHILIPPE DE FONTAINE VIVE

Mr Philippe DE FONTAINE VIVE was Vice-Chairman of the European Investment Bank where he was responsible for operations in France, the Mediterranean region, the innovation sector and matters relating to corporate social responsibility. He is currently Senior Advisor at Oliver Wyman, a consulting firm.

During his career, he has held several important positions within the Ministry of the Economy, Finance and Industry and the Treasury Department, where he was successively responsible for Banks, Insurance, Transport and Urban Planning, Debt and Emerging Markets Development, State Holdings and Financing the State and the Economy. He was also Vice-Chairman of the Paris Club, Adviser on International Affairs to France's Minister of the Economy and Finance, International Affairs Advisor to the Ministry of Economy and Finance in Paris and Senior Adviser at the World Bank in Washington.

Born in 1959, Mr Philippe DE FONTAINE VIVE is a graduate of the Ecole Nationale d'Administration and the Institut d'Etudes Politiques in Paris. He holds a degree in econometrics.

PHILIPPE DE FONTAINE VIVE,
Independent Director

Board of Directors

MR CHRISTIAN de BOISSIEU

Mr Christian DE BOISSIEU is an Emeritus Professor. As a consultant to international and multi-lateral institutions, he carried out a number of assignments for the Moroccan and Tunisian monetary authorities.

He has built a reputation for contributing to the development of conceptual frameworks in international finance and the work accomplished by France's Economic Advisory Council which he chaired between 2003 and 2012. He also served as a member of the Attali Commission for stimulating economic growth, the 'Big Loan' Commission and the Board of France's Financial Markets Regulator (AMF).

Mr Christian de Boissieu has written numerous books and articles on money, finance and banking, economic policy, European integration, international monetary issues, emerging countries and development. He has received a number of decorations from France and other countries including Commander of the Legion of Honour and Commander of the Ouissam Alaouite. He is also a member of France's National Academy of Technologies and the Royal Academy of Belgium.

Mr Christian DE BOISSIEU is also Senior Advisor to Amundi and sits on the Board of Aaqius Geneva.

Mr Christian DE BOISSIEU, born in 1947, is a Doctor of Economic Science, holds a professorial diploma in Law and Economic Sciences, a higher educational degree in Public Law and is a graduate of Institut d'Etudes Politiques de Paris. He was a post-doctoral fellow at Northwestern University and at Harvard in 1973-1974. He was subsequently Visiting Scholar on several occasions to the Federal Reserve in Washington.

CHRISTIAN de BOISSIEU,
Independent Director

MRS HADEEL IBRAHIM

Mrs Hadeel IBRAJIM is the Founder and Executive Director of the Mo Ibrahim Foundation.

She is Co-Chair of the Board of Directors of the Africa Center in New York, whose mission is to foster partnerships, collaboration, dialogue and understanding between artists, business leaders and members of African civil society and their counterparts in the United States and elsewhere.

Mrs Hadeel IBRAHIM sits on the Boards of the Mary Robinson Foundation for Climate Justice, the Synergos Institute, Femmes Africa Solidarité, the 1:54 Contemporary African Art Fair and the African Governance Institute.

She was previously a member of the high-level panel on humanitarian financing which reports to the UN Secretary General and a Board member of Refugees International, the Carter Center and the FT/IFC Transformational Business Awards Judging Panel.

Mrs Hadeel IBRAHIM is also a member of the Royal African Society Council and patron of Restless Development, a youth-led development agency.

HADEEL IBRAHIM,
Independent Director

Board of Directors
Senior Management

MR BRAHIM BENJELLOUN-TOUIMI

Mr Brahim BENJELLOUN-TOUIMI is the Group Executive Managing Director of BMCE Bank. He is Chairman of the General Management Committee, Vice-Chairman of the Group Executive Committee and Vice-Chairman of the Senior Credit Committee.

As part of BMCE Bank Group's overseas strategy, Mr Brahim BENJELLOUN-TOUIMI is Chairman of BOA Group, a banking group in which BMCE Bank Group has a stake of just under 73% with operations in 19 countries, primarily in sub-Saharan Africa. He is also a Director of the Group's European banking subsidiaries.

As for his other functions, he is either Chairman or Director of a number of Group companies in Morocco in the areas of investment banking, specialised financial services - factoring, consumer credit, leasing and loan recovery - and insurance brokerage.

Within the framework of strategic partnerships with benchmark shareholders, Mr BENJELLOUN-TOUIMI is a Director of RMA Watanya, an insurance company and FinanceCom, its holding company.

He is also Chairman of the Board of EurAfric Information, a technology company and Director of Euro Information in France, a technology subsidiary of Crédit Mutuel Group. Reflecting the Group's commitment to corporate social responsibility, Mr BENJELLOUN-TOUIMI is a Director of BMCE Bank Foundation for Education and the Protection of the Environment.

He also sits on the Board of Proparco, a development finance institution.

Born in 1960, Mr Brahim BENJELLOUN-TOUIMI is a Doctor of Money, Finance and Banking from Université Paris I Panthéon Sorbonne. He began his career in financial markets in France and went on to become Head of Research within the Securities division at one of France's leading investment banks. He joined BMCE Bank in 1990.

He is married and has 3 children.

OUR WORLD IS CAPITAL

BRAHIM BENJELLOUN-TOUIMI
Group Executive Managing Director and Chairman of BOA Group

Senior Management

Brahim BENJELLOUN-TOUIMI
Group Executive Managing Director and Chairman of BOA Group

Mamoun BELGHITI
Chairman and Chief Executive Officer, RM Experts

Driss BENJELLOUN
Delegate General Manager responsible for Group Finance

M'Fadel EL HALAISSI
Delegate General Manager responsible for Corporate Banking, Morocco

Mounir CHRAIBI
Delegate General Manager responsible for Group Operations

Omar TAZI
Delegate General Manager responsible for Retail Banking, Morocco

Mohammed AGOUMI
Delegate General Manager responsible for Coordinating Overseas Operations

Senior Management

OUR WORLD IS CAPITAL

from left to right

MAMOUN BELGHITI
Chairman and Chief Executive Officer, RM Experts

DRISS BENJELLOUN
Delegate General Manager responsible for Group Finance

M'FADEL EL HALAISSI
Delegate General Manager responsible for Corporate Banking, Morocco

MR MAMOUN BELGHITI

Mr BELGHITI is Chairman and Chief Executive Officer of RM Experts, the Group's specialised loan recovery subsidiary. He is also a director of BOA-Côte d'Ivoire, a subsidiary of BOA Group.

Mr Mamoun BELGHITI began his career in 1972 within the General Services and Inspectorate Division. In 1981, he assumed responsibility for the Credit and Treasury Division and in 1991, the Investment and Credit Division. In 1996, he became Head of the Financial Affairs Division, where he played a key role in implementing the Bank's strategic development plan and reorganisation. In the same year, Mr BELGHITI was promoted to the post of Deputy General Chief Executive Officer.

In February 1988, he was appointed as Chief Executive Officer responsible for Financial Affairs and for the Domestic Banking Network. In April 2002, he became Senior Adviser to the Chairman with responsibility for representing the Bank in its dealings with domestic and international institutions and with the monetary authorities. He also sits on the governance bodies of companies in which the Bank is a shareholder.

In March 2004, Mr BELGHITI was appointed as Chief Executive Officer of Remedial Management Group.

MR DRISS BENJELLOUN

Mr Driss BENJELLOUN is Delegate General Manager responsible for BMCE Bank Group Finance. He is also a Director of BMCE BANK Group subsidiaries including BOA Group, BOA Bénin, BOA Madagascar and BMCE Capital.

After joining BMCE Bank Group in 1986, Mr Driss BENJELLOUN was asked to oversee the project to set up a Management Control entity aimed at improving the steering of operations. In 1990, he assumed responsibility for the project to set up an Audit and Management Control department.

After BMCE Bank was privatised in 1995, Mr Driss BENJELLOUN became Head of the Banking Production division. In 1998, he was appointed as Deputy Chief Executive Officer responsible for a number of departments that make up the Bank's Group Support division: Banking Production, Information Systems, Organisation, General Services and Safety.

In 2003, Mr Driss BENJELLOUN became Head of the Group Financial Division with a remit to integrate BMCE Bank's various subsidiaries in Morocco, Europe and Africa. He also participated in the restructuring of BDM and steered the latter's merger with BMCD.

Mr BENJELLOUN is a Doctor of Finance from Université Paris Dauphine in addition to postgraduate studies in accounting.

MR M'FADEL EL HALAISSI

Mr M'fadel EL HALAISSI is Delegate General Manager responsible for Corporate Banking, Morocco.

This division, which comes within General Management's remit, brings together corporate customers, SMEs and Large Enterprises.

This specific responsibility for corporate banking was entrusted to him after a career spanning more than 25 years in credit, investment finance, loan restructuring and long-term financing solutions.

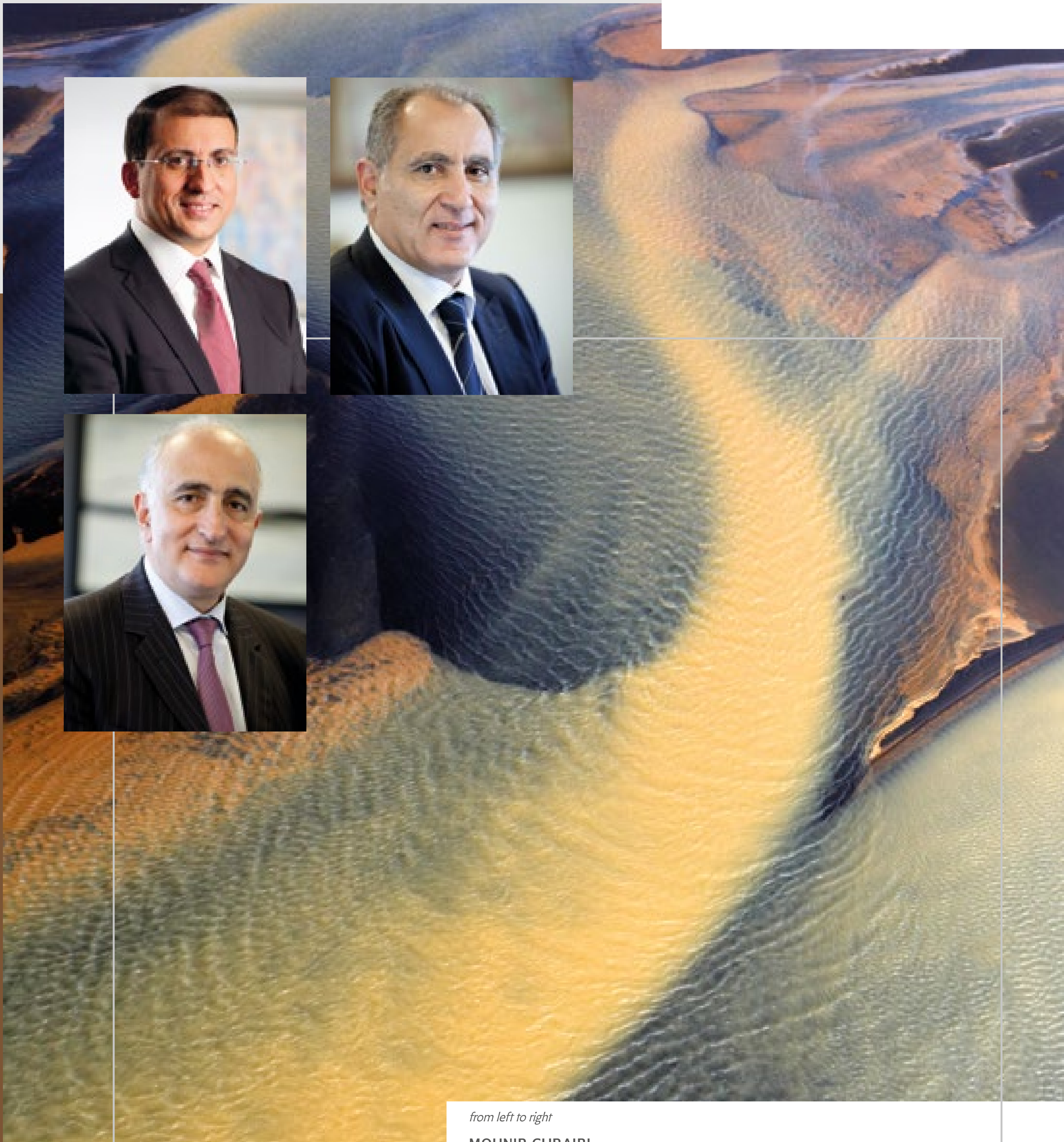
On joining BMCE Bank, he was entrusted with the responsibility of setting up the investment loans restructuring department.

He subsequently went on to become Head of Investment and Corporate Markets division in 1998.

In April 2002, he was appointed as Deputy Chief Executive Officer responsible for Corporate Banking, a division which was then subsequently expanded to include overseas operations.

Mr M'fadel EL HALAISSI is a Doctor of Economics from Lille University.

Senior Management



OUR WORLD IS CAPITAL

from left to right

MOUNIR CHRAIBI
Delegate General Manager responsible for Group Operations

OMAR TAZI
Delegate General Manager responsible for Retail Banking, Morocco

MOHAMMED AGOUMI
Delegate General Manager responsible for coordinating Overseas Operations

MR MOUNIR CHRAIBI

Mr Mounir Chraibi is Delegate General Manager responsible for Group Operations. He joined BMCE Bank in 2010.

Mr Mounir CHRAIBI is responsible for all of BMCE Bank's technology, legal affairs, logistics, quality and banking processing divisions.

As such, he oversees strategic projects such as designing the Banking and Insurance information system (SIBEA), converging the information systems of BMCE Bank's overseas subsidiaries and automating the Bank's back offices.

Mr CHRAIBI is Chairman of the Board of BMCE Immobilier, a subsidiary responsible for actively managing BMCE Bank's non-operating real estate portfolio and Chairman of the Board of Damancash, a Morocco-based money transfer company which joined the BMCE Bank fold in 2014 when it was acquired by GNS Technologie, a Group subsidiary.

He began his career in 1987 as Project Manager of Crédit du Maroc's information systems master plan and then, from 1989 to 1994, was made Head of Organisation and Information Systems of the Office d'Exploitation des Ports.

In 1994, he was appointed Chief Executive Officer of the Office de la Formation Professionnelle et de la Promotion du Travail and then in 2001 as the Chief Executive Officer of the Caisse Nationale de la Sécurité Sociale.

In 2005, Mr CHRAIBI was appointed Wali (governor) of the Marrakesh Tensift Al Haouz region which, during his tenure, attracted high levels of private sector investment and saw the launch of several major flagship public projects.

Mr Mounir CHRAIBI is a graduate engineer of Ecole Polytechnique de Paris and Ecole Nationale Supérieure des Télécommunications de Paris.

He was decorated Commander of the Order of Wissam Al Arsh by His Majesty the King in 2008. He is also a Commander of Belgium's Order of Leopold.

MR OMAR TAZI

Mr Omar TAZI is Delegate General Manager responsible for Retail Banking, Morocco.

Mr Omar TAZI began his career at the Banque de Développement du Canada. In 1992, he joined Wafa Bank as Head of Treasury.

From 1993 to 2005, Mr Omar TAZI held a number of posts of responsibility within Société Générale Marocaine de Banques (SGMB), including Head of the Investment Loans department, Head of the network for retail, professional and corporate banking and then Deputy Chief Executive Officer, Commercial Banking.

During this period, he was also Director, Vice Chairman or Chairman of a number of SGMB subsidiaries, including SOGEBOURSE, GESTAR, SOGECREDIT, SOGEFINANCEMENT and ACMAR Morocco

From 2005 to 2010, Mr Omar TAZI was Chief Executive Officer of AFMA Group.

Mr Omar TAZI joined BMCE Bank Group in June 2011 with a remit to boost retail banking operations and improve the effectiveness of the Bank's sales force. In 2012, he was appointed as Member of Salafin's Supervisory Board and Director of BMCE EuroServices.

Mr Omar TAZI holds a Masters degree in Finance from the University of Sherbrooke, Canada.

MR MOHAMMED AGOUMI

Mr Mohammed AGOUMI is Delegate General Manager responsible for coordinating Overseas Operations. As such, he is responsible for coordinating the Group's various overseas subsidiaries and, in some cases, has direct responsibility for them. He has direct responsibility for all of the Group's European corporate entities and its offshore network in Morocco. He is also responsible for LCB Bank and BDM.

He chairs BBI Madrid's Board of Directors and is a member of the Board of BOA, BBI Plc, BIH, LCB and BDM. He joined BMCE Bank Group in 2012, after a long international career in audit and consulting.

Prior to that, he held a number of functions and positions of responsibility at Credit Agricole France (CAS). He was appointed Deputy Chief Executive Officer of Le Crédit Lyonnais (LCL) in 2006. In 2008, he became a member of CASA Group's Executive Committee with responsibility for overseeing the Group's overseas development.

In 2010, he founded Europa Corporate Business Group (ECBG). He is also the Chairman of ECBG's Moroccan subsidiary, Financing Access Morocco. Mr Mohammed AGOUMI is a graduate of ESSEC (1979) and holds a DEA in Mathematical Economics and Econometrics (1980). He qualified as a chartered accountant in Paris in 1993 and taught for two years at ESSEC.

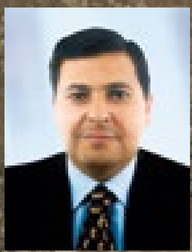
Management of Overseas Operations

EUROPE

BMCE INTERNATIONAL UK/FRANCE

MOHAMED AFRINE
Managing Director

BMCE INTERNATIONAL ESPAGNE



RADI HAMUDEH
Managing Director

BMCE EUROSERVICES

ADIL MESBAHI
Managing Director

AFRICA

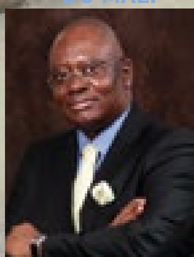
BANK OF AFRICA

AMINE BOUABID
Chief Executive Officer

LA CONGOLAISE DE BANQUE

MOHAMED TAHRI
Managing Director

BANQUE DE DEVELOPPEMENT DU MALI



BRÉHIMA AMADOU HAÏDARA
Managing Director

BMCE CAPITAL TUNISIE

ABDELMALEK BENABDELJALIL
Managing Director

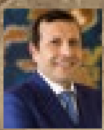
ASIA

BMCE BEIJING

ADIL ZELLOU

Management of Moroccan Subsidiaries

INVESTMENT BANKING



BMCE CAPITAL
Investment banking
Chairman of the Supervisory Board
KHALID NASR

BMCE CAPITAL MARKETS
Capital markets
Director
ABDELMALEK BENABDELJALIL

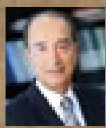
BMCE CAPITAL BOURSE
Securities brokerage
Managing Director
ANAS MIKOU

BMCE CAPITAL GESTION
Asset management
Managing Director
AMINE AMOR

BMCE CAPITAL GESTION PRIVÉE
Portfolio management
Managing Director
MERYEM BOUAZZAOUI

BMCE CAPITAL CONSEIL
Corporate finance advisory
Chairman of the Supervisory Board
MEHDI JALIL DRAFATE

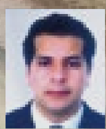
SPECIALISED FINANCIAL SUBSIDIARIES



MAGHREBAIL
Leasing
Chairman and Chief Executive Officer
AZEDDINE GUESSOUS

RM EXPERTS
Loan recovery
Chairman and Chief Executive Officer
MAMOUN BELGHITI

SALAFIN
Consumer credit
Chairman of the Supervisory Board
AZIZ CHERKAOUI



MAROC FACTORING
Factoring
Chairman of the Supervisory Board
YOUSSEF HAMIRIFOU

OTHER OPERATIONS

EURAFRIC INFORMATION
Technology services
Chairman of the Supervisory Board
YOUNES KARKOURI

EULER HERMES ACMAR
Credit insurance
Chief Executive Officer
TAWFIK BENZAKOUR

BMCE ASSURANCES
Insurance consulting
Managing Director
FAYCEL ASSARI

LOCASOM
Vehicle leasing
Managing Director
YOUNES SENHAJI

CONSEIL INGÉNIERIE & DÉVELOPPEMENT
Consulting engineering
Managing Director
MONCEF ZIANI

Corporate Governance

CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

COMPOSITION

CHAIRMAN
BFCM - Groupe Crédit Mutuel - CIC, represented by Mr Michel LUCAS

STANDING MEMBERS
• François HENROT, Independent Director
• Philippe DE FONTAINE VIVE, Independent Director

ASSOCIATE MEMBER
• Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director

INVITED MEMBERS
The Corporate Governance Committee may invite at its discretion any member or non-member of BMCE Bank or of the Group, depending on the items for discussion on the Committee's agenda, including those proposed by committees relating to agreements, appointments or remuneration

COMMITTEE SECRETARY
Group Executive Managing Director

MEETINGS

Annually, or whenever necessary, at the discretion of members of the Committee.

RESPONSIBILITIES

The Corporate Governance Committee is a body reporting directly to the Board of Directors. It advises and makes recommendations to the Board on how to adopt and maintain a good governance policy. In this regard, its responsibility is to:

• Ensure compliance with good governance principles and the statutory and regulatory provisions in force and inform shareholders of these matters, especially in terms of the independence of Directors;
• Examine and make recommendations on the composition, responsibilities and work of the Board of Directors and its specialist committees;
• Anticipate and ensure resolution of potential conflicts of interest that arise between members of the Board of Directors relating to operations or transactions involving directors or shareholders;
• Propose procedures for co-opting Directors and members of General Management and make recommendations to the Board concerning the appointment of new members;
• Propose the remuneration policy for Directors and members of General Management in line with criteria established by the Board of Directors.

WORK OF THE CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

The Corporate Governance Committee, meeting in March 2017, welcomed its new standing members.

On this occasion, the Committee reviewed Mrs Hadeel Ibrahim's professional career, resulting in a proposal to co-opt her as an Independent Director.
It also took note of the progress of the Convergence Programme as part of its discussions on Group Corporate Governance and its implementation by subsidiaries.
Similarly, within the framework of its responsibilities, the Committee reviewed the related party agreements that had been submitted to it.
Regarding discussions on remuneration, it examined the principles for determining the budget allocated to directors' fees, which amounted to MAD 5 million.
During this session, the Committee (i) reviewed the composition of the Specialised Committees in the wake of changes to RMA's and FinanceCom's permanent representatives, (ii) took note that the Corporate Governance Corpus had been updated and (iii) reviewed the work of the Group's main governance bodies.
It was also decided that the Committee would be renamed the Corporate Governance, Appointments and Remuneration Committee.

GROUP RISKS COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES AND REMIT

COMPOSITION

CHAIRMAN
Philippe DE FONTAINE VIVE, Independent Director

STANDING MEMBERS

- BFCM - Groupe Crédit Mutuel – CIC*
- RMA, represented by Mr Zouheir BENSAID
- FinanceCom represented by Mr Hicham EL AMRANI
- Mr Azeddine GUESSOUS, Intuitu Personae
- Mr François HENROT, Independent Director
- Mr Brian C. McK. HENDERSON, Independent Director
- Mr Christian DE BOISSIEU, Independent Director

ASSOCIATE MEMBERS
- Group Executive Managing Director
- Delegate General Manager responsible for Group Finance
- Adviser to General Management
- Group General Controller
- Head of Group Risks
- Head of Finance & Investments

INVITED MEMBERS
- The committee may invite any person who is a member of the Group's managing staff or any manager whose functions are within its remit, depending on the items for discussion on the Committee's agenda.

COMMITTEE SECRETARY
Group Risks Division

*Awaiting appointment ever since the departure of its previous representative

MEETINGS

Quarterly

RESPONSIBILITIES AND REMIT

BMCE Bank Group's Risk Committee is a body reporting directly to the Board of Directors whose remit has been extended to subsidiaries and other entities included within the Group's scope of consolidation.

The Group Risks Committee assists the Board of Directors in matters such as strategy and risk management. In particular, it ensures that overall risk policy is adapted to the risk profile of both the Bank and the Group, the degree of risk aversion, its systemic importance, its size and its capital base. The Group Risks Committee assumes the following responsibilities on a permanent basis:

i. Advises the Board of Directors about risk strategy and the Group's risk aversion profile;

ii. Ensures that the level of risks incurred is contained within the limits set by the Management Body in accordance with the risk aversion profile defined by the Board of Directors;

iii. Assesses the quality of the risk measurement policy and control and monitoring of risks at Bank and Group level;

iv. Ensures that risk information systems and communications are appropriate with regard to the risks incurred both;

v. Assesses the human and other resources allocated to the risk management and control function and ensures its independence;

vi. Assesses that capital and liquidity are adequate given the degree of risk aversion and risk profile of the Bank and Group;

vii. Informs the Board of Directors at least twice a year of the situation regarding non-performing loans, the results of measures taken to recover such loans by amicable means, restructured and sensitive loans and provides a progress report on their repayment;

viii. Ensures that stress-tests are carried out on the portfolios of subsidiaries in Morocco and overseas covering the economic and operating environments as well as any potential impact on the Group;

ix. Informs the Board of Directors of the results of risk monitoring from a regulatory perspective and the potential impact on the Bank and the Group;

x. Assists the Board of Directors in examining loans to related parties including the terms and conditions offered, repayment in accordance with the schedule, payment delays and consolidations undertaken (which must be reported to the Board of Directors).

xi. Examines the summary report of the Group Risk Steering and Management Committee.

xii. Is responsible for the risk management and control function.

WORK OF THE GROUP RISKS COMMITTEE IN 2016

In 2016, the Group Risks Committee met on four occasions.

The Committee's work included reviewing trends in the main credit risk indicators at the consolidated and parent levels in terms of credit distribution, portfolio quality, stress test results, sector and group limits.

Similarly, the Committee examined the principles underpinning the new delegation scheme, the system for market risk limits as well as trends in both market and operational risks, the 2016 guidelines for the credit approval policy submitted to it by the Group's General Management Committee, the Country Risk Management System that is in the process of being adopted and the indicators of commitments relating to credit risks.

The Committee also took note of the parent company's capital ratios as well as capital consumption by subsidiaries. In addition, as part of the forthcoming process of implementing Basel III requirements, it took the opportunity of analysing capital requirements.

In addition to conducting risk analysis of BMCE Bank of Africa Group, the Committee also analysed risk by major geographical region - Africa and Europe.

GROUP AUDIT AND INTERNAL CONTROL COMMITTEE

COMPOSITION	MEETINGS
CHAIRMAN Azeddine GUESSOUS, Intuitu Personae Director	Quarterly

COMPOSITION

CHAIRMAN
Azeddine GUESSOUS, Intuitu Personae Director

STANDING MEMBERS
- BFCM - Groupe Crédit Mutuel – CIC *,
- RMA, represented by Mr Zouheir BENSAID
- François HENROT, Independent Director
- Philippe DE FONTAINE VIVE, Independent Director
- Christian de BOISSIEU, Independent Director

ASSOCIATE MEMBERS
- Group Executive Managing Director
- Delegate General Manager responsible for Group Finance
- Adviser to General Management
- Group General Controller
- Head of Group Risks
- Head of Finance & Investments

INVITED MEMBERS
- External auditors;
- Heads of Permanent Control and Compliance;
- The committee may invite any person who is a member of the managing staff or any manager whose functions are within its remit, depending on the items for discussion on the Committee's agenda.

COMMITTEE SECRETARY
- Mr Khalid LAABI, General Controller of BMCE Bank Group

*Awaiting appointment ever since the departure of its previous representative

MEETINGS

Quarterly

WORK OF THE GROUP AUDIT AND INTERNAL CONTROL COMMITTEE IN 2016

In 2016, the Group Audit and Internal Control Committee met on 4 occasions.

The Committee examined, in particular, the Group's and the Bank's commercial and financial performance and the Statutory Auditors' reports incorporating the new legal provisions, non-operating real estate assets and related management arrangements, the compliance alert points in 2015 and the 2016 global audit plan for ad hoc control.

Regarding internal control, it examined, in particular, the consolidated annual report on internal control to be submitted to Bank Al Maghrib and prepared, in compliance with the regulatory provisions, the Group's General Control Action Plan 2015 in terms of audit and inspection assignments, control activity indicators, the fraud report, an appraisal of the implementation of recommendations of Group CACI, Bank Al Maghrib and the statutory auditors, in addition to a summary of the main Group General Control Group and Compliance alert points.

RESPONSIBILITIES AND REMIT

The Group Audit and Internal Control Committee (Group CACI) is a body reporting directly to the Board of Directors whose remit has been extended to subsidiaries and other entities included within the Group's scope of consolidation.
The Group Audit and Internal Control Committee assists the Board of Directors in matters such as internal control while ensuring that:
• The internal control system and resources are:
- Appropriate and compatible to be able to monitor and control risk within the Bank and at subsidiary level and produce information required by regulatory authorities as part of the monitoring process of the consolidated entity;
- Adapted to the Group's organisational structure as well as the activities of entities under its control;
• The financial information intended for the Board of Directors is reliable and accurate such that the legitimate interests of shareholders, depositors and other stakeholders are safeguarded;
• Examine the parent company and consolidated financial statements prior to submitting them to the Board of Directors for approval.

The Group Audit and Internal Control Committee shall ensure, on a permanent basis, that the following responsibilities are assumed in their entirety:

A. Regarding Internal Audit and Control, the Group Audit and Internal Control Committee:

i. Assesses the quality of the internal control system within the Bank and at subsidiary level by ensuring that, on a permanent basis:

- The accounting policies adopted by the Bank for preparing the parent company and consolidated financial statements are relevant, sustainable and accurate;
- The process for collecting, handling and storing accounting and financial data is reliable;
- Operating units are strictly set apart from control units;
- Assesses whether internal control procedures are consistent and adequate;
- Procedure manuals are established by departments or operating units, setting out the procedures for recording and handling operations and accounting-related processes;
- Procedures for carrying out operations should comprise, as an integral part, appropriate control procedures and audit trails;

ii. Assesses whether the corrective measures proposed or implemented are appropriate to overcome any shortcoming or inadequacy in the internal control system;

iii. Approves the Group's Internal Audit Charter and assesses the audit plan and the human and other resources allocated to the Internal Audit activity;

iv. Assesses the human and other resources allocated to the periodic control, permanent control and compliance functions and ensures that they are independent from the Bank and its subsidiaries;
v. Examines proposals to appoint or reappoint Statutory Auditors for Group entities and analyse their extent of coverage;
vi. Defines minimal risk areas to be covered by internal auditors or Statutory Auditors;
vii. Requests that an internal or external audit be carried out if deemed necessary;
viii. Informs the Board of Directors of the results of monitoring matters related to internal control from a regulatory perspective and the potential impact on the Bank and the Group;
ix. Prior to submitting them to the Board of Directors, examines the activity reports and recommendations of the internal audit, permanent control, compliance, risk management and control functions, the statutory auditors and the supervisory authorities as well as the corrective action taken;
x. Examines the annual report on Internal Control on a consolidated basis, to be submitted to Bank Al Maghrib;
xi. Examines the statutory auditors' report for filing with Bank Al Maghrib and ensures that the resulting recommendations are implemented;
xii. Assist the Board of Directors in analysing corporate and social responsibility (CSR) risk mapping;
xiii. Examines the summary report of the work of the Group Coordination and Internal Control Committee.

B. Regarding monitoring information systems and communications, the Group Audit and Internal Control Committee:

Ensures that information systems and communications are effective and appropriate with regard to the risks incurred both on an individual as well as consolidated basis by:
• Periodically assessing the security of information systems and, if necessary, the quality of the corrective action undertaken;
• Checking the availability of information security procedures to ensure business continuity;
• Safeguarding the probity and confidentiality of accounting and financial information;
• Checking the policy for publishing information, ensuring that accurate, appropriate and comprehensible information is communicated at the right time regarding material aspects of the Bank's activity in order to encourage transparency with regard to shareholders, the general public, staff, supervisory authorities, investors and other stakeholders.

C. Regarding monitoring Group Compliance policy, the CACI:

The Group Audit and Internal Control Committee examines the compliance situation within the Group and the state of progress in respect of compliance-related initiatives for each Group entity;
The Committee ensures implementation of a formal policy for preventing and dealing with conflicts of interest. In this regard, it:
• Ensures that a policy for preventing and managing conflicts of interest is adopted and enforced operationally. This policy must comprise a whistle-blowing mechanism, appropriate standards for supervising related party transactions, clear demarcation of reporting lines and responsibilities of members of the management body, a definition of delegation of powers and procedures for dealing with cases of non-compliance with these policies and procedures;
• Ensures that the General Management Committee applies procedures prohibiting or restricting, in an appropriate manner, activities, relations or situation likely to harm the quality of governance such as:
- Loans, especially to members of administrative or management bodies or to shareholders, on terms which do not reflect standard market conditions or on terms different to those enjoyed by all staff as employee benefits;
- Preferential treatment given to related parties or to other favoured entities;
ii. Regarding monitoring the risk of non-compliance to which the Group is exposed, the CACI:
• Ensures that operations carried out and internal procedures comply with the legal and regulatory provisions in force as well as with industry and ethical standards and practices;
• Ensures that the Group Compliance function has adequate technical human resources and skills including knowledge of markets and products and that the employees in question have regular access to appropriate training.

D. Group Permanent Control

The Group Audit and Internal Control Committee assesses the permanent control policy, the reliability and security of transactions and compliance with procedures at branched, head office departments and financial entities under the Group's control.

GROUP EXECUTIVE COMMITTEE

COMPOSITION

CHAIRMAN
Chairman and Chief Executive Officer

VICE-CHAIRMAN
Group Executive Managing Director

MEMBERS
- Managing Director of RM Experts, Intuitu Personae
- Delegate General Manager, responsible for Group Finance
- Delegate General Manager, responsible for Corporate Banking, Morocco
- Delegate General Manager, responsible for Group Operations
- Delegate General Manager, responsible for Retail Banking, Morocco
- Delegate General Manager, responsible for International Coordination
- Chief Executive Officer of BOA Group
- Chairman of BMCE Capital's Executive Board

COMMITTEE SECRETARY
Head of Group Risks

MEETINGS

Quarterly, or whenever necessary, at the request of the Chairman or, by delegation, the Vice-Chairman of the Committee.

RESPONSIBILITIES

This Committee, under the authority of the Chairman, is responsible for steering the Group's corporate strategy. It is the operational relay for the Board of Directors in making strategic proposals, implementing strategic decisions taken by the Board and closely monitoring Group risk management. It steers Group activities and rules on operational and functional issues that come under the remit of the Bank's entities and internal committees.

Steer the Group's corporate strategy
Initiate and execute strategy and launch major intra-Group projects:

- Ensure that strategy is aligned across all Group entities in Morocco and overseas;
- Ensure proper implementation of the Group's corporate strategy
- Identify and launch major keystone projects that will transform the Group;

Evaluate new strategic operations on behalf of the Board:
- Opportunities for growth, investment, strategic equity investment and synergies for BMCE Bank Group;
- Opportunities to extend BMCE Bank Group's scope of activities (organic growth, growth by acquisition, disposals, diversification);
- Manage investment risk and allocate capital and other financial resources accordingly.

Ensure the Group's profitability and financial control:

Monitor risk management
- Ensure risk monitoring and management, determine the Bank's level of risk appetite and regularly assess whether it is appropriate;
- Ensure risks are comprehensively hedged by adopting the required measures.

Human Resources
- Examine policy for staff remuneration, training, mobility and recruitment;
- Carefully manage the career progression of high-potential executives.

WORK OF THE GROUP EXECUTIVE COMMITTEE IN 2016

The main focus of the Executive Committee, meeting in 2016, was to review the projections of consolidated results at 31 December 2015. The corporate strategic commitments made had been complied with. It also noted the performance of the Debt Recovery Committee in terms of debt recovery and write-backs. In addition, in terms of international strategy, the Committee outlined the progress made in terms of the Group's expansion in Asia.

The Committee was also informed of the anticipated appointment of four Independent Directors.

As part of the celebrations for the 20th anniversary since the Bank's privatisation, the Committee was presented with a review of the Group's achievements, which showed exceptional growth in business activity and earnings since privatisation.

GENERAL MANAGEMENT COMMITTEE

COMPOSITION

CHAIRMAN
Group Executive Managing Director

STANDING MEMBERS
- CEO and Chairman of RM Experts
- Delegate General Manager of BOA Group
- Delegate General Manager, responsible for Group Finance
- Delegate General Manager, responsible for Corporate Banking, Morocco
- Delegate General Manager, responsible for Group Operations
- Delegate General Manager, responsible for Retail Banking, Morocco
- Delegate General Manager, responsible for International Coordination
- Chairman of BMCE Capital's Executive Board
- Adviser to General Management
- Group General Controller
- Delegate General Manager, responsible for Conciliation, Financial Engineering & Restructuring
- Head of Group Risks
- Head of Finance & Investments
- Delegate General Manager, responsible for International Development Programmes
- Delegate General Manager, Head of Group Communications
- Delegate General Manager, responsible for Market Development
- Delegate General Manager, responsible for Investments and Financial Engineering
- Head of Group Governance & Development
- Head of Group Compliance
- Head of Group Human Capital

COMMITTEE SECRETARY

Head of Group Governance & Development

MEETINGS

Weekly, every Wednesday

RESPONSIBILITIES

The General Management Committee is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures.

STEERING THE BUSINESS

- Steer corporate strategy in line with Group Executive Committee decisions, draw up clear budgetary targets and ensure that strategy is implemented;
- Encourage and assess the state of progress concerning implementation of major intra-Group projects that impact the Bank's operations and development;
- Validate annual budgets, monitor their allocation and ensure that resources are optimised;
- Monitor budget implementation and ensure that corrective measures are taken in the event of deviating from budget;
- Determine pricing policy for products and services while ensuring that business lines remain profitable;
- Assess opportunities for launching new activities, products or services and ensure their monitoring and implementation;
- Rule on operational issues that are within the remit of divisions, departments and internal committees and set objectives;
- Ensure organisational efficiency by implementing necessary measures relating to human resources, organisation, IT, logistics and security which contribute to the Bank's development.

INTERNAL CONTROL, AUDIT AND RISK MANAGEMENT

- Ensure risk monitoring and management, determine the Bank's level of risk appetite and regularly assess whether it is appropriate;
- Regularly monitor implementation of corporate policies and strategy and take corrective action if required;
- Ensure compliance with prudential ratios and regulations in respect of internal control, risk and compliance;
- Regularly inform the Audit and Internal Control Committee and the Board of Directors of the key issues and main findings from analysing and monitoring risks related to the Group's activity and results;
- Assess major commitments exceeding 5% of the Bank's capital as well as loans on the watch and weak lists;
- Make recommendations on measures to be taken on high risk accounts;
- Ensure that the sales network undertakes effective initiatives and regularises major commitments.

HUMAN RESOURCES

- Examine policy for staff remuneration, training, mobility and recruitment
- Ensure that recruitment and training policies are appropriate given operational priorities;
- Carefully manage the career progression of high-potential executives.

OTHER RESPONSIBILITIES

- Ensure a coherent commercial, institutional and financial communications policy;
- Rule on potential conflicts of interests and unresolved cases within the remit of committees and entities at Group level;
- Make proposals to the Group Strategic Committee about corporate strategy.

WORK OF THE GENERAL MANAGEMENT COMMITTEE IN 2016

In 2016, the Group General Management Committee met on 34 occasions and rallied senior management around implementing the strategic decisions taken by the Board of Directors.
The Group General Management Committee drew up the Strategic Development Plan 2016-20 and the capital allocation plan, which is primarily focused on expanding the branch network by opening one hundred or so branches in Morocco and in sub-Saharan Africa, bolstering the Group's presence in Africa, consolidating operations and increasing intra-Group synergies. Similarly, a reassessment of a number of assumptions underpinning the SDP was carried out at the end of 2016, taking into account the latest developments and identifying drivers so as to meet the targets as well as a review of the trend in general operating expenses.
In terms of optimising the risk profile of the Bank and the Group, the Committee examined trends in credit risk indicators and the general credit approval guidelines for 2016. In addition, it approved a new country risk management system to comply with Bank Al-Maghrib's regulatory requirements as well as the implementation schedule.
The Committee also approved the gradual implementation of a project to pool banking services and processing.
On the sales front, the Committee reviewed the development strategies for the Corporate Banking, Professional Banking and Young Persons market segments, the action plans for growing the investment loan, foreign trade and green finance businesses. In addition, the Committee gave particular attention to the setting up of the Group's participatory finance venture.
As part of the process of motivating human capital and enhancing the Group's corporate culture, the Committee discussed variable remuneration and bonuses, how to improve HR benefits by implementing new dedicated information systems and expanding the Solidarity Fund's benefits.

OPERATING COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES
CHAIRMAN • Delegate General Manager, responsible for Group Operations **STANDING MEMBERS** • Group General Control • Finance and Investments • Personal and Professional Banking • Corporate Banking • Group Risks • Group Human Capital • Technology Processes and Group Organisation • Risk management Morocco • Casa North Regional Division • Casa South Regional Division • Ex-Casa Regional Divisions • Governance and Management **COMMITTEE SECRETARY** Group Quality **ASSOCIATE MEMBERS** In addition to the above standing members, associate members include all divisional and departmental heads. They attend meetings to discuss those issues that they have submitted to the Operating Committee for deliberation.	Weekly and whenever necessary	The Operating Committee is a body that is responsible for reporting, information-sharing and ruling on any issue related to the Bank's operations. It therefore provides operational as well as technical expertise and makes recommendations to the General Management Committee to assist with decision-making. • Ensure the rationalisation of the Bank's project portfolio (organisation, IT, logistics, quality etc.) and the sharing of available resources; • Rule on project priorities, postponements and stoppages as a function of corporate strategy and allocated budgets; • Monitor the state of progress of project implementation and the impact on the Bank's operations and development; • Ensure a rapid development cycle for new products and services, particularly in terms of time-to-market and resolve any related operational or functional issue; • Monitor the state of progress of the expansion of the branch network (branch openings, installation of off-site ATMs, branch closures etc.); • Regularly analyse the Bank's main operating indicators (quality, incidents, production etc.) and operational risk and propose corrective action; • Rule on decisions regarding operational aspects relating to technical, organisational and logistical issues; • Report to the General Management Committee on potential conflicts of interest as well as on all unresolved customer files within the remit of the Bank's entities and internal committees • Monitor implementation of recommendations from Group General Control relating to these competences.

WORK OF THE OPERATING COMMITTEE IN 2016

In 2016, the Operating Committee met on 24 occasions and dealt with about 30 issues, 23 of which were new, completing more than half.

Issues dealt with by the Operating Committee mainly included the HR business continuity plan, new procedures for valuing real estate, rolling out the Fatourati service for paying invoices using the Bank's different online channels, paying vehicle tax remotely or in the branch, managing merchandise advances, strengthening IT security policy and mobile banking.

As far as the compliance component was concerned, the Committee examined issues relating to identifying ad hoc customers, third-party data reliability and the protection of personal data.

Regarding bank cards, the Committee's work focused on travel cards, a review, ATMs, cancelling card payments and performance analysis.

GROUP INTERNAL CONTROL COORDINATION COMMITTEE

COMPOSITION	MEETINGS
CHAIRMAN Chairman of the Group General Management Committee and, in his absence, the Group General Controller. **STANDING MEMBERS** • Delegate General Manager, responsible for Group Finance • Delegate General Manager, responsible for Group Operations • Group General Controller • Head of Group Risks • Head of Finance & Investments • Head of Group Compliance • Head of Group Permanent Control **COMMITTEE SECRETARY** Head of Group Compliance **ASSOCIATE MEMBERS** • Head of Subsidiaries' Risk, Internal Control and Compliance functions, depending on the items to be discussed on the Committee's agenda. • Group Governance and Development division; • The Committee may invite, at its discretion, any member or non-member of BMCE Bank or of the Group, depending on the items to be discussed on the Committee's agenda.	Quarterly, or whenever necessary

WORK OF THE GROUP INTERNAL CONTROL COORDINATION COMMITTEE IN 2016

In 2016, the Group Internal Control Coordination Committee met on 3 occasions.

During these meetings, it examined the possibility of acquiring IT systems for redesigning certain aspects of internal control, the appraisal of the deployment of the permanent control portal, the contracts entered into with foreign exchange counters, the ethics-based alert system and expanding the filtering and profiling of Bank staff.

RESPONSIBILITIES

The Group Internal Control Coordination Committee is a sub-committee of BMCE Bank Group's General Management Committee. It helps the latter manage and monitor, at the operational level, control systems at Group level. In this regard, its responsibility is to:

• Monitor, on a permanent basis, the overall and actual functioning of internal control systems at Group level;

• Ensure consistency and standardisation of those items constituting internal control systems, the means employed to implement them (procedures, internal control tools etc.), rules ensuring that these systems are ring-fenced from operational units and the various responsibility levels under 1st and 2nd level control;

• Ensure that authority and responsibility levels and the remit of operational entities of the Bank and of its subsidiaries are clearly outlined and demarcated by means of procedures for executing operations;

• Take the necessary measures, in good time, to remedy any identifiable deficiency or failing, while implementing recommendations to make good deficiencies or failings identified by the internal control system of the Bank and Group subsidiaries;

• Periodically review the internal control handbook of the Bank and its subsidiaries with a view to amending its provisions to account for legislative and regulatory changes as well as changes to the Group's business operations and business lines;

• Coordinate preparation of the annual report on internal control in respect of regulatory provisions and ensure compliance with the principles governing the interaction of those parties contributing to its preparation;

• Analyse internal control reports, examine the main malfunctions and propose to the Group General Management Committee the necessary corrective action for reducing risk as much as possible;

• Coordinate the process for preparing the permanent control and compliance annual plans of the Bank and Group subsidiaries and ensure that they are updated;

• Ensure, on a regular basis, that the information systems used by the Bank and its subsidiaries for accounting and information processing satisfy the general objectives of prudence and security and that they comply with current accounting standards;

• Ensure that the information and communications systems are effective, reliable and well-adapted, covering all the main activities and the risks incurred, measuring and monitoring, permanently, on an individual as well as consolidated basis, exposure to the various risks;

• Closely monitor the accounting control system, ensuring the quality, reliability and completeness of financial data and of the accounting principles and standards adopted as well as the availability of information at any time.

GROUP RISK STEERING AND MANAGEMENT COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES
CHAIRMAN • Group Executive Managing Director **STANDING MEMBERS** • Delegate General Manager, responsible for Group Finance • Delegate General Manager of BOA Group • Delegate General Manager, responsible for Corporate Banking, Morocco • Delegate General Manager, responsible for Retail Banking, Morocco • Delegate General Manager, responsible for Group Operations • Delegate General Manager, responsible for International Coordination • Chairman of BMCE Capital's Executive Board • Adviser to General Management • Group General Controller • Head of Group Risks Division • Head of Finance & Investments Division **COMMITTEE** SECRETARY • Head of Group Risk Management **ASSOCIATE MEMBERS** • The Chairmen and Chief Executive Officers of the subsidiary in question • Any other person in connection with the topic to be discussed by the Committee	Bi-monthly, or whenever necessary	The Group Risk Steering and Management Committee is a sub-committee of BMCE Bank Group's General Management Committee. It helps the latter manage and monitor, at the operational level: • The risk steering policy of the Group, BMCE Bank S.A. and its direct and indirect subsidiaries; • Ensures that the Group's activities comply with risk policy and limits set by the Group, BMCE Bank S.A. and its direct and indirect subsidiaries. The Group Risk Steering committee ensures that the risk steering policy of the Group, BMCE Bank S.A. and its direct and indirect subsidiaries is effective and consistent with risk management policy relating to credit, market and operational risks. In this respect, its responsibility is to: • Determine global risk strategy and ensure that it is governed by policy and procedures which allow for measuring, controlling and monitoring risk both on an individual as well as a consolidated basis; • Define limits for general levels of risk incurred in accordance with the risk aversion profile determined by the Board of Directors and the overall operational thresholds set by the Group General Management Committee and ensure that they are complied with, while taking into consideration the capital of BMCE Bank S.A. and the Group's direct and indirect subsidiaries (prudential ratios); • Examine internal risk measurement models; • Analyse the causes of potential overruns of global risk limits and propose corrective action; • Establish a policy for managing non-performing loans, periodically examine their progress and draw up action plans to manage them; • Monitor risk management at a regulatory level and in terms of methodology; • Monitor inter-Group organisational and IT projects related to risk steering; • Validate any change related to risk steering implemented by the Group or any of its subsidiaries; • Directly implement the policy for measuring, controlling and monitoring the risks incurred and report back to the Group General Management Committee on any changes to the appraisal criteria in each risk category at the levels of the Group, BMCE Bank S.A. and its direct and indirect subsidiaries; • Oversee the system for ensuring adequate internal capital levels in light of the risk aversion profile of the Group, BMCE Bank S.A. and its direct and indirect subsidiaries; • Monitor, on a regular basis, the quality of the risk steering policy implemented within the Group, BMCE Bank S.A. and its direct and indirect subsidiaries.

WORK OF THE GROUP RISK STEERING AND MANAGEMENT COMMITTEE IN 2016

In 2016, the Group Risk Steering and Management Committee met on 3 occasions.

During these meetings, the Committee examined the 2016 credit approval guidelines, risk indicators at the Bank and Group levels, regulatory ratios and the Information and Development Committee charter.

GROUP ALM COMMITTEE

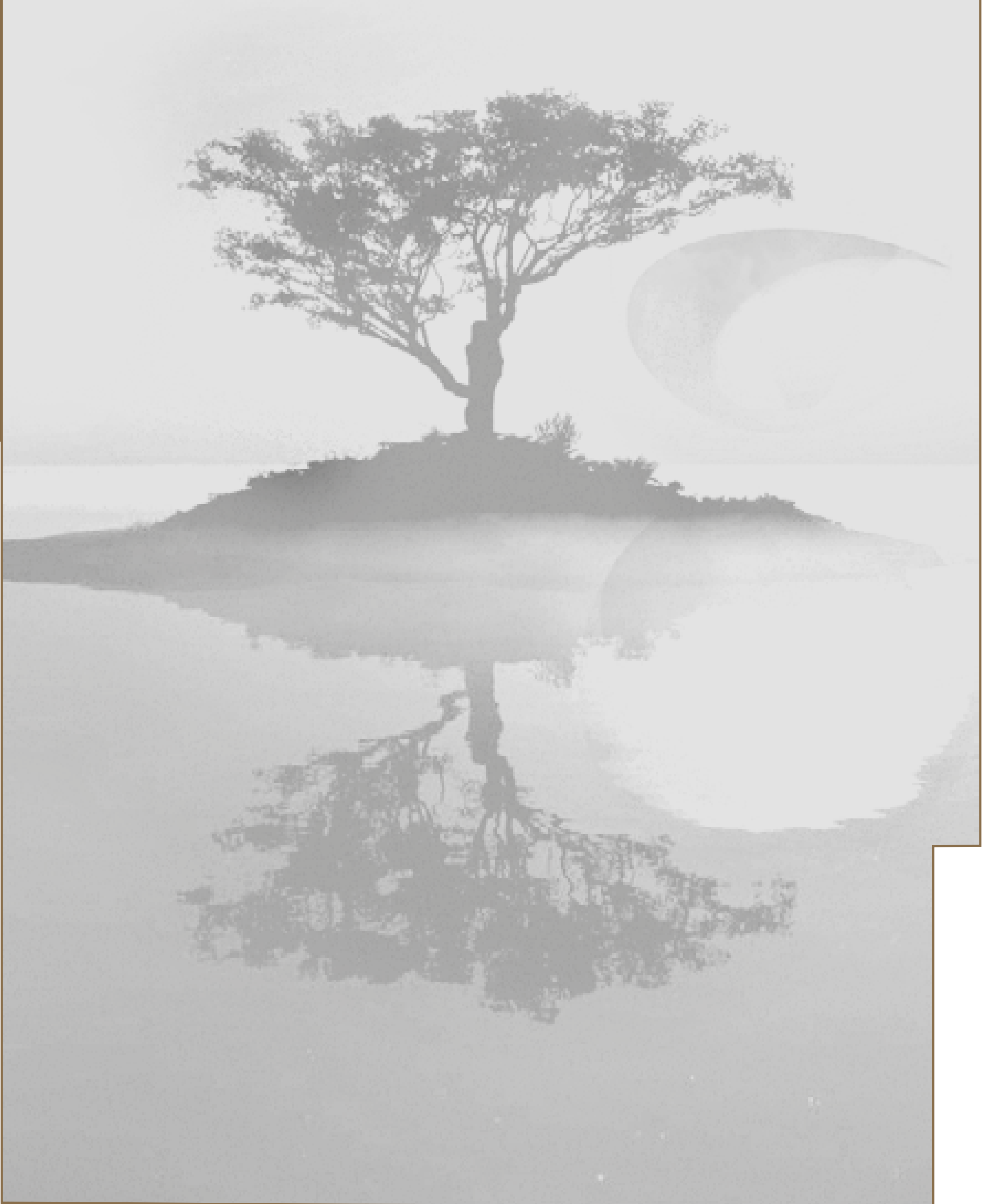
COMPOSITION	MEETINGS	RESPONSIBILITIES
CHAIRMAN • Group Executive Managing Director **STANDING MEMBERS** • Delegate General Manager, responsible for Group Finance • Delegate General Manager, responsible for Corporate Banking, Morocco • Delegate General Manager, responsible for Retail Banking, Morocco • Delegate General Manager, responsible for International Coordination • Chairman of BMCE Capital's Executive Board • Adviser to General Management • Head of Group Risks • Head of Finance & Investments **COMMITTEE SECRETARY** • Finance & Investments **ASSOCIATE MEMBERS** • Head of Group ALM • Heads of Group subsidiaries or their appointed proxies, depending on the items for discussion on the agenda • Any person, at the Committee's discretion, depending on the items for discussion on the agenda	Quarterly, or whenever necessary	The Group ALM Committee is the body responsible for drawing up and implementing the Group's asset-liability management strategy in line with the strategy determined by the Board of Directors. In this regard, its responsibility is to: • Draw up and implement ALM strategy, enabling BMCE Bank Group to meet its obligations on a permanent basis in line with the strategy determined by the Board of Directors (return on equity, risk appetite etc.); • Ensure that a uniform and efficient system exists and is implemented, for identifying, measuring, controlling and mitigating ALM risks at Group level, while implementing best practices (sharing best practices among subsidiaries). In this regard, it approves asset-liability management procedures. • Examine, on a frequent basis, the Group's risk profile in respect of internal as well as statutory limits or those established by stakeholders (interest rate and liquidity risks as well as foreign currency risk resulting from exposure to instruments denominated in major foreign currencies and in dirhams); • Ensure that subsidiaries' profits are protected against exchange rate fluctuations; • Monitor transfer pricing within the Group in relation to lending/borrowing operations; • Examine the impact on the Group's short-, medium- or long-term financial position from launching new products or business activities that carry interest rate or liquidity risks (such as compliance with current limits); • Establish a course of action and priorities in all matters relating to liquidity, in the various currencies, while ensuring the efficiency of the Group's Liquidity Contingency Plan in the event of a liquidity problem; • Examine, on a frequent basis, the results of stress tests conducted using hypothetical scenarios and incorporating internal as well as external factors; • Update, on a regular basis, the assumptions incorporated within the system for measuring balance sheet risks (such as run-off assumptions, interest rate forecasts etc.) and ensure that they are back-tested; • Analyse the impact from macro-economic, regulatory and legislative changes on the Group.

WORK OF THE GROUP ALM COMMITTEE IN 2016

In 2016, the ALM Committee met on 3 occasions. The main decisions and recommendations involved designing the Bank's Strategic Development Plan, the additional overall refinancing needs, foreign currency-denominated refinancing facilities and amendments to the pricing structure for term deposits.

In addition, with a view to deploying the current ALM system at the subsidiary level, it was presented and reviewed at the Convergence Programme steering meeting attended by Independent Directors.

BMCE Bank and its Shareholders



BMCE BANK OF AFRICA
Our World is Capital

BMCE Bank Shares

CHANGES IN SHARE CAPITAL

	Type of transaction	Share capital before transaction (MAD)	Number of shares issued	Increase in value (MAD)	Share capital after transaction (MAD)	Net value (MAD)	Issue price (MAD)
1992	Bonus issue	750 000 000	750 000	75 000 000	825 000 000	100	NA
1992	Cash subscription	825 000 000	1 750 000	175 000 000	1 000 000 000	100	200.00
1996	Bonus issue	1 000 000 000	2 857 142	285 714 200	1 285 714 200	100	NA
1996	Issue reserved for foreign institutional investors	1 285 714 200	1 369 394	136 939 400	1 422 653 600	100	330.00
1996	Issue reserved for foreign institutional investors	1 422 653 600	205 409	20 540 900	1 443 194 500	100	330.00
2000	Bonus issue	1 443 194 500	1 443 194	144 319 400	1 587 513 900	100	NA
2008	Stock split	1 587 513 900	158 751 390		-1 587 513 900	1-for-10 split	NA
2010	Share capital increase reserved for BFCM	1 587 513 900	10 712 000	107 120 000	1 694 633 900	10	235.00
2010	Share capital increase reserved for Group employees	1 694 633 900	2 500 000	25 000 000	1 719 633 900	10	200.00
2012	Share capital increase reserved for cornerstone shareholders	1 719 633 900	7 500 000	75 000 000	1 794 633 900	10	200.00

CHANGES IN SHARE OWNERSHIP

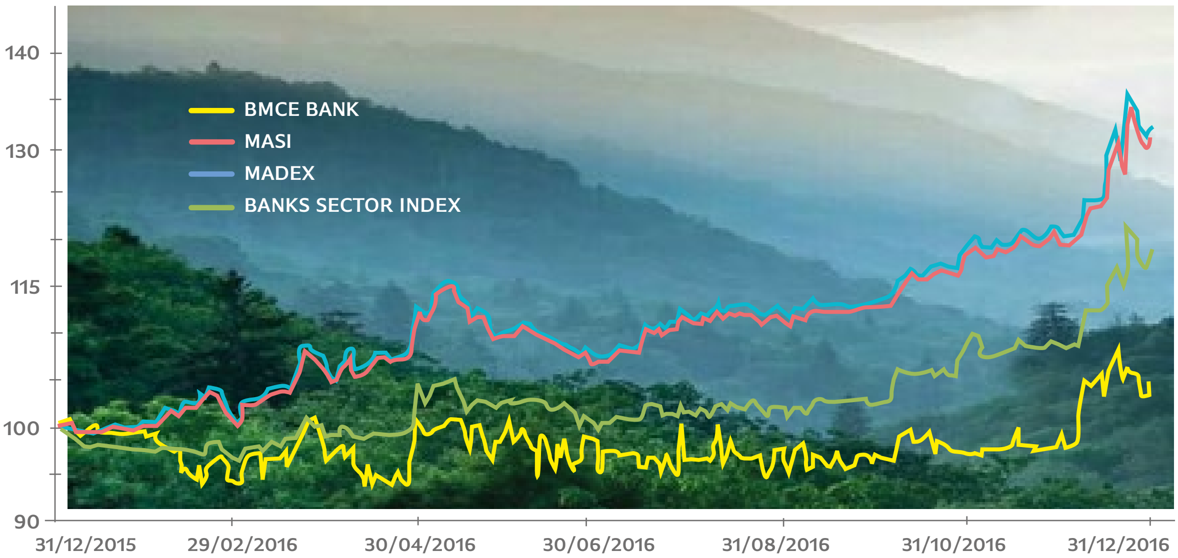
ACQUISITION OF EQUITY HOLDINGS

Year	Shareholder	Number of shares	% of share capital	Purchase price per share (MAD)
2000	Banco Espirito Santo	400 113	2.52%	670
2001	Commerzbank	800 000	5.04%	450
	Union Bancaire Privée	184 200	1.16%	425
2002	FinanceCom	652 210	4.11%	420
	Interfina	489 914	3.09%	At various prices
2003	FinanceCom	800 107	5.04%	400
	Share buyback programme	795 238	5.01%	400
	Public offer of sale reserved for Group employees	750 000	4.72%	400
	Al Wataniya	250 000	1.57%	400
2004	FinanceCom	792 169	4.99%	400
	Crédit Industriel et Commercial	1 587 514	10.00%	500
	Morgan Stanley	476 000	3.00%	445
2005	Public offer of sale reserved for Group employees	530 129	3.34%	525
2006	Share buyback programme	448 142	2.82%	At various prices
	BES / FUNDO PENSOES	400 402	2.52%	985
2007	Caja de Ahorros del Mediterraneo	793 757	5.00%	1869.15
	Share buyback programme	327 670	2.06%	2750
2008	CIC	800 000	5.04%	3000
	BFCM	23 875 040	15.04%	270
	Share buyback programme	-	3.11%	At various prices
2009	BFCM	7 778 762	4.90%	290
	Share buyback programme	5 564 981	3.05%	At various prices
2010	CDG	12 700 111	8.00%	267
2010	Groupe Crédit Mutuel-CIC	10 712 000	5.00%	235
2010	Group employees	2 500 000	1.64%	200
2011	FinanceCom	7 937 500	4.62%	200
2012	BES VIDA COMPAHNIA DE SEGUROS SA	4 401 240	2.56%	192
2012	BFCM	2 300 000	1.34%	200
2012	Increase in share capital reserved for RMAWatanya, Financecom, CIMR, CDG, MAMDA/MCMA, BES, BFCM	7 500 000	4.36%	200
2013	CDG	2 691 957	1.57%	200
2014	CDG	897 317	0.50%	200
2015	CDG	1 951 456	1%	At various prices

DISPOSAL OF EQUITY HOLDINGS

Year	Shareholder	Number of shares	% of share capital	Sales price per share (MAD)
2001	Nomura	323 597	2.24%	400
2002	Interfina	652 210	4.11%	420
2003	Commerzbank	1 595 345	10.05%	400
	Interfina	750 000	4.72%	400
2004	Commerzbank	792 169	4.99%	400
	FinanceCom	1 587 514	10.00%	500
2005	Share buyback programme	664 507	4.19%	At various prices
	Group employees	356 266	2.24%	At various prices
2006	Group employees	367 093	2.31%	At various prices
	Union Bancaire Privée	132 765	0.84%	At various prices
	Banco Espirito Santo	400 402	2.52%	985
2007	Share buyback programme	793 757	5.00%	1869.15
	Group employees	327 670	2.06%	2750
	CIMR	115 205	0.73%	At various prices
2008	CIC	23 875 040	15.04%	270
	Group employees	-	1.98%	At various prices
2009	Share buyback programme	6 350 000	4.00%	290
	RMA WATANYA	1 428 762	0.90%	290
2010	Share buyback programme	12 589 826	7.93%	267
2011	Caja de Ahorros del Mediterraneo	7 937 500	4.62%	200
2012	Banco Espirito Santo	397 220	0.23%	192
2012	BES / FUNDO PENSOES	4 004 020	2.33%	192
2012	FinanceCom	2 300 000	1.34%	200
2013	FinanceCom	2 691 957	1.57%	200
2014	FinanceCom	897 317	0.50%	200

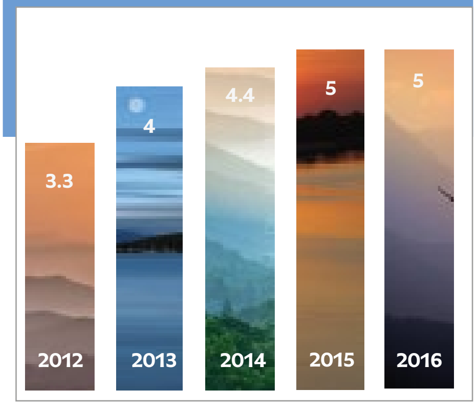
BMCE Bank's Share Price Performance



In 2016, BMCE Bank's share price rose by +4.21% to 223 DH while the Banks sector index increased by +18.51% to 13,309.44 points.

The MASI and MADEX indices gained +30.46% to 11,644.22 points and +31.59% to 9,547.25 points respectively.

DIVIDEND PER SHARE



MAIN SHARE PRICE INDICATORS

	2016	2015
Closing price	223 DH	214 DH
Market capitalisation	38.4 Mrd DH	38.4 Mrd DH
High	230 DH	240 DH
Low	200 DH	210 DH
Weighted average price	214 DH	220 DH
Share price performance	4.21%	-2.7%
P/E	19.7	19.6
Dividend yield	2.24%	2.26%

BMCE BANK'S SHARE PRICE PERFORMANCE IN 2016

	LIQUIDITY	VOLATILITY
6 MONTHS	5.8%	22.7%
1 YEAR	4.7%	21.9%
5 YEARS	6.0%	21.2%

COMPARATIVE PERFORMANCE IN 2016

BMCE BANK	MASI	MADEX	BANKS SECTOR INDEX
+4.21%	+30.46%	+31.59%	+18.51%

MONTHLY SHARE PRICE PERFORMANCE AND VOLUME IN 2016

	High**	Low **	Number of shares	Amount	Number of sessions
January	214.8	210.9	144 353	30 633 374	19
February	211.95	200.1	280 307	57 276 024	21
March	215	200.4	283 846	59 653 622	19
April	215	200	298 883	61 668 235	20
May	215	206	212 280	45 029 693	21
June	213	203	1 405 466	292 328 096	20
July	214	202.5	663 282	139 284 075	14
August	213.7	202	55 202	11 354 379	21
September	209	204	70 620	14 548 284	19
October	212	205.4	219 203	45 767 946	18
November	213	207	103 864	21 603 613	21
December	230	208.5	3 810 283	838 152 070	20

*Central Market
**Highs and lows are based on the closing price

GDR PROGRAMME

In 1996, BMCE Bank increased its share capital via a USD 60 million issue of global depositary receipts (GDRs) listed on the London Stock Exchange. The aim, which was to open up part of BCME Bank's share capital to foreign shareholders, resulted in the Bank acquiring a more solid financial base compared to other emerging market banks.

GDR PROGRAMME AT 31 DECEMBER 2016

GDR Type	Reg S*
Ticker	BMED
Number of shares	23 370

GDR Type	144 A**
Ticker	BQMCY
Number of shares	180

(*) Reg S: GDRs which may be held by retail or corporate investors domiciled outside the United States.

(**) 144A: GDRs which are reserved solely for ''Qualified Institutional Buyers'' (QIBs) domiciled within the United States. QIBs are institutions holding at least USD 100 million of securities for their own account. QIBs may not be retail investors.

The shareholder, as the owner of an equity security, is entitled to a number of rights such as a right of access to information, a right to contribute to the smooth running of the company by participating in collective decision-making and an entitlement to earnings.

BMCE Bank's shares are listed on the Casablanca Stock Exchange. Each share has a nominal value of ten (10) dirhams.

Right to information

BMCE Bank complies strictly with all requirements relating to publicity and information as prescribed by current legislation regarding communicating with shareholders, regardless of the size of shareholdings, about major corporate events and, in particular, any fresh news likely to bring about a change in the Bank's stock price.

Shareholders have a right to access information on a permanent and temporary basis. The annual financial statements for the previous three fiscal years are available to shareholders at the Bank's head office.

Similarly, every year, in addition to the parent company financial statements, the management report and Statutory Auditors' general and special reports, the list of Directors, the list of agreements under Articles 56 et seq. and the proposed allocation of the previous financial year's earnings are made available at least fifteen days before the Annual General Meeting.

Furthermore, for an uninterrupted period beginning no later than the 21st day preceding the AGM, the Bank shall make available to its shareholders, on its website, the information and documents listed in Article 121(ii) relating to limited companies as amended and completed.

In addition, the fact that BMCE Bank is a public limited company, the Board of Directors' Management Report must highlight the value and appropriateness of investments made by the Bank and their foreseeable impact on its development. It must also make mention, where appropriate, of the risks inherent in the said investments; it must indicate and assess risks and events known to the company's Management or the Board of Directors which are likely to exert a positive or negative influence on the Bank's financial position.

Lastly, the Bank's shareholders may ask questions of the management during a General Meeting or submit written questions beforehand to the Board of Directors.

Voting rights

Each of the Bank's shareholders is entitled to participate in collective decision-making either in person or via an authorised proxy, another shareholder, an ascendant or descendant, spouse or any legal entity involved in portfolio management.

At a General Meeting, the principle of one vote per ordinary share held applies.
Voting rights are exercised at least once a year at the Ordinary General Meeting, convened to rule on the financial statements for the financial year in question. One or more shareholders representing at least 5% of the share capital has/have the right to request inclusion of one or more draft resolutions on the agenda of the said Meetings.

Dividend entitlement

Each shareholder is entitled to the distribution of profits generated by the Bank in the form of a dividend, provided that distributable profits have been made and that their distribution has been approved by the Annual General Meeting.

Distributable profit is composed of the net income for the period less previous losses as well as amounts posted to reserves plus retained profits brought forward from previous periods.

DESCRIPTION	Financial year 2016 (MAD millions)	Parent income %	Morocco income %	% change 15/16
	2016			
Morocco income	999			+19.44%
Parent income	1 325			+1.6%
Total dividends	897.3	67.72%	89.82%	
Dividend per share	5 DH			
	2015			
Morocco income	836.4			-13.3%
Parent income	1 304			+8.4%
Total dividends	897.3	68.81%	107%	
Dividend per share	5 DH			
	2014			
Morocco income	965.1			+14.5%
Parent income	1 203			+8.5%
Total dividends	789.6	65.6%	81,8%	
Dividend per share	4.4 DH			

INVESTOR RELATIONS

In 2016, BMCE Bank organised a number of major events for the global investor community – investment funds, banks and insurance companies both etc. – in Morocco and overseas, as well as participating in one-one-one meetings at the 6th EFG Hermes London MENA & Frontier Conference, the Credit & Equities Emerging Markets Conference in London and the Third One-on-One Equity Conference in Marrakesh.

Relations were also bolstered with the Bank's rating agencies – Moody's and Fitch for the solicited rating and Capital Intelligence for the unsolicited PI rating – by reviewing the rating reports issued on the Bank as well as those published by the said agencies on the Moroccan and African banking sector.

In addition, BMCE Bank prepared information packs for the MAD 2 billion subordinated bond issue in June 2016 and the MAD 500 million Green Bond issue in November 2016.

In 2016, media relations and public opinion were reinforced by developing and maintaining an extensive network of partners that wrote articles, briefings and news about the Bank, producing content (presentations, articles, press releases and press kits), meetings and participating in events as well as developing internal communications materials.

Other initiatives undertaken to highlight the Bank's solid fundamentals and its reputation for being accessible such as developing a system for monitoring media relations and public opinion, including the domestic and overseas media's perception of the Group, press reaction and the Group's strategic deals, as well as organising conferences to present BMCE Bank's financial results and engage with the financial community and the media, for which appropriate materials such as a press kit need to be prepared.

BMCE Bank emphasises the importance of publications for internal as well as external use, in particular, the annual report, the abridged report, the media presentation, the institutional presentation and that of Bank Of Africa, the banks sector presentation and the sustainable finance brochure, published in French and English, for the COP22 event.

Moody's, February 2017	Fitch Ratings August 2016	Capital Intelligence August 2016
BANK DEPOSITS IN DIRHAMS: BA1/NP FOREIGN CURRENCY BANK DEPOSITS: BA2/NP FINANCIAL STRENGTH: D OUTLOOK: STABLE	LONG-TERM FOREIGN CURRENCY DEPOSITS: BB+ SHORT-TERM FOREIGN CURRENCY DEPOSITS: B LONG-TERM LOCAL CURRENCY DEPOSITS: BBB- SHORT-TERM LOCAL CURRENCY DEPOSITS: F3 VIABILITY RATING: B+ OUTLOOK: STABLE	SHORT-TERM FOREIGN CURRENCY DEPOSITS: A3 LONG-TERM FOREIGN CURRENCY DEPOSITS: BBB- FINANCIAL STRENGTH RATING: BBB- SUPPORT RATING: 2 OUTLOOK: STABLE

Financial Communications Agenda 2017

MARCH 2017

Board of Directors' meeting
Annual results published for the year ended 31 December 2016 – press release, summary parent and consolidated financial statements and notes to the financial statements
Meeting with analysts and media to present BMCE Bank's performance for the year ended 31 December 2016

MAY 2017

Annual General Meeting held 23 May 2017
Board of Directors meeting
Quarterly results published for the quarter ended 31 March 2017

JUNE 2017

Annual Report and Sustainable Development Report 2016 published in French

JULY 2017

Annual Report and Sustainable Development Report 2016 published in English

AUGUST 2017

Abridged Annual Report 2016 published in Arabic, Tamazight, French, English and Spanish

SEPTEMBER 2017

Board of Directors' meeting
Interim results published for the half-year ended 30 June 2017 – press release, summary parent and consolidated financial statements and notes to the financial statements
Meeting with analysts and media to present BMCE Bank's performance for the half year ended 30 June 2017

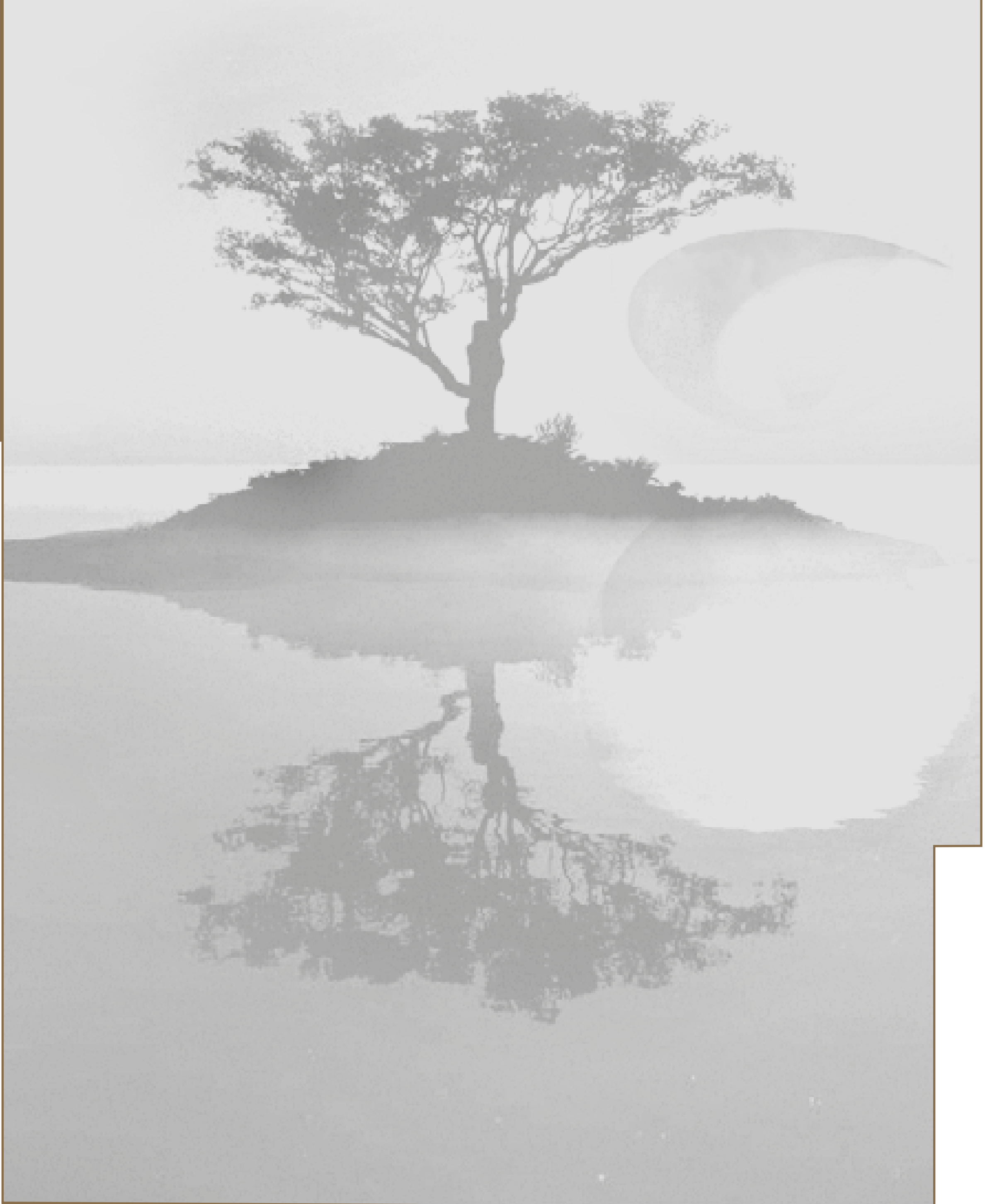
OCTOBER 2017

Publication of the Annual Report and CSR Report 2016 in Arabic

NOVEMBER 2017

Board of Directors' meeting
Quarterly results published for the quarter ended 30 September 2017

Risk Management Organisation



BMCE Bank of Africa Group's Internal Control system consists of a permanent control system and an ad hoc control system. The reasons for it being so effective are due to the fact that its stakeholders' responsibilities are distinct and separate yet complementary and well-coordinated, its reference manuals and systems are customised and its governance and management bodies have clearly defined remits.

GOVERNANCE & MANAGEMENT BODIES

Group Risks Committee

BMCE Bank Group's Risk Committee is a body reporting directly to the Board of Directors whose remit extends to the Bank, its direct and indirect subsidiaries and other entities included within the Group's scope of consolidation.
The Group Risks Committee assists the Board of Directors in matters such as strategy and risk management. In particular, it ensures that overall risk policy is adapted to the risk profile of both the Bank and the Group, the degree of risk aversion, its systemic importance, its size and its capital base.

Audit and Internal Control Committee

The Group Audit and Internal Control Committee (Group CACI) is a body reporting directly to the Board of Directors whose remit extends to the Bank, its subsidiaries and other entities included within the Group's scope of consolidation.

The CACI assists the Board of Directors in matters such as internal control, corporate strategy and risk management while ensuring that:

- The internal control system and resources are:
  - Consistent and compatible to be able to monitor and control risk within the Bank and produce information required by regulatory authorities;
  - Adapted to the Bank's organisational structure as well as the activities of entities under the Bank's control;
  - The financial information intended for the Board of Directors is reliable and accurate such that the legitimate interests of shareholders, depositors and other stakeholders are safeguarded;
- Examine the parent company financial statements prior to submitting them to the Board of Directors for approval.

General Management Committee

The General Management Committee is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures.

This Committee, which meets weekly, is also responsible for steering the Bank's business, managing its internal control and risk management systems, monitoring HR and overseeing commercial, institutional and financial communications.

Group Risk Steering and Management Committee

The Group Risk Steering and Management Committee is a sub-committee of BMCE Bank of Africa Group's General Management Committee. It helps the latter manage and monitor, at the operational level:

- Group risk steering policy;
- And ensures that the Group's activities comply with risk policies and the limits set.

This Committee ensures that BMCE Bank Group's risk steering policy is effective and consistent with risk management policy relating to credit, market, country and operational risks.

Group ALM Committee

The Group ALM Committee is the body responsible for drawing up and implementing the Group's asset-liability management strategy in line with that approved by the Board of Directors. Its main responsibilities are to:

- Draw up an asset-liability management strategy;
- Organise and oversee asset-liability sub-committees;
- Have a comprehensive understanding of the types of risk inherent in the Bank's activities and remain informed of any changes to these risks as a function of trends in financial markets, risk management practices and the Bank's activities;
- Review and approve the procedures for controlling the risks inherent in the Bank's activities in terms of approving loans, investments, trading and other significant activities and products;
- Oversee the reporting systems which measure and control the main sources of risk on a daily basis;
- Review and approve the risk limits on a frequent basis as a function of any potential change to the institution's strategy, approve new products and react to any major changes in market conditions.

Group Internal Control Coordination Committee

The Group Internal Control Coordination Committee is the body responsible for monitoring effective and operational implementation of control systems at Group level. In this respect, it is tasked with coordinating action regarding the Group Internal Control system and ensuring that it is consistent and effective.

Credit Committees

- **Senior Credit Committee**

This committee is chaired by the Bank's Chairman and Chief Executive Officer with the Group Executive Managing Director as Vice-Chairman. It is sub-divided by market segment into two committees, one specialising in Corporate Banking, the other in Personal and Professional Banking.

These committees meet twice-weekly and include senior managers of the Bank.

- **Regional Credit Committee**

The Regional Credit Committee meets on a weekly basis. The dates for holding RCCs are decided by each region's Regional Director and notices are sent to all members.

Committee for Monitoring Accounts Showing Anomalies

As part of its portfolio monitoring remit, the Committee for Monitoring Accounts Showing Anomalies – main committee or select committee - meets on a monthly basis to monitor the rehabilitation of high-risk accounts.

ORGANISATIONAL STRUCTURE FOR MANAGING CREDIT, MARKET, COUNTRY AND OPERATIONAL RISKS

Group Risks Division

The Group Risks Division ensures that credit, market and operational risks are monitored and controlled. The Division is responsible for:

- Defining BMCE Bank Group's risk policy;
- Implementing a risk control system relating to credit, market and operational risks;
- Defining and managing the credit approval and monitoring processes.

The Group Risks Division comprises six units:
- Group Risk Management Division
- Commitments Monitoring
- Commitments Analysis
- Group Risk Convergence
- Group Risk Consolidation & Steering
- Group Risk Projects Steering

CREDIT RISK

The Bank's credit division operates in accordance with the general credit policy approved by the Group's senior management. The Group's requirements in terms of ethics, reporting lines, compliance with procedures and discipline in risk analysis are guiding principles.

This general policy is further divided into specific policies and procedures depending on the character of specific operations or counterparties.

Decision-making procedure

BMCE Bank has adopted a dual approach to the credit approval process as follows:
1- A standardised approach for retail products within the framework of Product Programs which define, for each product, risk management rules governing product marketing. Risk policy may be implemented in two ways:
- Use of a self-check form with formatted approval criteria as the basis of risk assessment; this self-check form lists credit approval criteria and checks compliance with credit standards. A credit application must be rejected if it does not comply with these standards unless exemption has been granted by the Committee.
- A delegation system by which credit approval decisions are delegated to different levels of power. This ensures consistency in credit decision-making and a high level of integrity from the person to whom powers have been delegated. Each credit application is processed by subordinate entities prior to its approval by the duly responsible decision-making entity.

2- An individualised approach based on the particular characteristics and requirements of corporates based on three fundamental principles:
- Management of the loan portfolio which provides Senior Management with enough information to be able to assess the customer's risk profile;
- The delegation of authority to employees, assigned intuitu personae on the basis of their decision-making ability, experience, personal skills, professional skills and training;
- The balance of powers, granted on the judgement of at least three people known as a 'troïka'.

For certain risk levels, approval must be sought from the Senior Credit Committee or the Bank's Chairman.

The Group Risks Division monitors risk management quality and ensures compliance with internal rules and procedures.

It is also worth noting that Group General Control and the external auditors provide additional objective control of credit quality and ensure that procedures are complied with.

System for monitoring and steering credit risks

The system for monitoring and steering credit risks provides second level control. It operates independently of monitoring carried out by sales units on a daily basis.

The system may be adapted to the specific character of each subsidiary in concertation with the Group Risks Division.

Responsibility for risk monitoring is entirely incumbent on sales units. Daily monitoring of transaction-related risks is the responsibility of the sales person in charge of the customer relationship. To help sales units fulfil their responsibilities, they are assisted by the Group Risks Division which provides alerts.

The controls carried out by the Group Risks Division are primarily aimed at ensuring that the advanced alert system is effective both in terms of risk management and sales units anticipating the potential risks so that the Bank's loan portfolio is managed appropriately.

The main operational responsibilities of the Group Risks Division, as part of its remit for monitoring and steering credit risks, may be summarised as follows:
- Monitor commitments' regularity: compliance with the initially-stated purpose of the loan and with credit limits, examining payment incidents, reviewing customer files for which payments are due etc.
- Detect loans showing persistent signs of weakness;
- Monitor, in partnership with the branch network, developments in relation to the Bank's main risks (problem loans, largest or most sensitive commitments);
- Determine which customer files are eligible for downgrade as required by regulations governing non-performing loans.
- Monitor on a permanent basis credit risk indicators including healthy loans, troubled loans and non-performing loan mentioning provisioning, non-performing loan ratios and hedging ratios.

Steering the loan portfolio

The loan portfolio of the Group and its entities is steered using a number of indicators of risk resulting when credit approval is given as well as those arising during the life of the loan.

Multi-criteria analysis of the loan portfolio is a way of controlling risks retrospectively. This consists of identifying and tracking all loan commitments of the Group and its entities based on a number of criteria such as products, maturities, customers, business groups, customer segments, counterparty ratings, asset categories (healthy and non-performing), business sectors, agencies, geographical areas, types of security etc. Multi-criteria analysis is a credit risk management tool.

The Credit Risks unit is responsible for carrying out multi-criteria analysis of the loan portfolio. It is also responsible for reporting on credit risks, both within the Group to the Risk Committees and to senior management, and externally, to regulators.

Monitoring high-risk accounts

High-risk accounts relate to those for which the risk is likely to subsequently increase, thereby resulting in a cost to the Bank. They consist of commitments which show either a visible deterioration in risk quality as measured against quantitative criteria or a potential deterioration in risk quality as measured against qualitative criteria. Assessment, intervention and the complementary nature of the Commercial and Risks Divisions remain the determining factors for identifying high-risk accounts.

Loan classification

On carrying out the monthly review of the Bank's portfolio and analysis of high-risk accounts, each subsidiary reviews its regulatory loan classification as required by local regulatory requirements.

This review is finalised by the committees responsible for monitoring high-risk accounts on the recommendation of each entity's Risks Division. The latter is also responsible for implementing these decisions by monitoring and transferring these accounts from the "healthy" to the "non-performing, requires provisioning" category.

Provisioning is checked and monitored by Group General Control, the external auditors, the Audit and Internal Control Committee and the Group Risks Committee.

INTERNAL RATINGS SYSTEM

The Bank has an internal ratings system covering the entire BMCE Bank Group, including local subsidiaries.

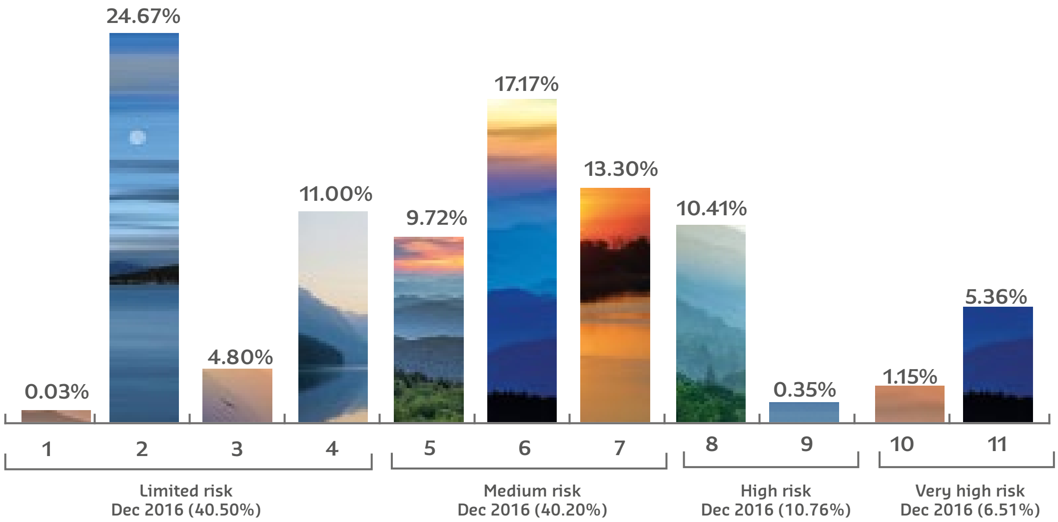
This system is operationally embedded in the Bank's various business lines and subsidiaries e.g. the system is used for delegating, pricing and sales and marketing targeting as well as simplifying the credit approval decision-making process.
A rating is attributed to each customer, such that a third party has one and only one rating.

In compliance with regulatory principles, ratings attributions and their subsequent revisions must be carried out or approved by a party which does not directly benefit from the approval of the loan.

DESCRIPTION OF THE CHARACTERISTICS OF THE INTERNAL RATINGS MATRIX BY RISK CATEGORY

	CATEGORY	CLASS	DEFINITION
Investment grade	Limited risk	1	Extremely stable short- and medium-term; very stable long-term; solvent despite serious disruptions;
		2	Very stable short- and medium- term; stable long-term; sufficiently solvent despite persistently negative events;
		3	Solvent short- and medium-term despite significant difficulties; moderately negative developments can be withstood long-term;
		4	Very stable short-term; no expected change to threaten the loan in the coming year; sufficiently solid medium-term to be able to survive; long-term outlook still uncertain;
	Medium risk	5	Stable short-term; no expected change to threaten the loan in the coming year; can only withstand small negative developments medium-term;
		6	Ability limited to withstand unexpected negative developments;
		7	Ability very limited to withstand unexpected negative developments;
Sub-investment grade	High risk	8	Ability limited to repay interest and principal on time; any change in internal and external economic and commercial conditions will make it difficult to fulfil obligations;
		9	Incapable of repaying interest and principal on time; fulfilling obligations dependent on favourable internal and external commercial and economic conditions;
	Very high risk	10	Very high risk of default; incapable of repaying interest and principal on time; partial default in repayment of interest and capital;
		11	Total default in repayment of interest and capital.

BREAKDOWN OF COMMITMENTS BY RISK CATEGORY AT 31 DECEMBER 2016



RATING RETAIL CUSTOMERS

Rating retail customers consists of statistically modelling retail customers in default as well as their risk behaviour.

Behavioural score matrices for salaried and professional customers are displayed in the Customer Relationship Management (CRM) system with additional remarks provided. They are updated on a daily basis. Behavioural ratings have also been developed for Moroccans living abroad.

Guarantees and Securities

The Group receives various types of guarantee as loan collateral. As a general rule, collateral requirements are governed by two factors: the type of credit requested and the quality of the counterparty.

The Group systematically mortgages all property which it has financed - housing loans and loans for property development - and requests that customers take out insurance cover.
Similarly, funding for public procurement of goods, capital equipment and business premises are systematically guaranteed by pledges on the items funded and insurance cover is also required.

In addition to these guarantees, the Group generally strengthens its position by requesting personal guarantees from counterparties whenever it is deemed necessary, depending on the quality of the latter.

Concentration limits

The Bank's risk policy is constantly focused on loan portfolio diversification.

Credit risk management is based on a system in which a risk opinion and formal risk limits are attributed to strategic initiatives at the business line level, such as in the event of a new business or product launch. For BMCE Bank of Africa Group, the risk of credit risk concentration may result from exposure to individual counterparties, interest groups or counterparties belonging to the same business sector.

INDIVIDUAL COUNTERPARTIES

The Group monitors individual concentrations at the parent and consolidated levels on a monthly basis. It closely monitors the commitments of its largest 10, 20 and 100 customers by commitment.

INTEREST GROUPS

Portfolio diversification by counterparty is monitored on a regular basis, particularly within the framework of the Group's individual concentration policies. Credit risk exposure to counterparties or groups of counterparties with relatively sizeable loans, of more than 5% of the Bank's capital, are specifically monitored, both on an individual and consolidated basis.

Furthermore, controlling major risks also ensures that the aggregate risk incurred for each beneficiary does not exceed 20% of the Group's net consolidated capital, as required by Moroccan banking industry regulations. BMCE Bank of Africa Group ensures that it complies with the concentration thresholds stipulated in the Bank Al-Maghrib directive.

Counterparties belonging to the same business sector

The chosen methodology for setting sector limits is based on a statistical model which includes historical default rates and the number of counterparties by business sector and by risk category -rating.

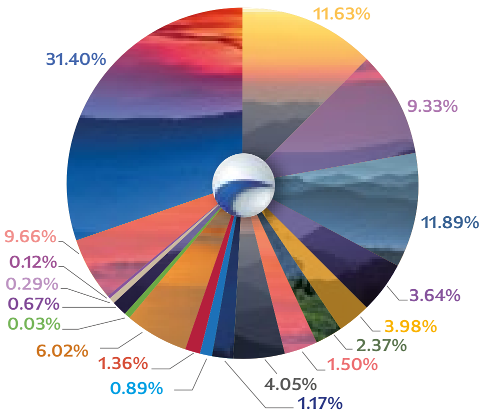
The objective is to model the probability of default by using appropriate econometric techniques and a dependent random variable whose value is derived from the number of default occurrences.

The model also enables the Bank to identify priority sectors for credit expansion in the context of the Bank's development plan as well as bad loan experience by sector. This approach, adopted by the Group Risks Division, is complemented by back-testing the model every six months.

Sector-specific limits are reviewed every six months in consultation with sales units and the Bank's Economic Intelligence Centre which provide operational experience as well as estimates of macroeconomic and industry growth. The opinions of these entities help to challenge and provide further confirmation of the model's suitability in a given economic context.

The Victoria Falls on the Zambezi River
cascading into the First Gorge, Zambia

BREAKDOWN OF THE GROUP'S OUTSTANDING CUSTOMER COMMITMENTS (DOMESTIC ACTIVITY) BY BUSINESS SECTOR AT 31 DECEMBER 2016:



- Financial activities
- Real estate development
- Retail, auto repairs and domestic items
- Production and distribution of electricity, gas and water
- Transportation and telecommunications
- Agribusiness and tobacco industry
- Construction and public works
- Metallurgical, mechanical, electrical and electronic industries
- Hotels and restaurants
- Textile, clothing and leather industries
- Chemical and specialty chemical industries
- Miscellaneous manufacturing industries
- Mining industries
- Agriculture, hunting and forestry
- Public sector administration
- Fisheries, Aquaculture
- Others
- Retail

Stress tests

BMCE Bank of Africa Group conducts half-yearly stress tests so as to evaluate the vulnerability of its loan portfolio in the event of a change in circumstances or deterioration in the quality of counterparties.

Stress tests are conducted in order to assess the Group's resilience in the face of unexpected, extreme events. Operationally, they consist of simulating scenarios in the event of default of a certain percentage of the Group's counterparties. The ultimate aim is to quantify the impact on provisioning and, as a result, on profitability and on the Group's consolidated Tier 1 capital.

An assessment is conducted twice a year to ensure that the various scenarios chosen are appropriate. This assessment is conducted on the basis of anticipated goals for carrying out stress tests and each time that market conditions suggest that a potentially unfavourable change is likely to seriously impact the Group's ability to withstand it.

LEVEL OF EXPOSURE TO COUNTERPARTY RISK BASED ON METHODS APPLIED TO OFF-BALANCE SHEET ITEMS

CREDIT RISK-WEIGHTED ASSETS

Type of Exposure	Risk-Weighted Assets post CRA
Balance-sheet items	150 279 904
Off balance sheet items: financing commitments	5 806 937
Off balance sheet items: guarantee commitments	11 376 010
Counterparty Risk: temporary disposals of securities relating to the bank portfolio	-
Counterparty Risk: temporary disposals of securities relating to the trading portfolio	474 191
Counterparty Risk: derivative products relating to the bank portfolio	-
Counterparty Risk: derivative products relating to the trading portfolio	364 867
Other assets / Other items	26 648 802
Settlement Risk	293 170
Total	195 243 881

MARKET RISK

Market risk management at BMCE Bank Group adheres to regulatory standards as defined by supervisory authorities in application of best international management practices as defined by the Basel Accords.

Types of market risk

The Bank differentiates between four types of market risk:
- Interest rate risk;
- Equity risk;
- Foreign currency risk;
- Commodities risk;

And three types of credit risk for market transactions:
- Issuer risk;
- Counterparty risk;
- Settlement risk.

Financial instruments mapping

The following table shows products traded as part of BMCE Bank Group's trading portfolio, mapped by risk factor:

Foreign exchange products	Change cash
	FX spot
	FX forwards
	FX derivatives
	FX swaps
Equity products	Equities
	Equity/index derivatives
	Equity mutual funds
Fixed income products	I- Corporate and interbank loans/ borrowings
	• Fixed rate (MAD and foreign currencies)
	• Floating rate (MAD and foreign currencies)
	II- Negotiable debt securities and other debt securities
	II-1 Sovereign securities
	• Fixed rate (MAD)
	• Floating rate (MAD and foreign currencies)
	II-2 Securities issued by credit institutions and companies
	• Fixed rate (MAD)
	• Floating rate (MAD and foreign currencies)
	III- Stock lending/borrowing
	• Stock lending/borrowing
	• Repos/Reverse repos
	IV- Interest rate derivatives
	• *Interest rate swaps*
	• Swap futures
	• *Forward Rate Agreement*
	V- Fixed income mutual funds
	• Money market mutual funds
	• Bond mutual funds
Commodity derivatives and credit derivatives	Commodity futures
	Commodity futures and options
	Credit default swaps (CDS)
	Credit linked notes (CLN)

GOVERNANCE

The main contributors to BMCE Bank of Africa Group's market risk management policy are as follows:

- General Management, which implements market risk management strategies and policies approved by the Board of Directors;

- The Group Risks Committee, which defines Group market risk management policy and approves any change in steering risks in market operations implemented by any of the Group's entities;

- The Group Market Risks Committee, which ensures that the system for monitoring BMCE Bank of Africa Group's market risks is effective and consistent with policy for managing the Group's market risks;

- The Group Market Risks Department which, as a separate department from the Group's front-office, centralises management of BMCE Bank of Africa Group's market risk; this gives it maximum objectivity in steering market risks and in arbitrating between the different market activities;

- The Risk management units of BMCE Bank of Africa Group entities which ensure first level control of market activities within their own entities and report back to Group Risk Management;

- Internal Audit, which ensures implementation of market risk management policy and rigorous compliance with procedures.

Market risk management system

BMCE Bank Group's market risk management system is based on three main factors:
- Management of limits;
- Risk indicators;
- Capital requirements.

MANAGEMENT OF LIMITS

Counterparty limits in market transactions

The approval process for counterparty limits and applications to overrun those limits in market transactions is governed within BMCE Bank Group of Africa via a system of delegation of powers within a framework of procedures specific to each counterparty type. Monitoring authorised counterparty limits and overruns is carried out individually by the risk management unit within each BMCE Bank Group entity on a daily basis as well as overall by the risk management entity responsible for monitoring and consolidating the Group's exposure in market transactions.

Market limits

In order to control market risk within BMCE Bank Group of Africa and to diversify the trading portfolio, a set of market limits has been jointly adopted by Group Risk Management and each entity's risk management unit. These market limits reflect BMCE Bank Group's risk profile and help to steer market risk management by arbitrating between its various market activities.

The market limits adopted by BMCE Bank are based on a VaR approach and comprise the following:

- Stop-loss limits
- Position limits
- Overall VaR limits
- Capital requirement limits
- Transaction limits

Regulatory limits

In addition to limits adopted for internal purposes, BMCE Bank Group of Africa also complies with regulatory limits defined by Bank Al-Maghrib including:

- Limits on foreign currency positions which should not exceed 10% of shareholders' equity;
- Limits on the overall foreign exchange position which should not exceed 20% of shareholders' equity.

MONITORING MARKET RISK INDICATORS

Value-at-Risk (VaR)-

Value-at-Risk is a technique used to quantify overall market risk. It helps to quantify the risk incurred by calculating the potential loss over a given time horizon and the degree of probability. Unlike traditional risk indicators, Value-at-Risk combines several risk factors and measures their interaction, thereby taking into consideration portfolio diversification.

BMCE Bank Group of Africa uses software to calculate overall Value-at-Risk and VaR by asset class on a daily basis as well as carrying out daily back-testing for a number of methods.

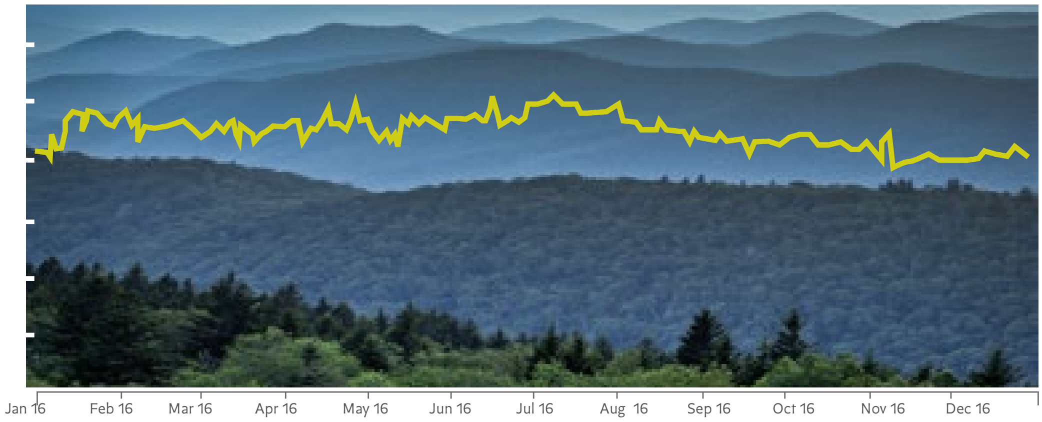
Stress-testing by risk factor

A series of stress tests are conducted on a daily basis for each of the trading portfolio's activities. These stress tests replicate the impact of an extreme situation on the current portfolio by applying hypothetical scenarios or identifying the worst possible situations for the Bank.

The results of stress tests are used to quantify the impact on the Bank's net banking income, capital levels, capital adequacy ratios and Tier 1 capital ratio.

Regulatory stress tests are also conducted on a half-yearly basis as stipulated in technical notice No.01-DSB-2012.

CHANGES IN VAR (1 DAY) GENERAL RISK IN 2016



CAPITAL REQUIREMENTS

BMCE Bank Group of Africa uses the Moody's system to calculate capital requirements under the standardised approach for market risks. This enables it to meet regulatory requirements in terms of reporting and monitor capital requirements regarding the Group's trading portfolio.

The Group's consolidated capital requirements in respect of market risk at 31 December 2016 were as follows:

CAPITAL REQUIREMENTS	CAPITAL REQUIRED
Fixed income risk	709 958
Equity risk	52 431
Foreign exchange risk	29 584
Commodity risk	4 085
Total capital required in respect of market risk	796 058

METHOD FOR VALUING TRADING PORTFOLIO SECURITIES

Dirham-denominated fixed income and money market instruments

Market values of fixed income and money market assets are calculated on Kondor+ using the dirham yield curve for fixed income and money market assets on the basis of the dirham rate curve published by Bank Al-Maghrib and on each transaction's characteristics.

Money market and fixed income mutual funds

A number of mutual funds publish net asset values on a daily basis while others are updated weekly. Mutual funds are valued on the basis of net asset value calculated on a daily or weekly basis.

Foreign currency-denominated fixed income products

Foreign currency-denominated fixed income products are valued on Kondor+ on the basis of the yield curves for the foreign currencies in question and on each transaction's characteristics.

Foreign exchange options

Foreign exchange options are valued on the following basis: volatility curve, yield curves (EUR, MAD and USD) and foreign exchange crosses for the three currencies.

The foreign exchange options position is included in the overall foreign exchange position using the delta equivalent method.

Overall foreign exchange position

The value of foreign exchange positions does not include the 0.2% levied by Bank Al-Maghrib on each spot trade.

Branch-based foreign exchange transactions are executed at BMCE Bank's fixing rate (non-negotiable rate). A final statement of orders awaiting execution is transmitted to the Foreign Exchange Desk on day "N" which deals with it immediately. On "N+1" in the morning, the Middle Office receives a statement comprising possible amendments to branch network positions and updates Kondor+.

Positive Fair Value of Contracts (Guarantees)

Guarantees relating to market risks relate to "repo" agreements. The latter are securities sold under repurchase agreements in order to raise funds.

COUNTRY RISK

In a constantly changing world and within the constraints of the Group's overseas growth strategy and regulatory requirements, the introduction of a country risk management system will enable the Group to identify, measure and control its cross-border risks.

The Country Risk unit's adopted methodology is based on the following points:

Country risk management policy

The country risk management policy aims to define a framework for overseeing all overseas business activities that generate risks for the Bank. It establishes management standards and rules in order to harmonise regulatory requirements and in-company governance.

Country risk reporting

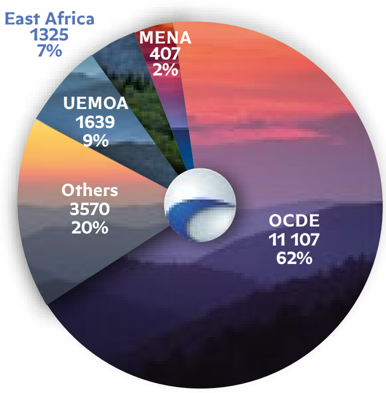
Monthly reporting by overseas subsidiaries and the parent company enables the Group Risks Division to assess each country's potential risk factors and help to establish risk-mitigation strategies.

IDENTIFYING CROSS-BORDER RISKS

BMCE Bank Group is exposed to international risks through the various types of commitment made by the Bank to non-resident counterparties in dirhams or in foreign currencies. These include:

- Loans to non-residents
- Trade finance business
- Foreign assets
- Market operations

Breakdown of country risk exposure by geographical region:



CONSOLIDATION

Country risk commitments are identified in such a way as to establish a position for each subsidiary as well as for the Group, providing an overview of the Group's overall exposure to cross-border risks.

Introduction of an alerts system

This system consists of monitoring regulatory, economic and financial factors by tracking all the prominent events occurring during the week. These items are disseminated to all interested parties in a Monthly Report.

An additional module outlining country risk trends is also disseminated.

Ratings system

BMCE Bank Group bases its country risk assessments on the ratings of external agencies such as Coface, S&P and Moody's.

Setting limits

When establishing country limits for loan commitments, BMCE Bank Group takes into consideration:
- An assessment of an issuer's risk profile;
- Risk appetite;
- The breakdown and diversification of the loan portfolio of each subsidiary and of the Group, while complying with the maximum permitted concentration by country based on a percentage of Tier 1 capital.

These limits are monitored on a permanent basis.

Stress tests

Des stress tests sont réalisés régulièrement afin de s'assurer de la capacité de la Banque à résister à des scénarii de dégradation extrêmes des risques pays et à en mesurer l'impact sur le bilan et sur la rentabilité de la banque et sa solvabilité.

Provisioning

A provision is recognised for country risk whenever it materialises, in the event of debt rescheduling, a political crisis or any other factor which may negatively impact the Bank's profitability.

An annual review is systematically carried out to reassess the country supposedly in default, which may potentially require the Group to recognise a provision.

OPERATIONAL RISK

Operational risk management policy

The Group has adopted an operational risk management policy that aims to:

- Identify, measure and evaluate operational risks;
- Control the risks and evaluate the controls;
- Steer and monitor implementation of preventive and/or corrective action for major risks.

Classification

Operational risks or losses may be analysed and categorised on the basis of three factors: cause, effect - financial impact or otherwise - and event type under Basel.

Links to credit and market risks

The management of operational risks is potentially linked to managing credit and market risks at two levels:

- At a general level, analysis of the Bank's overall level of risk aversion - in terms of allocation of capital - must be carried out and "trans-risks" monitored;
- At a specific level, some operational risks can be directly linked to market risk and credit risk management.

Operational risk management organisation

The framework governing operational risk management within BMCE Group of Africa is based on two main objectives:

- Define a target policy consistent with BMCE Bank Group's business organisation inspired by best practice;
- Involve and empower business lines and subsidiaries in the day-to-day management of operational risk management.

Operational risk management at BMCE Bank Group involves four major entities:

- BMCE Bank's Group Operational Risk Department;
- BMCE Bank's branch network;
- BMCE Bank's business divisions;
- Subsidiaries.

Operational risks coordinators have been appointed by the aforementioned entities. These include:

- Operational Risk Correspondents (CRO);
- Operational Risk Coordinators (CORO);
- Operational Risk Liaison Officers (RRO).

The operational risk management's remit also extends to Group subsidiaries such as Salafin, Maghrébail, Maroc Factoring, RM Experts, BMCE Capital, Tangier Offshore (TOS), BMCE Bank International Plc, BMCE International Madrid, La Congolaise des Banques, BOA France, BMCE Euro Services and Eurafric Information (EAI).

Governance of operational risk management

Governance of operational risks within BMCE Bank Group is organised by three operational risk Committees:

- Group Operational Risk Committee – incorporated within the Group Risks Committee;
- Operational Risk Monitoring (Business Lines) Committee;
- Operational Risk (Subsidiaries) Committee.

These committees are tasked with periodically:

- Reviewing changes in operational risk exposure and in the environment for controlling such risks;
- Identifying the main areas of risk in terms of activities and risk types;
- Defining preventive and corrective action required and its monitoring to contain the level of risk;
- Reviewing the amount of capital to be allocated to operational risks, the cost of preventive action required and the cost of insurance.

Fundamental methodology principles

BMCE Bank Group's operational risk management policy has two strategic objectives:

- Reduce exposure to operational risks;
- Optimise capital requirements relating to hedging operational risks.

The internal system for measuring operational risks is closely linked to the Group's day-to-day risk management process via:

- Collecting risk events;
- Mapping operational risks;
- Key risk indicators.

The senior management of the entity in question, General Management and the Board of Directors are regularly notified of operational risk exposure and any losses incurred.

Internal and/or external auditors are invited to periodically review management processes and systems for measuring operational risk. These audits relate to units' activities and the independent operational risk management function.

Management of operational risks at BMCE Bank Group of Africa has been entirely automated by means of specialised software. This software is used to collect risk events and map operational risks and key risk indicators by the Bank, its Moroccan subsidiaries and, increasingly, its African subsidiaries. To support its implementation, a number of awareness-raising and training initiatives were organised for operational risk staff across the entire Group.

Operational risk control and mitigation

Several types of action may be taken to manage operational risks:

- Reinforce checks;
- Hedge risks, especially via insurance contracts;
- Avoid risks, in particular, by redeploying activities;
- Draw up business continuity plans.

BMCE Group of Africa has a very strong control policy, resulting in a significant reduction in operational risks.

However, in terms of operational risk management, over and above its risk control policy, the Group is at liberty to find the best possible solution on a case by case basis, depending on the different types of risks described above.

Additionally, the Group has insurance policies to mitigate risks such as damage to office buildings, fraud, theft of valuable items and third-party liability cover etc.

Every major risk identified is reported to the Bank's senior management and will result in a corrective and/or preventive action plan whose implementation is monitored by the Operational Risk Monitoring Committee which meets on a quarterly basis.

Risk Aggregation

Under the organisational policy adopted by the Bank which is based on Operational Risk Correspondents, risk events are reported by Basel type - eight business lines - and by loss category for all business lines as well as for Group subsidiaries.

Business Continuity Plan

The Business Continuity plan is a response to the rising demand to minimise the impact in the event of any interruption to the Bank's activities. This is due to increasing reliance on the resources underpinning those activities including human, IT or logistics resources.

The Business Continuity Plan is a set of measures and procedures aimed at ensuring that the Bank, under different crisis scenarios such as a major shock, maintains essential services in fail-soft mode on a temporary basis, prior to a planned resumption of normal operations.

The strategic principles underpinning the Business Continuity Plan are as follows:

- BMCE Bank has a moral responsibility to allow its customers access to the funds that they have entrusted to it. Any breach of this obligation in times of crisis may have an impact on public order. This principle prevails above any other;
- BMCE Bank must guarantee its commitments towards Morocco's interbank clearing system;
- BMCE Bank intends, first and foremost, to comply with all existing legal and contractual commitments entered into - relating to loans and other commitments - prior to entering into any other commitment;
- BMCE Bank intends to maintain its international credibility by guaranteeing, first and foremost, its commitments vis-à-vis foreign correspondents;

BMCE Bank of Africa Group's existing customers take priority over all others.

Services are executed in their entirety, beginning in the front-office and culminating in the back-office - e.g. from branch level up until recognition in accounting terms -.

BCP tests relating to different aspects are conducted on a regular basis.

COMPOSITION OF SHARE CAPITAL AND CAPITAL ADEQUACY

Main characteristics of items constituting shareholders' equity

At 31 December 2016, BMCE Bank's share capital stood at MAD 1,719,633,900 made up of 171,963,390 ordinary shares, each with a nominal value of 10 dirhams. The shares are fully paid-up. Each ordinary share entitles the holder to one voting right.

At 31 December 2016, fixed maturity subordinated debt stood at almost MAD 6.7 billion.

Measurement of capital adequacy

BMCE Bank Group has opted for the standardised approach to calculating risk-weighted assets as prescribed by Bank Al-Maghrib circulars (BAM):

Since 30 June 2014, capital adequacy ratios have been calculated in accordance with Basel III regulatory standards as defined by BAM.

The method for calculating capital was reviewed in the light of these new regulations and temporary measures have been adopted for a period until 2019.

The circulars governing these declarations are as follows:

- Circular No. 26/G/2006 relating to calculating capital requirements based on the standardised approach for hedging credit institutions' credit, market and operational risks;
- Circular No. 8/G/2010 relating to calculating capital requirements based on internal approaches for hedging credit institutions' credit, market and operational risks;
- Circular No. 14/G/13 relating to capital requirements for credit institutions

Composition of capital and capital adequacy ratio

Tier 1 capital	**19 386 843**
Items to be included in Tier 1 capital	**21 519 272**
Share Capital	
Consolidated reserves, including premiums related to share capital and not included in hidden reserves	14 299 893
Retained earnings	
Net income for the previous period	1 126 807
Minority interests	4 297 939
Items to be deducted from Tier 1 capital	**2 132 429**
Goodwill	852 310
Other adjustments to Tier 1 capital	693 084
Immobilisations	285 487
Other deductions	301 549
Additional core capital	**1 185 885**
Perpetual subordinated debt	1 400 000
Items to be deducted from capital	**214 115**
Non-current assets	214 115
Tier 2 capital	**7 353 452**
Perpetual subordinated debt	6 787 394
Revaluation differences	
Investment subsidies	309 673
Hidden reserves	187 613
Items to be deducted from capital	**243 115**
Non-current assets	214 115 29 000
Total	**27 926 180**

Capital Requirements by Risk Type	**2016**
Risk-weighted credit risks	195 243 881
Risk-weighted market risks	9 950 723
Risk-weighted operational assets	21 626 047
Total risk-weighted assets	226 820 651
Tier 1 Capital	20 572 728
Tier 1 Capital ratio	9.1%
Total capital	27 926 180
Capital adequacy ratio	12.3%

BMCE Bank Group's capital adequacy ratio stood at 12.3% at 31 December 2016.

MONITORING OVERSEAS SUBSIDIARIES

The Convergence Programme's implementation phase progressed well in 2016 in line with the Group's goals. This involved ongoing implementation of systems by new subsidiaries so as to expand geographical coverage to the entire Group.

At the end of 2016, an implementation review was carried out by the subsidiaries in Ivory Coast and Senegal to obtain as much feedback as possible and, where appropriate, adjust the system prior to ongoing implementation in 2017.

Credit risk system

The work involved in implementing the credit risk system was aimed at meeting the strategic goals set by Group Risks in accordance with Bank Al-Maghrib's regulatory requirements and the Group's regulatory framework. This work was divided into two parts.

Operational risk management system

The operational risk management system has now been implemented by 17 subsidiaries – BOA Benin, BOA Côte d'Ivoire, BOA Burkina Faso, BOA Senegal, BOA Niger, BOA Mali, BOA Madagascar, BOA France, BOA Togo, BOA DRC, BOA Kenya, BOA Ghana, BOA Uganda, BOA Tanzania, BOA Red Sea, LCB and BBI UK:

- Operational risk maps were finalised and approved at the local level in five areas.

STEERING GROUP RISK PROJECTS

Risk projects management policy

The Group Risks Division centralises project steering and management and Group systems administration within a dedicated Group Risk Project Steering unit. This provides a comprehensive overview of the progress made at the Group level in terms of the Group's cornerstone projects.

The Risk projects management policy, which is implemented across the entire Group, aims to ensure effective and efficient management of Risk projects in line with divisional strategy.

Responsibilities of the Group Risk Project Steering unit

The Group Risk Project Steering unit has the following responsibilities:

- Manage Group Risks – Group Third Party database, Group Business database, Group Commitments database and centralise data, settings, control, handling and reporting
- Centralise the Group risk project portfolio – determine the stakeholders and schedules and identify the extent to which projects are interdependent
- Steer risk projects, select and prioritise projects and monitor the state of progress of all initiatives
- Draw up project factsheets – goals, deliverables and detailed project implementation plans
- Manage alerts and arbitrage applications
- Plan key stages and control project delivery schedules
- Organise, prepare and steer corporate governance bodies
- Monitor data qualification and reliability initiatives

ASSET-LIABILITY MANAGEMENT

Liquidity risk

The Bank's strategy in terms of liquidity risk management is aimed at ensuring that its funding structure is adapted so as to enable it to continue to grow its operations in a stable manner.

An acceptable liquidity level is one that enables the Bank to finance asset growth and fulfil its commitments when they fall due, thereby protecting the Bank from any potential crisis.

Two indicators are used to evaluate the Bank's liquidity profile:

- The Liquidity Coverage Ratio, which stood at 135% on a consolidated basis at 31 December 2016, well above the 70% regulatory limit set by Bank Al-Maghrib for 2016;
- The cumulative liquidity gap profile, the method of periodic or cumulative gaps in dirhams and in foreign currencies, which measures the level of liquidity risk incurred by the Bank over the short, medium and long term.

This method is used to estimate the net refinancing requirements over different time periods and determine an appropriate hedging strategy.

Interest rate risk

Interest rate risk is the risk that future changes in interest rates will negatively impact the Bank's profit margins.
Interest rate risk is measured by conducting simulation-based stress tests under a scenario in which interest rates are raised by 200 basis points as recommended by the Basel Committee.
The Bank's strategy in terms of interest rate risk management is aimed at ensuring earnings stability in the event of changes in interest rates, thereby protecting net interest income and optimising the economic value of equity.
Changes in interest rates may negatively impact net interest income and result in the Bank significantly undershooting its initial projections.
In order to counter such risks, the ALM department regularly steers the Bank's strategy by establishing rules for matching assets and liabilities by maturity and by defining a maximum tolerance deviation limit for net interest income by comparison with projected net banking income.

Sensitivity of the value of the banking portfolio

Simulation-based stress-tests are conducted to measure the impact of changes in interest rates on net interest income and on the economic value of equity.

At 31 December 2016, the impact from a 200 basis point change in interest rates on net banking income was an estimated MAD 101 million or 1.7% of projected 2016 net banking income, well below the 5% limit set by ALCO.

The change in the economic value of equity in the event of a 200 basis point shock was an estimated MAD 11,135 million or 6.7% of regulatory capital, well below the 20% limit set by ALCO.

Group Compliance

BMCE BANK OF AFRICA
Our World is Capital

BMCE Bank Of Africa Group's every action systematically complies with provisions that are specific to banking and financial operations, regardless of whether they are legislative or regulatory by nature, as well as the ethical and professional principles and standards in force. Compliance with these standards and principles underlines the Groups strong commitment to protecting all stakeholders, particularly its customers.

Upholding such commitments is not simply the responsibility of a group of experts but, rather, a culture and state of mind that guides Group's entire staff at all times.

NON-COMPLIANCE RISK

Non-compliance risk, as defined by Group Compliance policy, is the risk of judicial, administrative or disciplinary sanction, significant financial loss or damage to one's reputation, resulting from non-compliance with provisions that are specific to banking and financial operations, regardless of whether they are legislative or regulatory by nature, ethical and professional standards or instructions established by the Group Executive Committee in application of the corporate strategy approved by BMCE Bank of Africa Group's Board of Directors.

In accordance with the Compliance policy approved by the Board of Directors, Group Compliance's involvement is at the BMCE Bank Group level as part of a process of managing, controlling and mitigating non-compliance risk, primarily in relation to:

- Anti-money laundering and countering the financing of terrorism
- Complying with financial embargoes
- Combatting corruption and fraud
- Complying with ethics and professional conduct
- Preventing conflicts of interest and market abuse
- Protecting personal data
- Mitigating non-compliance risk relating to new products and business lines

COMPLIANCE SYSTEM

To ensure that these guidelines are adhered to, the Group has adopted a Compliance system comprising an organisational structure, a standard framework, procedures and information systems.

An effective system for preventing non-compliance risk is based on shared responsibility between business lines and the Compliance function. Each business line is responsible for mitigating non-compliance risks within its remit. Group Compliance's role is to coordinate and advise each business lines.

The Compliance system was bolstered in 2015 to take into consideration regulatory developments and the Group's geographical expansion. As a result, its remit was extended to cover, in addition to its traditional AML/CFT activities and management of financial embargoes, new functional areas such as personal data protection, compliance with FATCA, approving new products and activities and many other issues. As far as its geographical remit is concerned, the major event of 2016 was that work began on establishing a Group-wide Compliance function by forging new ties with subsidiaries and, in particular, applying Group standards at the subsidiary level and introducing a reporting system.

In 2016, the concept of a Compliance 'community' was also introduced, regarded as a major way of fostering a common compliance culture among staff working in Compliance. As a result, an inaugural Group Compliance Community conference was held which was attended by some fifty Compliance Officers from twenty countries in Africa and Europe.

ORGANISATION AND GOVERNANCE OF THE COMPLIANCE FUNCTION

Organisation of the Compliance function

Group Compliance is a separate function that specialises exclusively in managing, controlling and mitigating non-compliance risk. It carries out its duties directly at both the Group and BMCE Bank levels.

Group Compliance, which reports to the Group General Management Committee, consists of three distinct entities:

- BMCE Bank Compliance, which is responsible for managing and mitigating non-compliance risk at the BMCE Bank level;
- Group standards and advisory, whose main responsibility is to devise Group Compliance standards, ensure that they are updated as a function of permanent regulatory developments and oversee projects that have an impact at the Group level;
- Group coordination/steering, whose main responsibility is to ensure coordination between the Group and its different entities regarding Compliance matters.

All Heads of Compliance of each of the Group's fully consolidated subsidiaries report to Group Compliance.

Governance: Group Compliance, from an operational perspective, reports to:

- Group General Management Committee
- Group Audit and Internal Control Committee
- Group Internal Control Coordination Committee

Compliance function's responsibilities: The Compliance function is responsible for devising and implementing the system for managing non-compliance risk at the Group level. It encompasses a number of aspects including:

- Financial security, which encompasses issues such as anti-money laundering (AML) and countering the financing of terrorism (CFT), Know Your Customer (KYC) and compliance with financial embargoes;
- Ethics and professional conduct, which encompasses matters relating to rules of proper conduct, managing conflicts of interest, insider trading incidents, whistle-blowing, the prevention of fraud and corruption and personal data protection;
- Compliance-related advisory, which aims to provide operational entities with the necessary support to perform their duties domestically and overseas and mitigate non-compliance risk;
- Group Compliance steering, which is responsible for enforcing Group standards at the subsidiary level and providing them with assistance and support.

Group Compliance organises and carries out compliance checks in conjunction with the other Compliance-related functions and coordinates the Compliance function at the Group level by providing practical support to each Group entity domiciled in Morocco or overseas.

Anti-money laundering and countering the financing of terrorism (AML/CFT): Given its size, the diversity of its businesses and the strong expansion of its overseas operations, BMCE Bank of Africa Group is faced with a major risk in terms of money laundering and terrorist financing. Its financial and geographical diversity means that the Group is also confronted with a risk of contagion and damage to its reputation should one of its entities become involved in a money laundering or terrorist financing incident. The Group is liable to be inspected by regulators or incur financial and/or administrative penalties in the different countries in which it has operations.

Against a backdrop of regulatory tightening around the world, the Group has been bolstering its AML/CFT system. Several measures were taken in 2016 in this respect, including:

- Increasing the number of head office staff specialising in AML/CFT while recommending that subsidiaries also increase the number of staff specialising in financial security;
- Updating profiling and filtering systems so as to enhance the technical platform and improving functional rules for detection;
- Providing training in AML/CFT to the entire domestic retail banking network and the Group's subsidiaries.

Know Your Customer (KYC): The Know Your Customer operating system, regarded by BMCE Bank of Africa Group as the core of any effective compliance system, was bolstered in 2016 as follows:

- New lists were obtained so as to identify certain customer categories, including politically exposed persons;
- Improvements were made to the branch production system's data dictionary so as to enhance the quality of the data collected from customers at the outset of the customer relationship;
- A vast project was launched to improve the reliability of existing customer data;
- The branch network was provided with greater assistance regarding transaction-related and account-opening risks;
- The KYC system was updated in the wake of discussions with foreign correspondent banks.

Financial embargoes and sanctions: Group Compliance is responsible for ensuring that the Group complies with sanctions lists and adopts a system whereby each entity fully takes on board the restrictions announced by the different international sanctions programmes. The Group Compliance System ensures that all subsidiaries strictly adhere to the applicable sanctions programmes. In this respect, a number of initiatives were undertaken:

- Commercial lists were obtained, highlighting the main sanctions programmes with regular updates provided;
- The subsidiaries in question were briefed about the sanctions programmes;
- Notes aimed at raising awareness were distributed to each Group subsidiary in question regarding compliance with embargoes.

Ethics and professional conduct: Compliance with ethics and professional conduct is a key aspect of the rules of conduct to which all Group employees must adhere. Proper application of procedures by internal and external resources – service providers, temporary staff and interns – is closely monitored.

Training and awareness initiatives relating to ethics and professional conduct are regularly organised for staff by Group Compliance.

Group Compliance is responsible for establishing the ethical principles adopted by BMCE Bank of Africa Group which underpin its Code of Ethics, Rules of Proper Conduct and Gift Policy etc. A Code of Ethics was drawn up by Group Compliance specifying the rules of ethics and professional conduct to be adopted by BMCE Bank of Africa Group when carrying out its duties. The goal is protect the Group's good reputation and ensure that best practice in rules of ethics and professional conduct is applied by the entire staff. Any incident of non-compliance with the requirements of the Code is reported to Management.

Preventing, detecting and managing conflicts of interest: A system for preventing (policies, internal procedures), detecting (whistle-blowing, declaring conflicts of interest) and managing conflicts of interest (internal committees, management rules) is implemented by Compliance in conjunction with other control functions.

Personal data protection: Group Compliance is working on introducing an appropriate system to ensure that the Group complies with the regulatory requirements regarding personal data protection – defining the criteria for processing personal data and obligations regarding respect for the rights of the persons in question when processing and transferring their data.

In 2016, the Group also intensified its efforts at communicating with the branch network and Head Office entities about personal data protection.

Prevention of fraud and corruption:
Fraud prevention is first and foremost the responsibility of the operational and functional entities and their supervisors. The fraud prevention system established by the Group is based on developing an attitude of vigilance regarding the risk of fraud, identifying different types of fraud, frequently appraising fraud risks, incorporating the risk of fraud in operating systems, implementing employee management policies aimed at bolstering fraud prevention and informing staff about any penalties incurred.

In the fight against corruption, the Group has adopted a prevention system based on raising awareness among staff, reporting alerts to senior management – whistle-blowing – and supervising practices relating to employees giving and receiving gifts and benefits.

Compliance-related advisory and regulatory monitoring: In 2016, Group Compliance defined a decentralised system for regulatory monitoring so as to ensure that new regulations applicable to each subsidiary were reported on a regular basis.

Appraising non-compliance risk relating to new products and activities: With the aim of being totally transparent when marketing new products and activities and acting the best interest of customers, Group Compliance analyses the impact from any new product, service or activity proposed by the Group in compliance terms.

The Compliance appraisal procedure for new products and activities provides a framework ensuring that all products and activities marketed by the various distribution channels comply with legal and regulatory requirements. This procedure ensures that Group Compliance approves any new product or activity or any material transformation of an existing product. Group Compliance may issues a notice blocking any new release if there is a material risk to the institution, its customers or its partners.

Advising operational entities: Either Group Compliance or local Compliance functions may be consulted by operational entities to answer any of their enquiries on any compliance-related issue when carrying out their operational activities.

Training: An annual training plan for the branch network was established by Group Compliance tackling issues relating to financial security and ethics and professional conduct.

A wide range of compliance-related training and awareness initiatives are regularly organised by Compliance which includes presentation-based training, e-learning and, in particular, the publication of notes aimed at raising awareness.

2017 OUTLOOK

The Group Compliance system will continue to be bolstered in 2017. The Compliance function will be more closely integrated by:

- Bolstering the Compliance function at the Group level by adopting a proactive approach to managing the community of Compliance Officers;
- Encouraging behavioural change with regard to adopting key concepts;
- Brain-storming about how to best pool resources so as to develop expertise at the Group level and integrate the Compliance function more closely;
- Finalising implementation of the standard Compliance system by each of the Group's consolidated subsidiaries.

2017 will also provide an opportunity to endorse governance of the Compliance function by holding meetings of newly created management bodies. The function's good governance, its independence and its status as an entity reporting directly to the Group's senior management is a regulatory requirement as well as ensuring that the system for protecting the reputation of the Bank and Group is effective.

OUR WORLD IS CAPITAL

Spring in the Atlas Mountains, Morocco

ROYAL RECOGNITION
for Dr Leila MEZIAN, Chairperson

On the occasion of the Feast of the Throne celebrated on 30th July 2016, His Majesty, King Mohammed VI bestowed the Order of Ouissam Alaouite on Dr Leila Mezian Benjelloun, as Chairperson of the BMCE Bank Foundation. BMCE Bank in turn paid tribute to her at the Bank's Head Office on 14th October 2016.

A SLEW OF EDUCATIONAL INITIATIVES
implemented across the Medersat.Com network

In 2016, a new educational system governing Medersat.com schools was introduced which consisted of standardising text books, implementing a new approach to teaching French, introducing the teaching of Mathematics and Earth and Life Sciences in French, implementing a standardised text book for the Tamazight language, boosting the use of new information and communication technologies in teaching practices, training teachers to use new educational approaches particularly with regard to French and Tamazight language teaching, revising school timetables and managing school areas and classrooms as a function of year groups and the time allocated to academic work.

AN EFFECTIVE EDUCATIONAL AND ORGANISATIONAL SYSTEM
implemented in conjunction with the Ministry of National Education

As part of the process of implementing the new educational and organisational system, new teachers were recruited to Medersat.Com network schools. The recruitment and deployment process was managed in close conjunction with the Ministry of National Education's HR Department.

Specific discussions were also held with Delegates from the Ministry of National Education and Directors of Regional Academies of Education and Training (AREF) to ensure that the number of teachers working in network schools remained stable, particularly at the start of the 2016-17 academic year.

In addition to these initiatives, educational supervisors' responsibilities were redefined and a new mode of teaching supervision was adopted in the wake of a Ministry of National Education circular published in June 2016 regarding the appointment and assignment of certified supervisors to Foundation schools. The circular was sent to all Provincial Delegates and AREF Directors.

SUPPORT AND RECOGNITION
for the teaching staff

To enhance the quality of teachers and provide them with the necessary skills, training sessions were organised for French and Tamazight teachers.

Similarly, in a bid to encourage teachers working in Medersat.Com schools to increase their effectiveness and adopt innovative teaching practices, a Merit prize is awarded at the end of each academic year to schools with the best academic results and the best record in terms of a school's environmental, socio-cultural and educational impact.

MULTILINGUAL EDUCATION
a growing interest in other languages

As part of the process of promoting the Tamazight language, the best students from Network schools, selected on the basis of their internal preparatory exams, participated in the Tifinagh Olympiads organised in August by the Ministry of National Education. Our students topped the rankings.

Similarly, as a result of a collaborative project between the Foundation and the Chinese Embassy to Morocco, Mandarin Chinese has been taught in 3 schools since 2015, with around 148 students taking the subject.

INFORMATION SYSTEMS
fully complying with standards

In conjunction with an external consulting firm, the IT system's content and operating settings were redefined to meet the specific educational requirements of Medersat.Com Network schools. Several initiatives were initiated, in particular, upgrading and adapting IT applications, resulting in more effective management of administrative and educational aspects. A new system was also introduced for customising academic results and report cards for Foundation schools.

RENEWED COMMITMENT TO SUPERVISORY VISITS
and monitoring

As part of the ongoing monitoring process, the Director of the Medersat.Com programme organised a number of surprise visits. The purpose was to ensure that schools were functioning properly, establish direct contact with teachers and make the Foundation’s presence felt in schools, ensure that the new educational measures had been adopted by the Network schools from 2015 and ascertain schools’ needs in terms of equipment and teaching materials.

Subsequent to these visits, a report was drawn up, highlighting the incentives and disciplinary measures to be taken as well as the needs in terms of school equipment.

EXTRA-CURRICULAR ACTIVITIES
a well-rooted culture fostering personal growth and development

In order to develop a sense of cultural and artistic awareness in pupils attending Medersat.Com schools and expand the schools’ outreach, various co-curricular activities were organised throughout the academic year. With parental involvement, pupils were able to participate in celebrating the various national and international holidays as well as activities organised to raise awareness about climate change issues as an adjunct to the COP22 conference held in Marrakesh.

APPRAISING ACADEMIC PERFORMANCE
highly commendable results

So as to ensure ongoing improvement, an internal educational audit of academic results was carried out in July 2016 regarding the five core subjects – Arabic, French, Tamazight, Maths and Sciences - with around 9,900 students from 62 Network schools appraised.

The results of the audit were very encouraging overall with 89% of the students appraised obtaining a score that was higher than the average of 5/10, with 61% achieving an average of more than 7/10. In addition, French teachers underwent a written and oral appraisal.

A WELL-FOUNDED REPUTATION IN SUSTAINABLE
and responsible financing

With the new CAP ENERGIE financing solution, the Bank has funded more than 40 companies and, as a result, has enabled its customers to become more competitive on a sustainable basis by making energy efficiency and renewable energy a key part of their strategic development.

In addition to the technical assistance and advice provided to customers, the enormous success of the MorSEFF credit facility resulted in a second EUR 35 million financing line in October 2016, announced at a conference organised by BMCE Bank of Africa and the EBRD on 'Supporting the emergence of a green financial market in Africa'. The conference was attended by leading personalities from African banks and regulatory authorities.

HEAVILY INVOLVED
in COP22

In the days leading up to the COP22 conference, BMCE Bank of Africa became the first bank in Morocco to issue Green Bonds to finance green projects that promote energy efficiency and the use of renewable energy.

Furthermore, a EUR 20 million credit facility agreement was signed with the European Investment Bank and the FMO, the Dutch development bank, as an adjunct to the COP22 conference, to help finance Morocco's circular economy in solid waste collection, recycling and recovery. The facility is to be backed by a technical assistance programme, 75% of which is sponsored by the FMO, as well as an exchange programme in the Netherlands organised by the FMO for the benefit of the Bank and its customers. EUR 11 million of this credit facility had already been taken up prior to the product being marketed.

The Bank also signed a Memorandum of Understanding to establish a credit facility in partnership with the AFD and the EIB to finance adaptation to climate change with an emphasis on industrial waste water treatment in Morocco. This facility will also involve technical assistance.

SOLID COMMITMENT
to CSR best practice

In 2016, BMCE Bank of Africa became the first Moroccan bank to sign up to the United Nations Global Compact, underlining its commitment and support for the ten principles relating to human rights, labour standards, environmental protection and anti-corruption.

During the year, the Bank also subscribed to the 'Mainstreaming Climate Action within Financial Institutions' initiative in conjunction with the EIB, the AFD, the EBRD, HSBC, Yes Bank and others financial institutions.

In 2017, the various credit facilities – MorSEFF II, the waste water product, the solid waste recovery product – will be marketed in addition to the Green Bonds. Inspired by the MorSEFF programme's success, a pilot project will be launched by BOA Senegal to develop a specialised product offering.

NON-FINANCIAL RISKS

One of the Group's strategic priorities is to ensure its sustainability by adopting a holistic approach to risk management incorporating environmental, social and governance (ESG) criteria. Work was carried out in close conjunction with the Group Risks Department aimed at progressively incorporating ESG risks within the Group's operational risk map.

In 2017, this approach will be extended to all areas of corporate social responsibility, thereby effectively incorporating these risks within the Group Risk Management system by adopting a robust approach to identifying, analysing, assessing and monitoring risks.

SOCIAL AND ENVIRONMENTAL MANAGEMENT SYSTEMS

a dedicated organisational approach

In 2016, the Bank calculated the direct greenhouse gas emissions generated by its entire operations in relation to energy consumption, the supply chain, transporting personnel, building construction, waste recycling, and subcontracted work so as to adopt appropriate reduction measures.

This carbon footprint reduction programme was underlined in the Bank's sustainable development policy by means of an integrated management system which includes environmental aspects (ISO 14001 certification), energy aspects (ISO 50001 certification), the international Green Building Solutions Awards 2016, the national Smart Building award as well as HEQ certification granted to BMCE Bank Of Africa Academy's new site.

In 2017, occupational health and safety certification will be renewed with the Bank implementing a number of risk prevention programmes relating to employees' and customers' health and safety. The Bank will apply for renewal of ISO 14001 certification in its latest version, which incorporates all the various requirements for managing direct and indirect environmental impacts. The Bank's greenhouse gas emission report will also be updated so as to measure the effectiveness of the measures taken by the Bank.

MORE AWARDS

international recognition

BMCE Bank of Africa's sustainable development strategy is embodied in a strong and well-embedded CSR system which enables it to surpass the standard regulatory and universal models, drawing inspiration from best international practice.

As a result of the commitment shown by every one of the Bank's business lines to CSR, the Bank was named 'Top Performer, CSR Morocco' by Vigeo-Eiris, a non-financial ratings agency, for the 4th consecutive year in the 'Environment' category. Furthermore, since December 2016, the Bank has been included in the Eiris Vigeo Emerging 70 Index specialising in emerging countries, in recognition of best practice in CSR.

BMCE Bank of Africa was an award winner for the 3rd consecutive year at the CSR Arabia Awards 2016, thereby underlying its status as the first bank in the region to have obtained ISO 500001 certification for its energy management system and the first Moroccan bank and the second in Africa to be awarded HEQ certification from Cerway International Certification for the new BMCE Bank Of Africa Academy head office.

Blue Lake of Biei, Hokkaido, Japan

Group Human Capital

EMPHASIS ON BOLSTERING
HR's Group-wide dimension

In 2016, emphasis was placed on managing human capital on a Group-wide basis. As a result, for the very first time, an HR seminar was organised and attended by each representative of the HR function from the Group's 40 or so subsidiaries. A variety of workshops were organised on significant themes such as (i) strategic HR issues (ii) HR policies and systems (iii) HR risk management (iv) HR information systems (v) growth drivers for the HR community.

A Community Management approach was also adopted aimed at fostering a culture of dialogue within the Group Human Capital community.

As part of a process of developing intra-Group HR synergies, one of the highlights of 2016 was the sourcing of some 300 job applications for posts in the Group's Moroccan subsidiaries.

In addition, there were 20 intra-Group secondments, including 9 from the parent company to overseas subsidiaries, 5 to Moroccan subsidiaries and 6 cases of repatriation.

On a different note, 2016 saw new certification programmes launched for some of the Group's Head Office functions.

BUSINESS DEVELOPMENT
a priority for HR

In 2016, to support the expansion of the Bank's commercial network with the opening of 28 new branches and 5 business centres, the Bank promoted about one hundred staff to the ranks of Branch Manager or Customer Adviser.

341 staff were recruited to bolster sales and Head Office operations – by both the parent company and subsidiaries – as well as certain support functions.

At the same time, around 1,260 students (23% of the workforce) from various schools and universities completed one- to six-month internships within BMCE Bank's various entities. In a bid to boost youth employment, about 10 jobs were offered to interns.

MANAGING STAFFING
levels pro-actively

In 2016, to ensure that the Jobs and Competencies Framework met the needs of the different banking business lines, a project was initiated to redesign the Framework and align it more closely with the GPBM framework.

The latter is the cornerstone of all HR systems, in particular (i) career management (ii) workforce planning in terms of jobs and competencies (iii) performance management (iv) managing high-fliers and (v) recruitment. It is intended that this project will be extended to the Group level.

In operational terms, 33% of the Bank's staff either changed posts or were promoted, resulting in 1,712 internal transfers.

To boost the Group's managerial culture, the 'MBONGWANA' programme was designed for LCB Bank.

TRAINING
the cornerstone of development

18,554 man-hours of training were provided in 2016 benefiting 66% of the Bank's workforce. The training was focused primarily on banking business lines (66%), support for new hires (14%), regulatory-related training (15%) and personal development training (19%). Furthermore, 82% of those benefiting from these training courses were from the Network.

As far as diploma-based training was concerned, 63 employees pursued their studies for the ITB and Banking Diploma via an e-learning approach. To support the Group's increasingly international profile, 289 employees or 5% of the workforce attended English and Spanish classes.

So as to standardise the training process for new hires, the Bank leveraged its partnership with the OFPPT to train 79 students for banking business lines.

Similarly, more than one hundred Senior Managers from Corporate Banking and Assistant Directors participated in the M4Banking programme, designed to foster in participants a sense of value creation, boost teamwork and reinforce interpersonal skills.

In 2016, the newly-established Risk Academy, in conjunction with the Association in Risk Management (AMRAE), launched a number of courses aimed at bolstering the risk control culture across the Group. These included: (i) the 2nd ARM 54 programme for 21 Risk Managers, (ii) the 1st ARM 56 programme attended by 35 participants and (iii) the 1st ARM 54 programme in English for 15 employees at the Group level.

In addition, one of the innovations of 2016 was the launch of the Culture4.Banking programme for 150 Managers (50% of whom were from Head Office departments and 50% from the commercial network). This programme is aimed at fostering a transversal managerial culture across Head Office departments and the Network.

STRONG EMPHASIS
on employees' welfare

Enhancing staff benefits and employees' welfare is a key priority when it comes to the Bank's commitment to its employees and has the entire support of trade union organisations. A number of agreements were therefore signed for employees' benefit, giving them preferential terms when booking hotels or purchasing clothes, among other things.

Another important aspect during the year was to improve healthcare coverage for employees and their families. As a result, an agreement was signed with Sphera Global Healthcare, a specialist in healthcare marketing, in person or remotely.

In addition, the BMCE Bank Club continued to organise a series of cultural and sporting activities for employees' children such as Swimming School and Music School as well as a morning for handicapped children.

CHANGES IN THE WORKFORCE REFLECTING TRENDS
in the underlying business

In 2016, the Group's workforce grew by 3% versus 2015 to 14,112 employees. This was primarily due to the expansion of the business in sub-Saharan Africa.

At the Group level, 1,223 persons were recruited in 2016 to meet the needs of the business and employees leaving the company.

BMCE Bank's total workforce stood at 5,294 employees at 31st December 2016, up 2.5% versus end-December 2015. Approximately three-quarters of employees are employed within the distribution network.

Consistent with the Group's commitment to promoting gender equality, the percentage of female employees increased to more than 38% in 2016 versus 34% in 2012.

Public Relations

HEAVILY COMMITTED
to promoting culture

BMCE Bank, which is heavily committed to sponsoring Morocco's cultural scene, continues to provide financial support to a number of well-known domestic and international festivals and art exhibitions.

In 2016, the Bank sponsored the Nador International Festival of Cinema and Remembrance, the Fez Festival of World Sacred Music, a photographic and cultural exhibition about the three kings, an exhibition of paintings by Mr Youssef Benjelloun and Mrs Aziza Kadiri, the Agadir Timitar Signs & Culture Festival, the Ifrane International Festival, the Nador Eastern Comedy Festival, the Nador Mediterranean Festival, the « *Oriental Evolution* » Ballet, the Marrakesh International Film Festival, the Jazz under the Argan Tree Festival in Essaouira. The Bank also contributed to the making of 'Exporting Morocco, *Made in Morocco & Made in Africa*'.

A STRONG SHOWING
at trade fairs and exhibitions

Each year, BMCE Bank supports a number of economic events that are aimed at forging closer relations with strategic partners in value added sectors with strong growth potential. In 2016, it participated in the Africa Directors Club Forum, the African Entrepreneurship Award (AEA), the Study in France Expo, the Morocco Solar Power Expo, the Jobs and Professions Caravan, the Hassania College's Junior Enterprise entrepreneurship competition, the Pharmacists' International Fair, the CECODEl Entrepreneurship competition, the Medical Expo 2016, the Meknes International Agricultural Fair, the Regional Meetings of the Housing Industry, the ENCG Settat Art Symposium, the Casablanca Bar's Open Days, the Fashion.be fashion show, the National Conference of Doctors, the Automotive Sub-contracting Fair, the « *Morocco, Your Footprint in Africa* » conference in London, the Logismed Fair, the Eastern Region's dentists' conference, the Small Business International Forum, the Economic Forum of the Chambers of Industry and Business Leaders of Arab Maghreb Union countries, the International Conference on One-Stop Shops, the MedCop Climate conference, the Italian Design and Technology Trade Fair – Medinit Expo 2016, the Conference of Business Leaders of the Sous-Massa Region, the COP 22 Conference in Marrakesh, the Elect Expo 2016 International Trade Fair, the Timitar Festival, the Sakane Expo property fair and the International Fruit and Vegetables Trade Fair.

STRONG SUPPORT
for non-profit organisations and foundations

Strong support for non-profit organisations and foundations

BMCE Bank continues to strive to serve humanitarian causes by making charitable donations or purchasing tickets on behalf of non-profit organisations and foundations that work tirelessly for noble causes. Among these were the Diplomatic Foundation to which the Bank contributed financially to setting up a provisional shelter for sub-Saharan Africa's most vulnerable migrants into Morocco, the PEEP Association, the Association of Public Sector Doctors in the Northern and Central Regions, the Noujoum Association's 5 kilometre run, the Foundation for Managing the Mohammed VI National Centre for Handicapped Persons, L'avenir - the Association of Parents and Friends of children suffering from cancer, the Bouregreg Association, the Arts and Crafts Association, the ISCAE association promoting cultural exchange, the Handi Equality and Development Association, the Ibdaate Biladi Art and Culture Association, Heure Joyeuse, the Voix de Femmes Association, the Cooperative Studies Centre for Local Development (CECODEl), International Women's Day, the General Confederation of Moroccan Businesses (CGEM), the Agadir Regional Tourism Council and the Green Building & City Solutions Awards Cluster. The Bank also made a financial contribution to the Ramadan 1437 charitable initiative, Diapason, the Association fighting to reduce the school drop-out rate and Sidaction Maroc 2016 - the National Solidarity Initiative to combat AIDS.

Objectif, Maghreb Secours' quarterly review, the annual publication of Friends of Morocco's Ponts et Chaussée engineering college, the magazine of Louis Massignon, a French high school as well as the magazine Fissa3 Hebdo from ISCAE all received financial aid in return for advertising space.

The Bank also purchased tickets for evening events such as an Evening of Hope, organised by AGIR, a non-profit organisation providing support to paediatric patients suffering from cancer and blood disorders, the Andalusian and Malhoune Bajdoub musical evening and an event organised by the Riad Zitoun School which runs literacy courses and vocational training for young girls.

In addition, in support of an initiative by the Mohammed VI Foundation for Environmental Protection, personally sponsored by Her Royal Highness Princess Laila Hasnaa, BMCE Bank also made a considerable contribution to the Clean Beaches campaign, providing technical as well as financial assistance, aimed at cleaning up and livening up the beaches in the town of El Harhoura.

A FLAIR
for sport

The Bank's ongoing commitment to sponsoring sporting events enhances its reputation and underlines the importance of the BMCE Bank brand.

In 2016, BMCE Bank sponsored a number of sporting events including the Mohammed VI Football Academy, the Terry Fox run organised by L'Avenir - the Association of Parents and Friends of children suffering from cancer, the Hassan II Golf Trophy, an expedition to climb the volcanic peaks of the Andes Mountains, the Fez International Bridge Festival, the tennis tournament of the Casablanca Airports' Cultural and Sports Club, the Moulay El Hassan International Circuit Grand Prix, the « Driver Cup » - the Automobile Industry's International Golf Trophy, the Moroccan Equestrian Trophy as well as a swimming marathon across the Gibraltar straits.

African Entrepreneurship Award

BMCE Bank Of Africa, a pioneer in promoting entrepreneurship

Officially announced at the Global Entrepreneurship Summit held in November 2014 in Marrakesh, the African Entrepreneurship Award (AEA), in its second year, was awarded to a dozen or so prize winners hailing from the entire continent.

With an annual budget of USD 1 million, the Award is testimony to the importance placed by BMCE Bank of Africa on the continent's economic development. It aims to reward Africa's best entrepreneurship projects which have a lasting and sustainable social impact in education, the environment and innovation.

Organising this Award was simply a logical step given the Bank's forward-looking vision and track record in environmental protection, which has been a hallmark of its policy. It also acknowledges the pivotal role that entrepreneurship will need to play in Africa's development and the Group's ambition in promoting its development in Africa, by Africans and for Africans.

At the awards ceremony presided by Mr Othman Benjelloun, Chairman of BMCE Bank Of Africa Group and attended by eminent members of Rabat's diplomatic corps, recognition was given in particular to the collaborative work which has made this second year such a success.

Mentoring has proven to be the key factor behind the AEA's success. In 2016, more than 220 partner mentors from a variety of backgrounds - universities, incubators, business angels and investors - guided the young entrepreneurs and helped them to embody their projects and ideas.

Almost 7,000 entrepreneurs in 2 years

In terms of figures, the second AEA, launched in February 2016, attracted nearly 4,000 entrepreneurs from 105 countries, including 54 African countries. The participation rate in 2016 recorded a 33% increase compared to the first year's competition. Since being launched in 2015, more than 10,000 entrepreneurs have submitted applications via the AEA website.

The programme also extended its partner network to more than 220 partner-mentors, representing 35 nationalities from Africa, Europe, Asia and North America.

In its second year, 37 finalists competed from 22 countries – in 2015, there were 34 finalists from 15 countries. They were coached by 8 mentors during the Boot Camp – 6 coaches in 2015. The Boot Camp gave the entrepreneurs an opportunity to share their values in a collegiate environment marked by a strong sense of team spirit.

The candidates spent four days together from 30th November to 3rd December 2016. At the end of this period, 11 winners were selected by a jury made up of well-known business leaders and entrepreneurs.

11 award winners

The first prize, worth USD 150,000, was awarded to Mahmud Johnson of Liberia in the Environment category for his project on products made from palm oil, to Jennifer Shigoli of Tanzania in the Education category for her project on reusable sanitary towels and to Abdeladim Moumen of Morocco in the Unchartered Category for his project on diagnostic kits for infectious diseases.

The second prize, worth USD 100,000, was awarded to Ernie Aylward of South Africa in the Environment category for his electric mini taxi project, to Abideen Adelu of Nigeria in the Education category for his mobile app enabling students to test themselves and to Joyce Kyalema from Uganda in the Unchartered Category for her pumpkin seeds business.

Worth USD 50,000, Pioneer Awards were given to Frederico Peres da Silva from Mozambique for his project aimed at connecting workers in the informal sector, to Achiri Nji of Cameroon, for his app enabling buses to be tracked instantaneously, to Benti Gelalcha from Ethiopia for his project on veterinary ambulatory services, to Murtula Sanni of Nigeria for his platform for skilled craftsmen and to Omar Kadiri from Morocco.

The award winners pursue a customised mentoring programme designed to help them plan, launch and grow their enterprises.

It is worth recalling that, in 2015, 10 entrepreneurs from 8 African countries shared the USD 1 million prize money. Of these 10 award winners, 9 successfully reached the milestones required of them subsequent to them receiving their award.

A number of 'takeaways' for BMCE Bank of Africa

Based on about 15 key principles – volunteer mentoring, partnerships, creating an entrepreneurial ecosystem, process transparency, an innovative digital platform, commitment to effective and sustainable learning, a logo that evokes Value and Potential, a collegial and friendly approach – the AEA aims to create a corpus of knowledge that will enable it to become, over the long-term, 'tomorrow's bank' as well as gaining a better understanding of the needs of small businesses in Africa.

This type of initiative will therefore serve as a springboard for entrepreneurship across the entire African continent via distribution channels that are branded 'Bank of Africa' and 'BMCE Bank' as well as 'Banque de Developpement du Mali', 'La Congolaise de Banque' and the Group's Moroccan subsidiaries.

Financial Report

BMCE BANK OF AFRICA
Our World is Capital

Dear Shareholders, Ladies and Gentlemen,

We are honoured to invite you to the Annual General Meeting of Shareholders in accordance with the Memorandum and Articles of Association and the amended Act 17-95 relating to limited companies and Articles 29 and seq. of BMCE Bank's Memorandum and Articles of Association in order to report on BMCE Bank's business activity and results for the period ended 31 December 2016 and its future prospects and to submit, for your approval, the balance sheet and financial statements for the said period.

These financial statements are attached to this report.

The statutory notices have been sent to you on a regular basis and all documents and items required by current regulations are made available to shareholders within the requisite periods.

CONSOLIDATED RESULTS AND BALANCE SHEET INDICATORS

BMCE Bank of Africa Group's financial performance

BMCE Bank of Africa Group's total assets rose by 9.5% year-on-year to MAD 306.0 billion at 31 December 2016. Total assets breached the MAD 300 billion mark for the first time.

BMCE Bank Group's shareholders' equity rose by 7% to MAD 18.3 billion at 31 December 2016 versus MAD 17.0 billion in 2015.

The scope of consolidation was broadly stable between 2015 and 2016. The Group saw its stake in BOA Group diluted from 75% to 72.8% following an equity issue by the latter reserved for a minority shareholder.

Consolidated loans grew by 3.7% from MAD 173.3 billion in 2015 to MAD 179.8 billion in 2016. Restated for money market repurchase agreements, loans increased by 8.5%.

Customer deposits grew by 6.6% over the same period to MAD 190 billion versus MAD 178.2 billion in 2015.

To bolster its equity, the Bank issued MAD 2 billion of subordinated debt on the domestic market in June 2016, which enabled it to bolster its capital adequacy ratio.

Regarding its consolidated financial performance, net banking income rose by 10% year-on-year to MAD 12,990 million versus MAD 11,817 million in 2015. Growth was driven by the performance of market operations (+86%) and an 8% increase in net interest income and fee income.

Gross operating income rose by almost 15% to MAD 5,615 million at 31 December 2016.

The cost of risk increased by 12% to MAD 1,616 million versus MAD 1,440 million in 2015.

Net income attributable to shareholders of the parent company rose by 4% to MAD 2,036 million in 2016 versus MAD 1,956 million in 2015, breaching the MAD 2 billion mark. Consolidated ROE was 12.6%.

Net income (Group) was 7% higher at MAD 2,835 million in 2016 versus MAD 2,655 million in 2015.

CONTRIBUTION TO NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY BY BUSINESS LINE

Contributions to BMCE Bank Group's net income attributable to shareholders of the parent company by business line are shown below:

Consolidated contributions	dec.-15	%	dec.-16	%	Change
MOROCCAN OPERATIONS	**1 177**	**60%**	**1 192**	**59%**	**1%**
BMCE BANK	845	43%	814	40%	-4%
SUBSIDIARIES	**331**	**17%**	**378**	**19%**	**14%**
SPECIALISED FINANCIAL SERVICES	174	9%	188	9%	8%
INVESTMENT BANKING	110	6%	141	7%	28%
OTHERS	48	2%	49	2.4%	3%
OVERSEAS OPERATIONS	**779**	**40%**	**844**	**41%**	**8%**
EUROPE	171	8.7%	183	9.0%	7%
AFRICA	608	31%	661	32%	9%
NET INCOME	**1 956**	**100%**	**2 036**	**100%**	**4%**

Moroccan operations accounted for 59% of total net income attributable to shareholders of the parent company, broadly unchanged on the previous year.

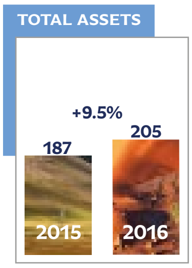
Overseas operations saw their contribution to total net income attributable to shareholders of the parent company rise by 8% to 41%

African operations accounted for 32% of total net income attributable to shareholders of the parent company, up 9% on 2015.

RESULTS AND CONTRIBUTIONS FROM BMCE BANK SA'S OPERATIONS

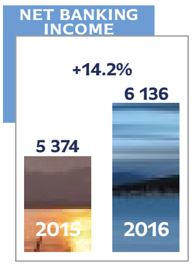
BMCE Bank SA's total assets rose by 9.4% to MAD 205 billion at 31 December 2016 versus MAD 187.0 billion at 31 December 2015, breaching the MAD 200 billion mark for the first time.

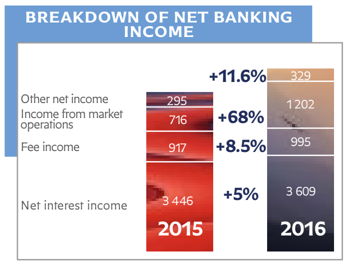
The Bank's net banking income increased by 14.2% from MAD 5,374 million at 31 December 2015 to MAD 6,136 million at 31 December 2016. This was due to a combination of factors:



A significant rise in income from market operations (+68% compared to 31 December 2015) due to the performance of the fixed income portfolio

An increase of almost 5% in net interest income

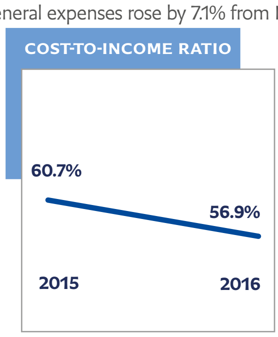


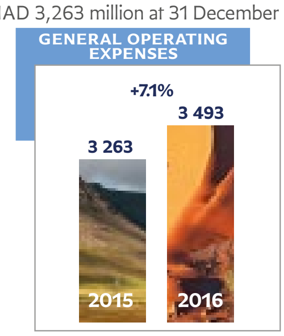


21% growth in dividends (+MAD 89 million) to MAD 512 million in 2016 versus MAD 423 million in 2015

An 8.5% increase in fee income

General expenses rose by 7.1% from MAD 3,263 million at 31 December

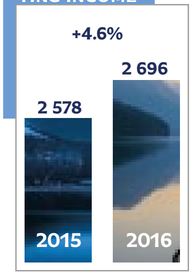




2015 to MAD 3,493 million at 31 December 2016, less rapidly than growth in net banking income. As a result, the cost-to-income ratio contracted by 3.8 points to 56.9% at 31 December 2016.

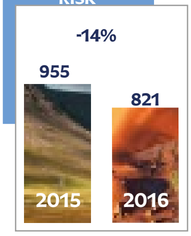
Gross operating income grew by 4.6% to MAD 2,696 million in 2016 versus MAD 2,578 million in 2015, after factoring in a write-back of the balance of the provision for its holding in BIH totalling MAD 206 million versus MAD 380 million in 2015.

GROSS OPERATING INCOME



The total cost of risk was MAD 821 million versus MAD 955 million at 31 December 2015.

TOTAL COST OF RISK



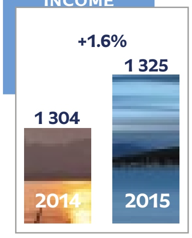
Loan loss provisions stood at MAD 1,142 million versus MAD 1,304 million at 31 December 2015, down 12.4%

Write-backs fell by 10% to MAD 382 million versus MAD 424 million in 2015

A general risk provision of MAD 59 million net (MAD 94 million gross) was booked in 2016 versus MAD 65 million net (MAD 103 million gross) in 2015.

BMCE Bank SA's net income rose by 1.6% to MAD 1,325 million at 31 December 2016 versus MAD 1,304 million at 31 December 2014.

PARENT NET INCOME

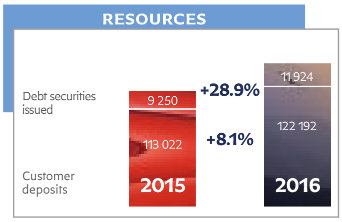


HIGHLIGHTS OF THE BANK'S MOROCCAN OPERATIONS

• The Bank's resources

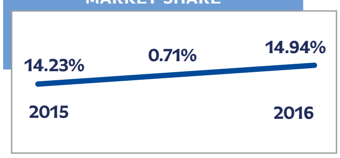
The Bank's resources – customer deposits and debt securities issued – rose by 9.6% to MAD 135 billion at 31 December 2016 versus MAD 123 billion at 31 December 2015, resulting in a 0.71% market share gain to 14.94% in 2016 versus 14.23% in 2015.

RESOURCES



Customer deposits grew by 8.1% to MAD 122 billion, resulting in a market share of 14.53% at 31 December 2016, up 0.48%.

MARKET SHARE

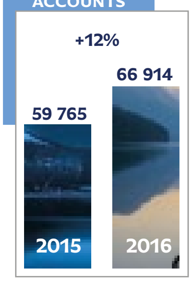


In terms of the deposit breakdown, interest-bearing deposits accounted for 52.5% of total deposits at 31 December 2016 versus 52.1% at 31 December 2015.

Sight deposit accounts in credit increased by 12.0%. Cheque accounts outperformed the industry, registering a 9.8% rise (versus +8.6% at industry level) from MAD 44.6 billion in 2015 to MAD 49 billion in 2016.

Similarly, current accounts rose by 18.2% to MAD 17.9 billion at 31 December 2016 versus MAD 15.2 billion at 31 December 2015.

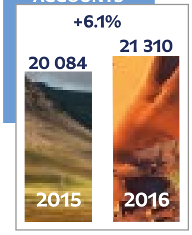
SIGHT DEPOSIT ACCOUNTS



The market share of sight deposit accounts in credit rose by 0.49% to 13.39% at 31 December 2016 versus 12.90% at 31 December 2015.

Passbook savings accounts grew by 6.1%, more rapidly than at industry level (+5.6%) to MAD 21.3 billion in 2016 versus MAD 20.0 billion in 2015.

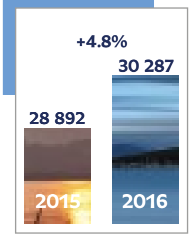
SAVINGS ACCOUNTS



The market share of passbook savings accounts was 14.68% at 31 December 2016 versus 14.62% in 2015.

Term deposits increased by 4.8% to MAD 30.2 billion at 31 December 2016.

TERM DEPOSITS



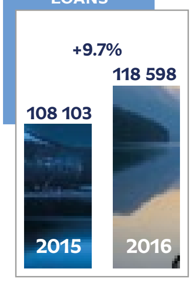
The market share of term deposits was 18.29% at 31 December 2016 versus 16.38% at 31 December 2015.

• Customer loans

Les crédits de la Banque enregistrent une hausse de +9,7% (contre +4% pour le secteur), pour s'établir à 119 MMDH à fin 2016 contre 108 MMDH à fin 2015. En termes de parts de marché de crédits, celle-ci s'est améliorée de +0,66p%, passant de 14,28% à fin 2015 à 14,94% à fin 2016.

Bank loans rose by 9.7% (versus +4.0% at industry level) to MAD 119 billion at 31 December 2016 versus MAD 108.1 billion at 31 December 2015. In terms of market share, customer loans increased by 0.66% from 14.28% at 31 December 2015 to 14.94% in 2016.

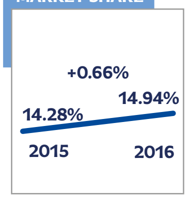
CUSTOMER LOANS



Retail loans grew by 5.4% or almost MAD 2 billion from MAD 36.5 billion in 2015 to MAD 38.5 billion at 31 December 2016.

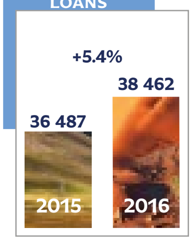
This was primarily due to a 5.8% or MAD 1.6 billion increase in retail property loans (versus +4.5% at industry level) while consumer loans rose by 4.4% or almost MAD 0.4 billion.

MARKET SHARE



The market share of retail property loans rose by 0.15% to 15.14% at 31 December 2016 from 15.0% in 2015. Consumer loans saw their market share fall by 0.21% to 20.13% at 31 December 2016.

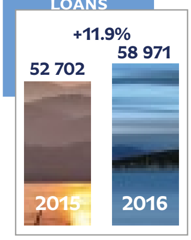
CUSTOMER LOANS



Corporate loans increased by 11.9% year-on-year to MAD 59 billion in 2016. This was primarily due to growth of almost MAD 4 billion in equipment loans and MAD 2.7 billion in operating loans. Real estate development loans, by contrast, fell by 4.3% (versus -4.5% at industry level).

The market share of operating loans and equipment loans increased by 1.4% to 14.23% at 31 December 2016 versus 12.83% in 2015. The market share of real estate development loans was broadly unchanged at 15.66% at 31 December 2016.

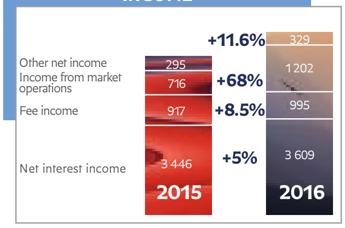
CORPORATE LOANS



NET BANKING INCOME

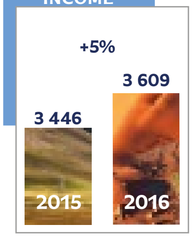
BMCE Bank SA's net banking income rose by 14.2% to MAD 6,136 million in 2016 versus MAD 5,374 million in 2015.

BREAKDOWN OF NET BANKING INCOME



Net interest income rose by 5.0% year-on-year from MAD 3,446 million in 2015 to MAD 3,609 million in 2016. This was due to:

NET INTEREST INCOME



A 10% improvement in the Bank's intermediation margin on customer loans due to:

A 12.4% increase (+MAD 6.6 billion) in average non-interest-bearing deposits driven primarily by a rise in cheque accounts and current accounts.

A decline in average interest-bearing deposits as a result of a 33.8% fall (-MAD 3.5 billion) in average certificates of deposit together with a steep decline in average remuneration rates on passbook savings accounts to 1.88% at 31 December 2016 versus 2.28% in 2015 and on term deposits to 3.68% at 31 December 2016 versus 4.02% at 31 December 2015.

The Bank's total funding costs improved by 29 basis points compared to 2015 to 1.52% at 31 December 2016 versus 1.81% in 2015.

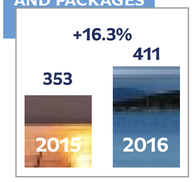
In addition, average loan outstandings rose by 7.4% (+MAD 7.3 billion) in 2016.

ii- A decline in the cash margin following the Bank's return to the money market for its refinancing needs in the wake of the rising cost of subordinated debt due to the Bank issuing a further MAD 2 billion of subordinated notes in 2016.

Fee income

Fee income rose by almost 8.5% to MAD 995 million at 31 December 2016 versus MAD 917 million at 31 December 2015, primarily due to:

FEES FROM ACCOUNT MAINTENANCE, PAYMENT CARDS AND PACKAGES

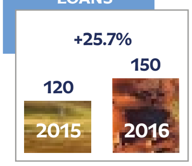


- A MAD 47 million rise in fees from account maintenance and packages primarily due to an increase in inventory of packages sold.

- An 11% (+MAD 10 million) increase in payment card fees primarily due to an increase in royalties on the Visa Gold Card.

- Fees from loans rose by 26% or MAD 31 million mainly as a result of fees from personal loan overruns (+MAD 20 million).

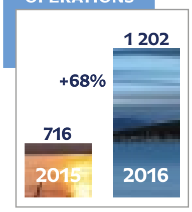
FEES FROM LOANS



• Income from market operations

Income from market operations rose by 68% to MAD 1,202 million at 31 December 2016 versus MAD 716 million at 31 December 2015 due to:

INCOME FROM MARKET OPERATIONS



- A rise in the mutual fund portfolio's yield from 2.9% to 3.4% resulting in increased capital gains in 2016, against a backdrop of declining Treasury bond yields together with proactive management of the market portfolio.

- Revaluation of the Treasury bond portfolio revealed an unrealised capital loss of almost MAD 196.5 million at 31 December 2016.

- Stock market gains in 2016 boosted the performance of the Maroc Valeurs equity mutual fund which registered a gain of MAD 73.4 million in 2016 versus a loss of MAD 15.7 million in 2015.

GENERAL OPERATING EXPENSES

General operating expenses rose by 7.1% to MAD 3,493 million at 31 December 2016 versus MAD 3,263 million at 31 December 2015.

- Employee expenses increased by 5.9% to MAD 1,540 million in 2016 due to a 2.5% rise in the number of employees (+129 FTE) in 2016, taking the total number of staff to 5,294 employees at 31 December 2016 in addition to an increase in staff bonuses.

- Other operating expenses rose by 8% from MAD 1,808 million in 2015 to MAD 1,953 million in 2016, mainly due to:

  - An increase in the number of branches (26 new branches were opened), resulting in additional operating expenses (lease purchase agreements, specialised lines etc.) and

  - Higher taxes resulting from the acquisition of property as dations in payment and from repurchase agreements with customers.

The cost-to-income ratio improved by 3.8 points to 56.9% at 31 December 2016 versus 60.7% at 31 December 2015.

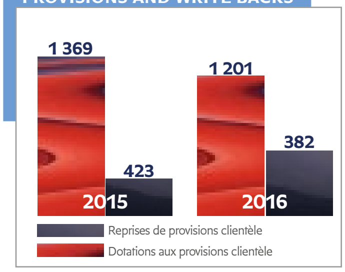
COST OF RISK

The total cost of risk fell by 14% to MAD 821 million at 31 December 2016 versus MAD 955 million at 31 December 2015.

Net additional loan loss provisions amounted to MAD 1,201 million at 31 December 2016 versus MAD 1,369 million at 31 December 2015. It is worth noting that a general risk provision of MAD 59 million net (MAD 94 million gross) was booked in 2016 versus MAD 65 million net (MAD 103 million gross) in 2015.

Write-backs fell by 10% to MAD 382 million in 2016 versus MAD 423 million in 2015.

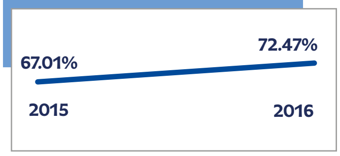
ADDITIONAL LOAN LOSS PROVISIONS AND WRITE-BACKS



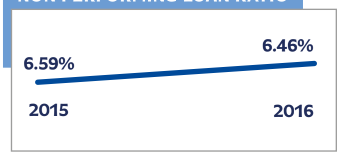
Outstanding provisions for non-performing loans increased by 16.3% from MAD 4,776 million in 2015 to MAD 5,556 million in 2016.

The loan-loss provision coverage ratio increased 67.01% at 31 December 2015 to 72.47% at 31 December 2016 and the non-performing loan ratio declined from 6.59% at 31 December 2015 to 6.46% at 31 December 2016.

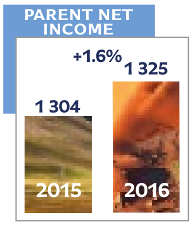
COVERAGE RATIO



NON-PERFORMING LOAN RATIO



NET INCOME



BMCE Bank S.A's net income rose by 1.6% to MAD 1,325 million at 31 December 2014 versus MAD 1,304 million at 31 December 2015.

SPECIALISED FINANCIAL SERVICES

Contribution	SPECIA-LISED FINANCIAL SERVICES		SALAFIN		Maghrébail		M.Factoring		RM Experts		Euler Hermes Acmar	
SPECIALISED FINANCIAL SERVICES	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15
Consolidated net banking income	785	644	249.8	245.9	300.4	463.7	94.0	70.3	0.0	4.8	na	na
Change	22%			-2%		54%		-25%				
General expenses	-232	-219	-91.0	-93.0	-70.7	-81.9	-17.3	-17.5	-39.8	-39.1	na	na
Change	-6%			-2%		-16%		-1%		2%		
Cost of risk	-86	45	-52.9	-46.7	91.5	-46.6	6.5	7.2	na	na	na	na
Change	-291%			12%		-151%		12%				
Net income	188	174	87.1	95.1	59.7	72.5	20.9	17.8	0.7	0.3	5.5	2.3
Change	8%			9%		22%		-15%		-52%		-58%

The Specialised Financial Services business line accounted for 9% of net income attributable to shareholders of the parent company. Its contribution rose by 8% in 2016.

Salafin saw its parent net income rise by 10.6% to MAD 138.5 million due to 4.7% growth in net banking income, good control of general operating expenses and an 11.5% drop in the cost of risk compared to 2015. Its contribution to net income attributable to shareholders of the parent company increased by 9% year-on-year from MAD 87.1 million to MAD 95.0 million.

Maghrébail's parent net income increased by 35% year-on-year to MAD 87 million. Its contribution to net income attributable to shareholders of the parent company rose by 22%.

Maroc Factoring's parent net income declined by 2% to MAD 15.1 million in 2016. Its contribution to consolidated net income attributable to shareholders of the parent company was MAD 17.8 million in 2016 versus MAD 21 million the previous year. This decline was due to the company's decision to overhaul its business model to enable it to optimise its equity capital and leverage the expertise that it has acquired over the years in factoring.

RM Experts' parent net income was MAD 6.3 million in 2016 versus MAD 8.4 million in 2015.

INVESTMENT BANKING AND ASSET MANAGEMENT

Contribution	INVEST-MENT BANKING		BMCE Capital		BK Bourse		BK Gestion	
Investment Banking & Asset Management	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15
Consolidated net banking income	393.9	344.4	185.0	195.7	17.9	35.1	141.5	163.1
Change	14%			6%		96%		15%
General expenses	-288.0	-267.7	-216.5	-229.6	-13.0	-16.2	-38.2	-42.2
Change	-8%			-6%		-24%		-10%
Cost of risk	-1.5	-6.4	-6.4	-1.5	0.0	0.0	0.0	0.0
Change	76%			76%				
Net income	141.1	110.1	48.2	56.5	1.0	12.2	60.9	72.3
Change	28%			17%				19%

The Investment Banking & Asset Management business line accounted for almost 7% of net income attributable to shareholders of the parent company. Its contribution rose by 28% from MAD 110.1 million in 2015 to MAD 141 million in 2016, due to a strong performance from BMCE Capital Gestion and exceptional items at BMCE Capital Bourse.

BMCE Capital's contribution to consolidated net income attributable to shareholders of the parent company grew by 17%.

BMCE Capital Bourse posted parent net income of MAD 25 million thanks to two extraordinary items: (i) MAD 18.4 million of capital gains on disposing of its 5.9% stake in the Casablanca Stock Exchange and (ii) an exceptional dividend of MAD 13.8 million received from the Exchange. BMCE Capital Bourse's contribution to net income attributable to shareholders of the parent company was MAD 12 million in 2016 versus MAD 1 million in 2015.

BMCE Capital Gestion's parent net income rose by 19% to MAD 72 million versus MAD 60.9 million in 2015.

OTHER MOROCCAN OPERATIONSMAROC

Contribution	Others		Locasom		EAI		CID	
Other Moroccan operations	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15
Consolidated net banking income	142.7	147.3	147.3	142.7	na	na	na	na
Change	-3%			-3%				
General expenses	-77.8	-77.3	-77.3	-77.8	na	na	na	na
Change	-1%			-1%				
Cost of risk	-1.3	-1.2	-1.2	-1.3	na	na	na	na
Change	-9%			-9%				
Net income	48.8	47.5	37.6	39.1	-1.7	-2.8	11.7	12.4
Change	3%			4%		-63%		7%

BMCE Bank Group's 'Other operations' include Locasom, EAI and CID, which together accounted for 2.4% of net income attributable to shareholders of the parent company.

Locasom, a subsidiary specialising in vehicle leasing, saw its parent net income rise by 8% to MAD 28 million. Its contribution to net income attributable to shareholders of the parent company increased by 4% to MAD 39 million in 2016 versus MAD 37.6 million in 2015.

EAI, a technology subsidiary established as a joint venture with RMA and CIC, saw its contribution to net income attributable to shareholders of the parent company fall from negative MAD 1.7 million to negative MAD 2.8 million.

CID, a subsidiary in which the Bank owns a 38.9% stake and which is consolidated under the equity method, saw its parent net income rise by 7% in 2016. Its contribution to net income attributable to shareholders of the parent company was MAD 12.4 million in 2016.

RESULTS AND CONTRIBUTIONS FROM OVERSEAS OPERATIONS

Contribution	International		Europe		Africa	
Overseas operations	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15
Consolidated net banking income	6 143	5 800	446.1	501.4	5 354	5 642
Change	6%			12%		5%
General expenses	-3 518	-3 333	-208.9	-202.1	-3 124	-3 316
Change	-6%			3%		-6%
Cost of risk	-870	-929	-25.0	-29.8	-904.0	-840.3
Change	6%			-19%		7%
Net income	844	779	170.9	183.1	608.0	660.7
Change	8%			7%		9%

In 2016, the contribution from overseas operations to consolidated net income attributable to shareholders of the parent company rose by 8% from MAD 779 million to MAD 844 million, accounting for 41% of total net income attributable to shareholders of the parent company.

This sharp rise was due to a 7% increase in the contribution from European operations and a 9% rise in the contribution from African operations.

EUROPEAN OPERATIONS

BMCE International Holding (BIH) saw its contribution to net income attributable to shareholders of the parent company grow by 7% year-on-year to MAD 183 million in 2016. This was due to the impact from a fall in sterling following the Brexit referendum. In local currency terms, BIH's consolidated net income rose by 21% from GBP 11.4 million to GBP 13.9 million.

Similarly, BMCE Bank International UK saw its contribution to net income attributable to shareholders of the parent company rise by 32% to MAD 138.7 million in 2016 versus MAD 105 million in 2015.

By contrast, BMCE Bank International Madrid's contribution was MAD 44 million in 2016 versus MAD 65.6 million in 2015, down 32%. This was primarily due to an in increase in the cost of risk against a backdrop of regulatory tightening by the Spanish authorities, particularly regarding country risk management.

AFRICAN OPERATIONS

Contribution	Africa		BOA		LCB		BDM	
African operations	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15
Consolidated net banking income	5 642	5 354	5 038	5 318	315.6	323.7	na	na
Change	5.4%			5,6%		2.6%		
General expenses	-3 316	-3 124	-2 918	-3 114	-205.2	-201.2	na	na
Change	-6%			-7%		2%		
Cost of risk	-840	-904	-907	-728	3.1	-112.1	na	na
Change	7%			20%				
Net income	660.7	608.0	498.2	577.1	30.8	3.6	79.0	80.1
Change	9%			16%		-88%		1%

Bank of Africa saw its contribution to net income attributable to shareholders of the parent company reach MAD 577 million in 2016, up 16% on 2015. As a result, it accounted for 28% of total net income attributable to shareholders of the parent company in 2016.

Its contribution to total net banking income grew by 5.6% to MAD 5,318 million, accounting for 41% of total net banking income. BOA Group's contribution to the cost of risk, after restatements under IFRS, totalled -MAD 728 million in 2016 versus -MAD 907 million in 2015.

BOA Group's net income attributable to shareholders of the parent company, based on local accounting standards, grew by 20% to MAD 67.3 million in 2016 versus EUR 56.2 million in 2015.

La Congolaise de Banque saw its parent net income fall by 20% to EUR 4.3 million in 2016 versus EUR 5.3 million in 2015. Its contribution to net income attributable to shareholders of the parent company declined by 88%.

Lastly, Banque de Développement du Mali, consolidated under the equity method, saw its contribution to net income attributable to shareholders of the parent company tread water at around MAD 80 million in 2016.

SUBSIDIARIES' CONTRIBUTIONS TO THE BANK'S NET INCOME

Contribution	Déc. 15	% STR	Déc. 16	% STR	VAR
MOROCCAN OPERATIONS	1 177	60%	1 192	59%	1%
BMCE BANK	845	43%	814	40%	-4%
SUBSIDIARIES	331	17%	378	19%	14%
SPECIALISED FINANCIAL SERVICES	174	9%	188	9%	8%
SALAFIN	87	4%	95	5%	9%
MAGHREBAIL	60	3%	72	4%	22%
MAROC FACTORING	21	1%	18	1%	
RM EXPERTS	0.7	0%	0.3	0%	
ACMAR	5.5	0%	2.3	0%	-58%
INVESTMENT BANKING & ASSET MANAGEMENT	110	6%	141	7%	28%
BMCE CAPITAL	48	2%	57	3%	17%
BMCE CAPITAL BOURSE	1.0	0%	12	1%	
BMCE CAPITAL GESTION	61	3%	72	4%	19%
OTHERS	48	2%	49	2%	3%
LOCASOM	38	2%	39	2%	4%
EAI	-2	0%	-3	0%	
CID	12	1%	12	1%	7%
OVERSEAS OPERATIONS	779	40%	844	41%	8%
EUROPE	171	9%	183	9%	7%
AFRICA	608	31%	661	32%	9%
BOA	498	25%	577	28%	16%
LCB	31	2%	4	0%	-88%
BDM	79	4%	80	4%	1%
NET INCOME	1 956	100%	2 036	100%	4%

ASSET-LIABILITY MANAGEMENT AT 31 DECEMBER 2016

Liquidity risk:

The Liquidity Coverage Ratio (LCR) was 117% at the parent level and 135% on a consolidated basis at 31 December 2016, above the 70% regulatory limit set by Bank Al-Maghrib for 20165.

Interest rate risk:

The results of stress tests carried out at 31 December 2016 on the impact from a 200 basis points change in interest rates on net interest income and the economic value of shareholders' equity complied with the limits set by the ALCO committee.

The impact from a 200 basis points change in interest rates on net interest income was estimated to be MAD 101 million or 1.7% of estimated 2016 net banking income, below ALCO's 5% limit.

The change in the economic value of shareholders' equity in the event of a 200 basis points shock was estimated to be MAD 1,135 million or 6.7% of regulatory shareholders' equity, which was also below the ALCO limit of 20%.

THE BANK'S GROWTH PROSPECTS

BMCE Bank of Africa Group continues to nurture its vision of being a universal, innovative, multi-African, synergistic and socially responsible bank.

For the next five years, the Group therefore intends to:

- Accelerate its rate of growth by expanding its branch network in Morocco and overseas by opening of one hundred or so branches in Morocco and Sub-Saharan Africa;

- Maximise the Group's presence in Africa via Bank of Africa, in Europe via BIH (corporate banking and trade finance) and via BMCE EuroServices in Migrant Banking;

- Bolster Retaill Banking and Corporate Banking operations, particularly in the SME segment and develop new high-growth niche segment such as Participatory Banking and Green Business;

- Implement the Convergence Programme aimed at structuring the Group, with emphasis placed on Risks, Ad Hoc and Permanent Control, Compliance, IT and Human Capital.

It is worth recalling that, against a backdrop of growth in private sector lending and a consolidation of strategic holdings, the Bank bolstered its capital base in 2016 by issuing MAD 2 billion of additional subordinated debt. This came in the wake of three MAD 2 billion issues in 2015 and the MAD 1 billion issues in September 2014 and in January 2013.

In addition, the Bank is committed to pursuing its efforts at cost reduction in a context of increased staffing to support the development of the branch network and the strengthening of head office functions. The Bank will also pursue its efforts at credit recovery and at cleaning up the loan portfolio to contain the cost of risk both in Morocco and overseas.

Annual General Meeting of 23rd May 2017

Having been convened by Mr Othman Benjelloun, Chairman & Chief Executive Officer, BMCE Bank's Annual General Meeting of Shareholders met validly at 11 o'clock on 23rd May 2017 at the Head Office, 140 Avenue Hassan II, Casablanca, a quorum having been reached with the Shareholders present or represented at the meeting owning over a quarter of the shares carrying voting rights.

The Shareholders unanimously adopted in their entirety the following resolutions which had been put before them by the Board of Directors.

FIRST RESOLUTION

The Annual General Meeting, having been read the Board of Directors' Management Report and the Statutory Auditors' General and Special Reports, shall unreservedly approve these documents in their entirety. It shall also approve the financial statements for the financial year ended 31st December 2016.

The Annual General Meeting shall acknowledge that the individual financial statements as well as the results relating to BMCE Bank's domestic operations, branch offices and subsidiaries and related statements of income (income statement and management accounting statement), drawn up at 31st December 2016, reflect the Bank's entire operations.

SECOND RESOLUTION

The Annual General Meeting shall acknowledge that annual income in respect of the financial year ended 31st December 2016 is as follows:

For the Moroccan operations	998,851,556.71 Dirhams
For the Paris branch office	
Dirham equivalent of foreign currency value	84,328,562.11 Dirhams
For the BMCE Bank Offshore branch office	
Dirham equivalent of foreign currency value	241,791,176.59 Dirhams
Resulting in net income of	1,324,971,295.41 Dirhams

As a result, the Annual General Meeting shall decide to appropriate income in respect of financial year 2016 as follows:

Net income	1,324,971,295.41 Dirhams
Ordinary dividend of 6%	107,678,034.00 Dirhams
Balance	1,217,293,261.41 Dirhams
Extraordinary dividend of 44%	789,638,916.00 Dirhams
Balance	427,654,345.41 Dirhams
Balance brought forward	61,929.21 Dirhams
Balance	427,716,274.62 Dirhams
To extraordinary reserves	427,700,000.00 Dirhams
Balance to be carried forward	16,274.62 Dirhams

The portfolio of subsidiaries and long-term investments generated dividends of MAD 512 million in financial year 2016.

Net write-backs for equity securities amounted to MAD 222 million. All the above items have been included in the parent financial statements.

The Annual General Meeting shall set the dividend distribution at 5 dirhams per share.

This dividend will be paid on or after 11th July 2017 at the company's head office, 140 Avenue Hassan II, Casablanca, BMCE Capital Titres. The dividend payment will be made by the transfer of coupon payments into BMCE BANK's account held in the ledgers of MAROCLEAR.

THIRD RESOLUTION

The Annual General Meeting shall set the total gross amount of Directors' fees in respect of the financial year ended 31st December 2016 at five million dirhams (MAD 5,000,000).

FOURTH RESOLUTION

The Annual General Meeting, having been read the Statutory Auditors' Special Report on related party agreements referred to in Article 56 et seq. of Act No. 17-95, as amended and completed, relating to limited companies and Article 26 of the Memorandum and Articles of Association, shall approve the conclusions of the said report and the related party agreements mentioned therein.

FIFTH RESOLUTION

The Annual General Meeting shall acknowledge that the Bank's Statutory Auditors, KPMG and FIDAROC GRANT THORNTON, will have completed their assignments in respect of the financial year ended 31st December 2016 in accordance with the applicable legal and statutory requirements.

SIXTH RESOLUTION

The Annual General Meeting shall wholly and unreservedly discharge the Directors of their management responsibilities in respect of the financial year ended 31st December 2016.

SEVENTH RESOLUTION

The Annual General Meeting, upon the proposal of the Board of Directors, shall decide to appoint Mr Azeddine GUESSOUS, a Moroccan citizen, as a Director for a 6-year term of office, expiring at the Annual General Meeting convened to approve the financial statements for the financial year ended 31st December 2022.

EIGHTH RESOLUTION

The Annual General Meeting, upon the proposal of the Board of Directors, shall decide to appoint Mrs Hadeel IBRAHIM, an Anglo-Sudanese citizen, as an Independent Director for a 6-year term of office, expiring at the Annual General Meeting convened to approve the financial statements for the financial year ended 31st December 2022.

As a result, the company's Board of Directors will be composed of the following twelve Directors:

1. Mr Othman BENJELLOUN, Chairman & Chief Executive Officer
2. La Banque Fédérative du Crédit Mutuel – BFCM – Groupe Crédit Mutuel – CIC, represented by Mr Michel LUCAS
3. La Caisse de Dépôt et de Gestion, represented by Mr Abdellatif ZAGHNOUN
4. RMA, represented by Mr Zouheir BENSAID
5. FinanceCom, represented by Mr Hicham EL AMRANI*
6. Mr Azeddine GUESSOUS
7. Mr François HENROT
8. Mr Brian C. MCK. HENDERSON
9. Mr Philippe DE FONTAINE-VIVE
10. Mr Christian DE BOISSIEU
11. Mrs Hadeel IBRAHIM
12. Mr Brahim BENJELLOUN-TOUIMI

NINTH RESOLUTION

With Statutory Auditor FIDAROC GRANT THORNTON's term of office of expiring at the end of the current Meeting, the Annual General Meeting shall decide, in accordance with Bank Al Maghrib's regulatory directives relating to the rotation of statutory auditors, not to renew this term of office.

As a result, the Annual General Meeting shall wholly and unreservedly discharge FIDAROC GRANT THORNTON of its responsibilities.

The Annual General Meeting shall appoint ERNST & YOUNG as a Statutory Auditor for a 3-year term of office, expiring at the Annual General Meeting convened to approve the financial statements for the financial year ended 31st December 2019.

TENTH RESOLUTION

With Statutory Auditor KPMG's term of office of expiring at the end of the current Meeting, the Annual General Meeting shall decide to renew KPMG's term of office for a further three (3) financial years, expiring at the Annual General Meeting convened to approve the financial statements for the financial year ended 31st December 2019.

ELEVENTH RESOLUTION

The Annual General Meeting, having been read the Board of Directors' Report, shall authorise the Board to carry out issues of one or more perpetual subordinated bonds comprising a loss absorption clause totalling up to one billion four hundred million dirhams (MAD 1,400,000,000), in accordance with the provisions of Articles 292-315 of Act No. 17-95 relating to limited companies, as amended and completed.

The bonds will be issued in one or more tranches by public offering on the domestic market within five (5) years.

The issued amount may be limited to the amount subscribed by investors in compliance with the provisions of Article 298 of Act No. 17-95 relating to limited companies.

TWELFTH RESOLUTION

The Annual General Meeting shall delegate full powers, by virtue of Article 294 of Act No. 17-95 relating to limited companies, as amended and completed, to the Board of Directors for the following purpose:

- To decide on and establish the features and final terms of the approved subordinated bond issue(s) mentioned above

- To carry out the approved subordinated bond issue(s) mentioned above

- And, generally, to ensure that these bond issues comply with the applicable legal and regulatory requirements.

THIRTEENTH RESOLUTION

The Annual General Meeting shall acknowledge of the following changes to permanent representatives:

- The Director FinanceCom: Mr Hicham EL AMRANI* shall replace Mr Zouheir BENSAID for the remainder of the Director's term of office, that is to say, until the Annual General Meeting convened to rule on the financial statements for the year ended 31st December 2020;

- The Director RMA: Mr Zouheir BENSAID shall replace Mr Azeddine GUESSOUS for the remainder of the Director's term of office, that is to say, until the Annual General Meeting convened to rule on the financial statements for the year ended 31st December 2018.

FOURTEENTH RESOLUTION

The Annual General Meeting gives full powers to the bearer of the original or copy of this report to carry out all legal formalities.

(*) awaiting the approval of the Supervisory Authorities

VOTING RESULTS

The shareholders present or represented own 139,790,705 shares[1] or 77.9% of the Company's capital and voting rights.

Resolutions	Type	Votes 'For'	Votes 'Against'	Abstentions	Number of shares for which voting intentions have been expressed	Total votes 'For' (%)
		Number of votes				
1	Ordinary	139.790.705	-	-	139.790.705	77.9%
2	Ordinary	139.790.705	-	-	139.790.705	77.9%
3	Ordinary	139.790.705	-	-	139.790.705	77.9%
4	Ordinary	139.790.705	-	-	139.790.705	77.9%
5	Ordinary	139.790.705	-	-	139.790.705	77.9%
6	Ordinary	139.790.705	-	-	139.790.705	77.9%
7	Ordinary	139.790.705	-	-	139.790.705	77.9%
8	Ordinary	139.790.705	-	-	139.790.705	77.9%
9	Ordinary	139.790.705	-	-	139.790.705	77.9%
10	Ordinary	139.790.705	-	-	139.790.705	77.9%
11	Ordinary	139.790.705	-	-	139.790.705	77.9%
12	Ordinary	139.790.705	-	-	139.790.705	77.9%
13	Ordinary	139.790.705	-	-	139.790.705	77.9%
14	Ordinary	139.790.705	-	-	139.790.705	77.9%

1 Each BMCE Bank share shall carry one voting right.

Fidaroc Grant Thornton
47, rue Allal Ben Abdellah
20 000 Casablanca
Maroc

KPMG
11, Avenue Bir Kacem Souissi
Rabat

To shareholder's of
BMCE BANK
140, Avenue Hassan II
Casablanca

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECMBER 2016

We have audited the attached consolidated financial statements of Banque Marocaine du Commerce Extérieur and its subsidiaries (BMCE Bank Group), comprising the balance sheet at 31 December 2016, the income statement, the statement of other comprehensive income, the statement of changes in shareholders' equity and the cash flow statement as well as notes containing a summary of the main accounting policies and other explanatory notes. These financial statements show consolidated shareholders' equity and equivalent of MAD 23,582,687 K, including consolidated net income of MAD 2,834,827 K.

Management's responsibility

It is Management's responsibility to prepare and present these financial statements to give a true and fair view of the company's financial position in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control procedures regarding the drawing up and presentation of the financial statements to ensure that they free of material misstatement as a result of fraud or error and for making accounting estimates that are reasonable under the circumstances.

Auditor's responsibility

It is our responsibility to express an opinion on these financial statements based on our audit. We carried out our audit in accordance with Moroccan accounting standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves implementing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures adopted depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements as a result of fraud or error.

In making these risk assessments, the auditor takes into consideration the internal control procedures adopted by the entity regarding the drawing up and presentation of the financial statements so as to determine appropriate audit procedures under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the said procedures. An audit also consists of assessing whether the accounting policies adopted are appropriate and whether the accounting estimates made by senior management are reasonable, as well as assessing the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements

In our opinion, the financial statements referred to above in the first paragraph give, in all material aspects, a true and fair view of the financial position of BMCE Bank Group, comprising the persons and entities included within the scope of consolidation as at 31 December 2016 as well as its financial performance and cash flows over the same period, in accordance with the accounting principles and procedures described in the consolidated additional information statement.

Casablanca, 12 April 2017

The Statutory Auditors

FIDAROC GRANT THORNTON	KPMG
Rachid BOUMEHRAZ	Jamal SAAD EL IDRISSI
Associé	Associé

I. CONSOLIDATED BALANCE SHEET, CONSOLIDATED INCOME STATEMENT, STATEMENT OF NET INCOME, STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, CASH FLOW STATEMENT AND SUMMARY OF ACCOUNTING POLICIES

1.1. CONSOLIDATED BALANCE SHEET

The consolidated financial statements at 31 december 2015 were approved by the board of directors on 27 march 2017.

ASSETS	NOTES	2016	2015
Cash and amounts due from central banks and post office banks	4.1	12 155 637	10 403 090
Financial assets at fair value through profit or loss	4.2	38 890 923	25 760 228
Derivatives used for hedging purposes		2 938	7 207
Available-for-sale financial assets	4.3	8 317 725	6 846 572
Loans and receivables due from credit institutions	4.4	21 221 229	20 971 036
Loans and receivables due from customers	4.5	179 774 222	173 279 696
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	4.7	25 136 170	24 559 458
Current tax assets	4.8	414 191	63 550
Deferred tax assets	4.8	521 548	473 814
Accrued income and other assets	4.9	6 440 776	5 364 187
Non current assets held for sale		-	-
Investment associates	4.10	631 268	585 787
Investment property	4.11	3 746 146	3 035 131
Property, plant and equipment	4.11	6 988 825	6 516 029
Intangible assets	4.11	828 970	703 525
Goodwill	4.12	852 310	852 310
TOTAL ASSETS		**305 922 878**	**279 421 620**

(In thousand MAD)

LIABILITIES & SHAREHOLDERS EQUITY	NOTES	2016	2015
Due to Central Banks and Post Office Banks		-	-
Financial liabilities at fair value through profit or loss	4.2	2 098 276	2 046 594
Derivatives used for hedging purposes		-	-
Due to credit institutions	4.4	49 708 268	51 176 027
Due to customers	4.5	190 050 335	178 255 021
Debt securities	4.6	13 186 303	8 967 697
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	4.8	641 287	131 027
Deferred tax liabilities	4.8	1 198 242	1 130 452
Accrued expenses and other liabilities	4.9	14 278 900	6 315 040
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	4.13	685 204	650 913
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	4.6	10 493 376	8 639 297
TOTAL DEBTS		**282 340 191**	**257 312 068**
Capital and related reserves		13 299 090	12 899 418
Consolidated reserves		-	-
- Attributable to parent		2 934 250	2 101 501
- Non-controlling interests		4 520 991	4 381 320
Unrealized or deferred gains or losses, attributable to parent		-9 794	65 587
Unrealized or deferred gains or losses, non-controlling interests		3 323	6 996
Net Income		-	-
- Attributable to parent		2 036 186	1 955 535
- Non-controlling interests		798 641	699 195
TOTAL CONSOLIDATED SHAREHOLDERS'S EQUITY		**23 582 687**	**22 109 552**
TOTAL		**305 922 878**	**279 421 620**

(In thousand MAD)

1.2. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT	NOTES	2016	2015
+ Interests and similar income		14 505 242	13 502 956
- Interests and similar expense		-5 259 644	-4 962 142
Net Interest income	**2.1**	**9 245 598**	**8 540 814**
+ Fees received and commission income		2 572 675	2 290 577
- Fees paid and commission expense		-455 730	-339 423
Net fee income	**2.2**	**2 116 945**	**1 951 154**
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	982 990	441 412
+/- Net gains or losses on available for sale financial assets	2.4	229 923	211 536
Income from market transactions		**1 212 913**	**652 948**
+ Other banking revenues	2.5	884 515	1 044 522
- Other banking expenses	2.5	-469 956	-372 633
Net Banking Income		**12 990 015**	**11 816 805**
- General Operating Expenses	2.9	-6 678 453	-6 261 222
- Allowances for depreciation and amortization PE and intangible assets	2.9	-696 947	-672 006
Gross Operating Income		**5 614 615**	**4 883 577**
- Cost of Risk	2.6	-1 616 531	-1 439 956
Operating Income		3 998 084	3 443 621
+/- Share in net income of companies accounted for by equity method		103 652	97 733
+/- Net gains or losses on other assets	2.7	-111 741	74 609
+/- Change in goodwill		-31 514	
Pre-tax earnings		**3 958 481**	**3 615 963**
+/- Corporate income tax	2.8	-1 123 654	-961 233
Net income		2 834 827	2 654 730
Non-controlling interests		798 641	699 195
Net income attributable to parent		**2 036 186**	**1 955 535**
Earnings per share		**11,35**	**10,90**
Diluted Earnings per share		**11,35**	**10,90**

(In thousand MAD)

1.3. STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY

STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY	2016	2015
Net income	**2 834 827**	**2 654 730**
Currency tranlation adjustment	**-79 054**	**-68 049**
Reevaluation of available for sale financial assets	-4 909	-1 354
Reevaluation of hedging instruments	-74 145	-66 695
Reevaluation of fixed assets	-74 145	-66 695
Actuarial gains and losses on defined plans	**0**	**0**
Proportion of gains and losses directly recognised in shareholders equity on companies consolidated under equity method	0	0
Total gains and losses directly recognised in shareholders equity	**-79 054**	**-68 049**
Net income and gains and losses directly recognised in shareholders equity	**2 755 773**	**2 586 681**
attributable to parent	1 960 805	1 871 688
Non-controlling interests	794 968	714 993

(In thousand MAD)

1.4. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Unrealised or deferred gains or losses	Shareholder's Equity attributable to parent	Non-controlling interests	Total
Ending balance of Shareholder's Equity 12.31.2014	1 794 634	10 693 747	0	3 425 707	149 436	16 063 524	4 739 627	20 803 152
Change in the accounting methods						0		0
Beginning Balance of adjusted Shareholder's Equity 12.31.2014	**1 794 634**	**10 693 747**	**0**	**3 425 707**	**149 436**	**16 063 524**	**4 739 627**	**20 803 152**
Operations on capital		411 037		-411 037		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-788 651		-788 651	-452 274	-1 240 925
Net income				**1 955 535**		**1 955 535**	**699 195**	**2 654 730**
PP&E and intangible assets : Revaluations and disposals (A)						0		0
Financial instruments : change in fair Value and transfer to earnings (B)					-82 495	-82 495	15 799	-66 696
Currency translation adjustments : Changes and transfer to earnings (C)					-1 354	-1 354		-1 354
Avantages au personnel						0		0
Unrealized or deferred gains or losses (A)+ (B) + (C)				**0**	**-83 849**	**-83 849**	**15 799**	**-68 050**
Change in the scope of consolidation				-68 567		-68 567	83 181	14 614
Others				-55 951		-55 951	1 983	-53 968
Ending Balance of Shareholder's Equity 12.31.2015	1 794 634	11 104 784	0	4 057 036	65 587	17 022 041	5 087 511	22 109 552
Impact of changes in accounting methods						0		0
Ending Balance of adjusted Shareholder's Equity 12.31.2015	**1 794 634**	**11 104 784**	**0**	**4 057 036**	**65 587**	**17 022 041**	**5 087 511**	**22 109 552**
Operations on capital		399 672		-399 672		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-947 308		-947 308	-455 689	-1 402 997
Net income				**2 036 186**		**2 036 186**	**798 641**	**2 834 827**
PP&E and intangible assets: Revaluations and disposals (E)						0		0
Financial instruments: change in fair Value and transfer to earnings (F)					-70 472	-70 472	-3 673	-74 145
Currency translation adjustments: Changes and transfer to earnings (G)					-4 909	-4 909		-4 909
IAS 19 R						0		0
Unrealized or deferred gains or losses (E)+ (F) + (G)					**-75 381**	**-75 381**	**-3 673**	**-79 054**
Change in the scope of consolidation (*)				94 400		94 400	-68 140	26 260
Others				129 794		129 794	-35 695	94 099
Ending Balance of adjusted Shareholder's Equity 12.31.2016	**1 794 634**	**11 504 456**	**0**	**4 970 436**	**-9 794**	**18 259 732**	**5 322 955**	**23 582 687**

1.5. CASH FLOW STATEMENTS AS OF DECEMBER 31st, 2016

1.5.1. Cash Flow Statement

CASH FLOW STATEMENT	NOTE	2016	2015
Pre-tax net income		**3 958 481**	**3 615 961**
+/- Net depreciation/amortization expense on property, plant, and equipment and intangible assets	2.9	696 947	672 212
+/- Impairment of goodwill and other non- current assets		31 514	-
+/- Impairment of financial assets		-39 470	46 758
+/- Net allowances for provisions	2.6	1 633 772	952 970
+/- Share of earnings in subsidiaries accounted for by equity method	4.10	-103 652	-97 733
+/- Net loss (income) from investing activities		-1 061 663	-822 557
+/- Net loss (income) from financing activities		-	-
+/- Other movements		-541 722	-165 751
Non monetary items included in pre-tax net income and other adjustments		**615 726**	**585 900**
+/- Cash flows related to transactions with credit institutions		59 915	6 870 435
+/- Cash flows related to transactions with customers		-1 497 240	-355 618
+/- Cash flows related to transactions involving other financial assets and liabilities		-3 358 590	-3 575 435
Dont Flux liés aux autres opérations affectant les titres de transaction		-2 216 271	-2 235 371
+/- Cash flows related to transactions involving non financial assets and liabilities		701 528	-1 992 029
Dont Flux liés aux autres opérations affectant les dettes sur titres Empruntés		701 528	-1 884 371
+/- Taxes paid		-560 317	-581 529
Net Increase (Decrease) in cash related to assets and liabilities generated by operating activities		**-4 654 704**	**365 824**
Net Cash Flows from Operating Activities		**-80 497**	**4 567 685**
+/- Cash Flows related to financial assets and equity investments		-1 425 337	-2 474 166
+/- Cash flows related to investment property	4.11	-728 257	-2 211 410
+/- Cash flows related to PP&E and intangible assets	4.11	-1 003 781	-1 361 288
Net Cash Flows from Investing Activities		**-3 157 375**	**-6 046 864**
+/- Cash flows related to transactions with shareholders		-1 088 198	-667 738
+/- Cash flows generated by other financing activities		6 291 591	-2 947 262
Net Cash Flows from Financing Activities		**5 203 393**	**-3 615 000**
Effect of movements in exchange rates on cash and equivalents		-233 206	-164 613
Net Increase in Cash and equivalents		**1 732 315**	**-5 258 792**
Beginning Balance of Cash and Equivalents		**5 956 947**	**11 215 740**
Net Balance of cash accounts and accounts with central banks and post office banks	4.1	10 403 196	9 966 853
Net Balance of demand loans and deposits- credit institutions		-4 446 249	1 248 887
Dont Prêt et Emprunt de trésorerie JJ		-2 877 349	489 872
Ending Balance of Cash and Equivalents		**7 689 262**	**5 956 947**
Net Balance of cash accounts and accounts with central banks and post office banks	4.1	12 155 637	10 403 196
Net Balance of demand loans and deposits- credit institutions		-4 466 375	-4 446 249
Dont Prêt et Emprunt de trésorerie JJ		-1 153 270	-2 877 349
Net increase in cash and equivalents		**1 732 315**	**-5 258 792**

		2016	2015
Dividends received	2.4	240 014	218 305
Dividends paid	1.5	-1 402 997	-1 240 925
Interest received		12 532 242	12 290 029
Interest paid		-3 771 219	-3 366 255

1.6. SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

1.6.1. Applicable accounting standards

The first consolidated financial statements to be prepared by BMCE Bank Group in accordance with international accounting standards (IFRS) were those for the period ended 30 June 2008 with an opening balance on 1 January 2007.

The consolidated financial statements of BMCE Bank Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as approved by the IASB.

The Group has not opted for early adoption of the new standards, amendments and interpretations adopted by the IASB where retrospective application is permitted.

1.6.2. Consolidation principles

a. Scope of consolidation

The scope of consolidation includes all Moroccan and foreign entities in which the Group directly or indirectly holds a stake.

BMCE Bank Group includes within its scope of consolidation all entities, whatever their activity, in which it directly or indirectly holds 20% or more of existing or potential voting rights. In addition, it consolidates entities if they meet the following criteria:

- The subsidiary's total assets exceed 0.5% of the parent company's;
- The subsidiary's net assets exceed 0.5% of the parent company's;
- The subsidiary's banking income exceeds 0.5% of the parent company's;
- "Cumulative" thresholds which ensure that the combined total of entities excluded from the scope of consolidation does not exceed 5% of the consolidated total.

b. Consolidation methods

The method of consolidation adopted (fully consolidated or accounted for under the equity method) will depend on whether the Group has full control, joint control or exercises significant influence.

At 31 December 2015, no Group subsidiary was jointly controlled.

c. Consolidation rules

The consolidated financial statements are prepared using uniform accounting policies for reporting like transactions and other events in similar circumstances.

Elimination of intragroup balances and transactions

Intragroup balances arising from transactions between consolidated companies, and the transactions themselves, including income, expenses and dividends, are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired.

Translation of financial statements prepared in foreign currencies

BMCE Bank Group's consolidated financial statements are prepared in dirhams. The financial statements of companies whose functional currency is not the dirham are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expenditures are translated at the average rate for the period.

d. Business combinations and measurement of goodwill

Cost of a business combination

The cost of a business combination is measured as the aggregate fair value of assets acquired, liabilities incurred or assumed and equity instruments issued by the acquirer in consideration for control of the acquired company. Costs attributable to the acquisition are recognised through income.

Allocating the cost of a business combination to the assets acquired and liabilities incurred or assumed

The Group allocates, at the date of acquisition, the cost of a business combination by recognising those identifiable assets, liabilities and contingent liabilities of the acquired company which meet the criteria for fair value recognition at that date.

Any difference between the cost of the business combination and the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised under goodwill.

Goodwill

At the date of acquisition, goodwill is recognised as an asset. It is initially measured at cost, that is, the difference between the cost of the business combination over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities.

The Group has adopted from 2012 the "full goodwill" method for new acquisitions. This method consists of measuring goodwill based on the difference between the cost of the business combination and minority interests over the fair value of the identifiable assets, liabilities and contingent liabilities.

It is worth noting that the Group has not restated business combinations occurring before 1 January 2008, the date of first-time adoption of IFRS, in accordance with IFRS 3 and as permitted under IFRS 1.

Measurement of goodwill

In accordance with IAS 36, impairment tests must be conducted whenever there is any indication of impairment that a unit may be impaired and at least once a year to ensure that the goodwill recognised for each CGU does not need to be written down.

At 31 December 2015, the Group conducted impairment test to ensure that the carrying amount of cash-generating units was still lower than the recoverable amount.

The recoverable amount of a cash-generating unit is the higher of the net fair value of the unit and its value in use.

Fair value is the price that is likely to be obtained from selling the CGU in normal market conditions.

Value in use is based on an estimate of the current value of future cash flows generated by the unit's activities as part of the Bank's market activities:

- If the subsidiary's recoverable amount is more than the carrying amount, then there is no reason to book an impairment charge;
- If the subsidiary's recoverable amount is less than the carrying amount, the difference is recognised as an impairment charge. It will be allocated to goodwill as a priority and subsequently to other assets on a pro-rata basis.

The Bank has employed a variety of methods for measuring CGU value in use depending on the subsidiary. These methods are based on assumptions and estimates:

- A revenue-based approach, commonly known as the "dividend discount model", is a standard method used by the banking industry. The use of this method depends on the subsidiary's business plan and will value the subsidiary based on the net present value of future dividend payments. These flows are discounted at the cost of equity.

- The "discounted cash flow method" is a standard method for measuring firms in the services sector. It is based on discounting available cash flows at the weighted average cost of capital.

Step acquisitions

In accordance with revised IFRS 3, the Group does not calculate additional goodwill on step acquisitions once control has been obtained.

In particular, in the event that the Group increases its percentage interest in an entity which is already fully consolidated, the difference at acquisition date between the cost of acquiring the additional share and share already acquired in the entity is recognised in the Group's consolidated reserves.

1.6.3. Financial assets and liabilities

a. Loans and receivables

Loans and receivables include credit provided by the Group.

Loans and receivables are initially measured at fair value or equivalent, which, as a general rule, is the net amount disbursed at inception including directly attributable origination costs and certain types of fees or commission (syndication commission, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

Loans and receivables are subsequently measured at amortised cost. The income from the loan, representing interest plus transaction costs and fees and commission included in the initial value of the loan, is calculated using the effective interest method and taken to income over the life of the loan.

b. Securities

Classification of securities

Securities held by the Group are classified under one of three categories.

Financial assets at fair value through P&L

This category includes financial assets and liabilities held for trading purposes. They are measured at fair value at the balance sheet date under "financial assets at fair value through P&L". Changes in fair value are recognised in the income statement under "Net gains or losses on financial instruments at fair value through P&L".

It is worth noting that the Group has not designated, on initial recognition, non-derivative financial assets and liabilities at fair value through income using option available under IAS 39.

An instrument many only bedesignated at fair value through profit or loss if the following conditions are met:

- If designation were to eliminate or significantly reduce any inconsistency in the instrument'smeasurement or recognition which would arise if designated otherwise;

- If a group of financial assets, financial liabilities or both were to be managed and its performance assessed on a fair value basis in accordance with a documented risk management or investment strategy;

- If the economic characteristics and risks of an embedded derivative were not closely related to those of the host contract (see Appendix A, paragraphs AG30 and AG33);

Financial assets and financial liabilities at fair value through profit are loss are recognised in the balance sheet at fair value.

Changes in the fair value of financial assets and liabilities are recognised as losses or gains in the P&L.

Interest income is recognised under interest income and expenses while dividends are recognised under other operating income if the right to payment has been established.

It is worth underlining that the Group has not designated,on initial recognition,any non-derivative financial asset or liability at fair value through profit or lossas per the option offered by IAS 39.

In 2013, the Bank issued a USD 300 million fixed rate international bond. This bond is hedged by a swap with the same characteristics as those of the bond (a fixed rate versus a variable rate). This transaction is qualified as a fair value hedging relationship.

The bond and the swap are therefore recognised at fair value through profit or loss.

The change in the fair value attributable to changes in credit risk resulted in a gain of MAD 1.6 million. The cumulative impact is MAD 19 million. Own credit default risk is calculated on the basis ofhistorical data on default rates and that of credit ratings agencies.

The amount that the Bank will be obliged to pay at maturity is MAD 27.5 million more than the current carrying amount.

Held-to-maturity financial assets

Held-to-maturity financial assets include securities with fixed or determinable payments and fixed maturity securities that the Group has the intention and ability to hold until maturity.

Assets in this category are accounted for at amortised cost using the effective interest method, which builds in amortisation of premium and discount, corresponding to the difference between the asset's purchase price and redemption value and acquisition costs, if material. They may be written down, if applicable, in the event of issuer default. Income earned from this category of assets is included in "Interest and similar income" in the income statement.

Available-for-sale financial assets

Available-for-sale financial assets are fixed income and floating rate securities other than those classified under the two previous categories.

Assets included in the available-for-sale category are initially recognised at fair value plus transaction costs, if material. At the balance sheet date, they are re-measured at fair value, with changes in fair value shown on a separate line in shareholders' equity. Upon disposal, these unrealised gains and losses are transferred from shareholders' equity to the income statement, where they are shown on the line "Net gains or losses on available-for-sale financial assets". The same applies in the event of impairment.

Income recognised using the effective interest method for fixed income available-for-sale securities is recorded under "Interest and similar income" in the income statement.

Dividend income from floating rate securities is recognised under "Net gains or losses on available-for-sale financial assets" when the Group's right to receive payment is established.

Temporary acquisitions and sales

Repurchase agreements

Securities subject to repurchase agreements are recorded in the Group's balance sheet in their original category.

The corresponding liability is recognised in the under "Borrowings" as a liability on the balance sheet.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised under "Loans and receivables".

Securities lending and borrowing transactions

Securities lending transactions do not result in de-recognition of the lent securities while securities borrowing transactions result in recognition of a debt on the liabilities side of the Group's balance sheet.

Date of recognition of securities transactions

Securities recognised at fair value through income or classified under held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (recognised as loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date.

These transactions are carried on the balance sheet until the Group's rights to receive the related cash flows expire or until the Group has substantially transferred all the risks and rewards related to ownership of the securities.

c. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the income statement, except for those arising from financial instruments earmarked as a cash flow hedge or a net foreign currency investment hedge, which are recognised in shareholders' equity.

d. Impairment and restructuring of financial assets

Impairment of loans and receivables and held-to-maturity financial assets, provisions for financing and guarantee commitments

At each balance sheet date, the Group determines whether there is objective evidence of impairment to a financial asset or group of financial assets as a result of an event or several events occurring after initial recognition, whether this event affects the amount or timing of future cash flows and whether the consequences of the event can be reliably measured.

The Group assesses, in the first instance, whether there is objective evidence of impairment on an individual basis for individually material assets or on a collective basis for financial assets which are not individually material.

If the Group determines that there is no objective evidence of impairment to a financial asset, whether considered individually material or not, it includes this asset within a group of financial assets with a similar credit risk profile and subjects them to an impairment test on a collective basis.

At an individual level, objective evidence that a financial asset is impaired includes observable data relating to the following events:

- The existence of accounts which are past the due date;
- Any knowledge or evidence that the borrower is experiencing significant financial difficulty, such that a risk can be considered to have arisen, regardless of whether the borrower has missed any payments;
- Concessions in respect of the credit terms granted to the borrower that the lender would not have considered had the borrower not been experiencing financial difficulty.

Impairment is measured as the difference between the carrying amount and the present value, discounted at the asset's original effective interest rate, of those components (principal, interest, collateral, etc.) regarded as recoverable.

The Group's portfolio doubtful loan portfolio is categorised as follows :

Individually material loans : Each of these loans is reviewed individually in order to estimate recovery payments and determine recovery schedules. Impairment under IFRS relates to the difference between amounts owing and the net present value of expected recovered payments.

Non-individually material loans : Loans not reviewed on an individual basis are segmented into different risk categories having similar characteristics and are assessed using a statistical model, based on historical data, of annual recovery payments by each risk category.

Counterparties not showing any evidence of impairment

These loans are risk-assessed on a portfolio basis with similar characteristics. This assessment draws upon historical data, adjusted if necessary to reflect circumstances prevailing at the balance sheet date. This analysis enables the Group to identify counterparty groups which, as a result of events occurring since inception of the loans, have collectively acquired a probability of default at maturity that provides objective evidence of impairment of the entire portfolio but without it being possible at that stage to allocate the impairment to individual counterparties.

This analysis also estimates the loss relating to the portfolios in question, taking account of trends in the economic cycle during the assessment period.

Based on the experienced judgement of the Bank's divisions or Risk Division, the Group may recognise additional collective impairment provisions in respect of an economic sector or geographical region affected by exceptional economic events. In this regard the Group established watch lists of the accounts at risk.

Provisions and provision write-backs are recognised in the income statement under "Cost of risk" while the theoretical income earned on the carrying amount of impaired loans is recognised under "Interest and similar income" in the income statement.

Forbearance

The Bank complies with IFRS requirements in matters of forbearance agreements, particularly with regard to discounts applied to restructured loans.The amount deducted is recognised under cost of risk. If the restructured loan is subsequently reclassified as a performing loan, it is reinstatedunder net interest income over the remaining term of the loan.

Impairment of available-for-sale financial assets

Impairment of "available-for-sale financial assets", which mainly comprise equity instruments, is recognised through income if there is objective evidence of impairment as a result of one or more events occurring since acquisition.

The Group has determined two types of non-cumulative impairment for equity instruments recorded under "available-for-sale financial assets". The first one is a significant decline in the security's price. By "significant" is implied a fall of more than 40% from the acquisition price. The second is a prolonged decline, defined as an unrealised loss over a one-year period.

For financial instruments quoted on a liquid market, impairment is determined using quoted prices and, for unquoted financial instruments, is based on valuation models.

For unquoted equity instruments, the impairment criteria applied are as follows :

- The growing likelihood that the debtor could become bankrupt or undertake any other financial reorganisation;

- The disappearance of an active market for that financial asset because of thedebtor's financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since initial recognition ofthose assets, even though the decrease cannot yet be identified with theindividual financial assets in the group.

Impairment losses taken against equity securities are recognised as a component of net banking income under "Net gains or losses on available-for-sale financial assets" and may only be reversed through income after these securities are sold. Any subsequent decline in fair value constitutes an additional impairment loss, recognised in through income.

In the case of debt instruments, impairment is assessed on the basis of the same criteria applied to loans and receivables, that is, on an individual basis if there is objective evidence of impairment or on a collective basis if there is no evidence of impairment.

Given the characteristics of its portfolio, the Group is not concerned by debt instruments.

Restructuring of assets classed as "Loans and receivables"

An asset classified in "Loans and receivables" is considered to be restructured due to the borrower's financial difficulty when the Group, for economic or legal reasons related to the borrower's financial difficulty, agrees to modify the terms of the original transaction that it would not otherwise consider, resulting in the borrower's contractual obligation to the Group, measured at present value, being reduced compared with the original terms.

At the time of restructuring, a discount is applied to the loan to reduce its carrying amount to the present value of the new expected future cash flows discounted at the original effective interest rate.

The decrease in the asset value is recognised through income under "Cost of risk".

For each loan, the discount is recalculated at the renegotiation date using original repayment schedules and renegotiation terms.

The discount is calculated as the difference between :

- The sum, at the renegotiation date, of the original contractual repayments discounted at the effective interest rate; and
- The sum, at the renegotiation date, of the renegotiated contractual repayments discounted at the effective interest rate. The discount, net of amortisation, is recognised by reducing loan outstandings through income. Amortisation will be recognised under net banking income.

e. Issues of debt securities

Financial instruments issued by the Group are qualified as debt instruments if the Group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or liabilities with another entity on terms that are potentially unfavourable to the Group, or to deliver a variable number of the Group's treasury shares.

In the Group's case, this concerns certificates of deposit issued by Group banks such as BMCE BANK and BANK OF AFRICA as well as notes issued by finance companies MAGHREBAIL and SALAFIN.

f. Treasury shares

The term "treasury shares" refers to shares of the parent company, BMCE BANK SA and its fully consolidated subsidiaries.

"Treasury shares" refer to shares issued by the parent company, BMCE Bank SA, or by its fully consolidated subsidiaries. Treasury shares held by the Group are deducted from consolidated shareholders' equity regardless of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated income statement.

As of December 31, 2015, the Group does net hold any treasury shares.

g. Derivative instruments

All derivative instruments are recognised in the balance sheet on the trade date at the trade price and are re-measured to fair value on the balance sheet date.

Derivatives held for trading purposes are recognised "Financial assets at fair value through income" when their fair value is positive and in "Financial liabilities at fair value through income" when their fair value is negative.

Realised and unrealised gains and losses are recognised in the income statement under "Net gains or losses on financial instruments at fair value through income".

h. Fair value measurement of own credit default risk (DVA) / counterparty risk (CVA)

Since the value of derivative products has not been material until now, the Bank will continue to monitor the extent to which this factor is significant in order to take into consideration fair value adjustments relating to its own credit default risk (DVA) / counterparty risk (CVA).

i. Determining the fair value of financial instruments

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets classified under "Financial assets at fair value through income" and "Available-for-sale financial assets" are measured at fair value.

Fair value in the first instance relates to the quoted price if the financial instrument is traded on a liquid market.

If no liquid market exists, fair value is determined by using valuation techniques (internal valuation models as outlined in Note 4.15 on fair value).

Depending on the financial instrument, these involve the use of data taken from recent arm's length transactions, the fair value of substantially similar instruments, discounted cash flow models or adjusted book values.

Characteristics of a liquid market include regularly available prices for financial instruments and the existence of real arm's length transactions.

Characteristics of an illiquid market include factors such as a significant decline in the volume and level of market activity, a significant variation in available prices between market participants or a lack of recent observed transaction prices.

j. Income and expenses arising from financial assets and liabilities

The effective interest rate method is used to recognise income and expenses arising from financial instruments, which are measured at amortised cost.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the asset or liability in the balance sheet. The effective interest rate calculation takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

k. Cost of risk

"Cost of risk" includes impairment provisions net of write-backs and provisions for credit risk, losses on irrecoverable loans and amounts recovered on amortised loans as well as provisions and provision write-backs for other risks such as operating risks.

l. Offsetting financial assets and liabilities

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, the Group has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.6.4. Property plant and equipment and intangible assets

a. Property, plant and equipment

The Group has opted for the cost model to measure property, plant and equipment and intangible assets.

It is worth noting that, in application of the option provided under IFRS 1, the Group has chosen to measure certain items of property, plant and equipment at the transition date at their fair value and use this fair value as deemed cost at this date.

In accordance with IAS 23, borrowing costs directly attributable to the acquisition are included in the acquisition cost of items of property, plant and equipment.

As soon as they are available for use, items of property, plant and equipment are amortised over the asset's estimated useful life.

Given the character of BMCE Bank Group's property, plant and equipment, it has not adopted any residual value except for transport equipment owned by LOCASOM, a subsidiary.

In respect of the Group's other assets, there is neither a sufficiently liquid market nor a replacement policy over a period that is considerably shorter than the estimated useful life for any residual value to be adopted.

This residual value is the amount remaining after deducting from the acquisition cost all allowable depreciable charges.

Given the Group's activity, it has adopted a component-based approach for property. The option adopted by the Group is a component-based amortised cost method by applying using a component-based matrix established as a function of the specific characteristics of each of BMCE Bank Group's buildings.

Component-based matrix adopted by BMCE Bank

	Head office property		Other property	
	Period	QP	Period	QP
Structural works	80	55%	80	65%
Façade	30	15%		
General & technical installations	20	20%	20	15%
Fixtures and fittings	10	10%	10	20%

Impairment

The Group has deemed that impairment is only applicable to buildings and, as a result, the market price (independently-assessed valuation) will be used as evidence of impairment.

b. Investment property

IAS 40 defines investment property as property held to earn rentals or for capital appreciation or both. An investment property generates cash flows that are largely independent from the company's other assets in contrast to property primarily held for use in the production or supply of goods or services.

The Group qualifies investment property as any non-operating property.

BMCE Bank Group has opted for the cost method to value its investment property. The method used to value investment property is identical to that for valuing operating property.

In accordance with the requirements of paragraph 79(e) of IAS 40, the Group has investment properties whose acquisition cost is deemed to be substantially material valued by external surveyors at each balance sheet date (cf. 4.15 on fair value).

c. Intangible assets

Intangible assets are initially measured at cost which is equal to the amount of cash or cash equivalent paid or any other consideration given at fair value to acquire the asset at the time of its acquisition or construction.

Subsequent to initial recognition, intangible assets are measured at cost less cumulative amortisation and impairment losses.

The amortisation method adopted reflects the rate at which future economic benefits are consumed.

Impairment is recognised when evidence (internal or external) of impairment exists. Evidence of impairment is assesses at each balance sheet date.

Given the character of the intangible assets held, the Group considers that the concept of residual value is not relevant in respect of its intangible assets. As a result, residual value has not been adopted.

1.6.5. Leases

Group companies may either be the lessee or the lessor in a lease agreement.

Leases contracted by the Group as lessor are categorised as either finance leases or operating leases.

a. Lessor accounting

Finance leases

In a finance lease, the lessor transfers the substantial portion of the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable.

The net income earned from the lease by the lessor is equal to the amount of interest on the loan and is taken to the income statement under "Interest and other income". The lease payments are spread over the lease term and are allocated to reducing the principal and to interest such that the net income reflects a constant rate of return on the outstanding balance. The rate of interest used is the rate implicit in the lease.

Individual and portfolio impairments of lease receivables are determined using the same principles as applied to other loans and receivables.

Operating leases

An operating lease is a lease under which the substantial portion of the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor's balance sheet and depreciated on a straight-line basis over the lease term. The depreciable amount excludes the asset's residual value. The lease payments are taken to the income statement in full on a straight-line basis over the lease term.

Lease payments and depreciation expenses are taken to the income statement under "Income from other activities" and "Expenses from other activities".

b. Lessee accounting

Leases contracted by the Group as lessee are categorised as either finance leases or operating leases.

Finance leases

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease.

A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets after deducting the residual value from the amount initially recognised over the useful life of the asset. The lease obligation is accounted for at amortised cost.

Operating leases

The asset is not recognised in the balance sheet of the lessee. Lease payments made under operating leases are taken to the lessee's income statement on a straight-line basis over the lease term.

1.6.6. Non-current assets held for sale and discontinued activities

An asset is classified as held for sale if its carrying amount is obtained through the asset's sale rather than through its continuous use in the business.

At 31 December 2015, the Group did not recognise any assets as held for sale or discontinued activities.

1.6.7. Employee benefits

Classification of employee benefits

a. Short-term benefits

Short-term benefits are due within twelve months of the close of the financial year in which employees provided the corresponding services. They are recognised as expenses in the year in which they are earned.

b. Defined-contribution post-employment benefits

The employer pays a fixed amount in respect of contributions into an external fund and has no other liability. Benefits received are determined on the basis of cumulative contributions paid plus any interest and are recognised as expenses in the year in which they are earned.

c. Defined-benefit post-employment benefits

Defined-benefit post-employment benefits are those other than defined-contribution schemes. The employer undertakes to pay a certain level of benefits to former employees, whatever the liability's cover. This liability is recognised as a provision.

The Group accounts for end-of-career bonuses as defined-benefit post-employment benefits: these are bonuses paid on retirement and depend on employees' length of service.

d. Long-term benefits

These are benefits which are not settled in full within twelve after the employee rendering the related service. Provisions are recognised if the benefit depends on employees' length of service.

The Group accounts for long-service awards as long-term benefits: these are payments made to employees when they reach 6 different thresholds of length of service ranging from 15 to 40 years.

e. Termination benefits

Termination benefits are made as a result of a decision by the Group to terminate a contract of employment or a decision by an employee to accept voluntary redundancy. The company may set aside provisions if it is clearly committed to terminating an employee's contract of employment.

Principles for calculating and accounting for defined-benefit post-employment benefits and other long-term benefits

a. Calculation method

The recommended method for calculating the liability under IAS 19 is the "projected unit credit" method. The calculation is made on an individual basis. The employer's liability is equal to the sum of individual liabilities.

Under this method, the actuarial value of future benefits is determined by calculating the amount of benefits due on retirement based on salary projections and length of service at the retirement date. It takes into consideration variables such as discount rates, the probability of the employee remaining in service up until retirement as well as the likelihood of mortality.

The liability is equal to the actuarial value of future benefits in respect of past service within the company prior to the calculation date. This liability is determined by applying to the actuarial value of future benefits the ratio of length of service at the calculation date to length of service at the retirement date.

The annual cost of the scheme, attributable to the cost of an additional year of service for each participant, is determined by the ratio of the actuarial value of future benefits to the anticipated length of service on retirement.

b. Accounting principles

A provision is recognised under liabilities on the balance sheet to cover for all obligations.

Actuarial gains or losses arise on differences related to changes in assumptions underlying calculations (early retirement, discount rates etc.) or between actuarial assumptions and what actually occurs (rate of return on pension fund assets etc.) constitute.

They are amortised through income over the average anticipated remaining service lives of employees using the corridor method.

The past service cost is spread over the remaining period for acquiring rights.

The annual expense recognised in the income statement under "Salaries and employee benefits" in respect of defined-benefit schemes comprises:

- The rights vested by each employee during the period (the cost of service rendered) ;
- The interest cost relating to the effect of discounting the obligation ;
- The expected income from the pension fund's investments (gross rate of return);
- The effect of any plan curtailments or settlements.

1.6.8. Share-based payments

The Group offers its employees the possibility of participating in share issues in the form of share purchase plans.

New shares are offered at a discount on the condition that they retain the shares for a specified period.

The expense related to share purchase plans is spread over the vesting period if the benefit is conditional upon the beneficiary's continued employment.

This expense, booked under "Salaries and employee benefits", with a corresponding adjustment to shareholders' equity, is calculated on the basis of the plan's total value, determined at the allotment date by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account performance-based criteria relating to the BMCE Bank share price. The plan's total expense is determined by multiplying the unit value per option or bonus share awarded by the estimated number of options or bonus shares acquired at the end of the vesting period, taking into account the conditions regarding the beneficiary's continued employment.

1.6.9. Provisions recorded under liabilities

Provisions recorded under liabilities on the Group's balance sheet, other than those relating to financial instruments and employee benefits mainly relate to restructuring, litigation, fines, penalties and tax risks.

A provision is recognised when it is probable that an outflow of resources providing economic benefits will be required to settle an obligation arising from a past event and a reliable estimate can be made about the obligation's amount. The amount of such obligations is discounted in order to determine the amount of the provision if the impact of discounting is material.

A provision for risks and charges is a liability of uncertain timing or amount.

The accounting standard provides for three conditions when an entity must recognise a provision for risks and charges:

- A present obligation towards a third party ;
- An outflow of resources is probable in order to settle the obligation;
- The amount can be estimated reliably.

1.6.10. Current and deferred taxes

The current income tax charge is calculated on the basis of the tax laws and tax rates in force in each country in which the Group has operations.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

A deferred tax liability is a tax which is payable at a future date. Deferred tax liabilities are recognised for all taxable temporary differences other than those arising on initial recognition of goodwill or on initial recognition of an asset or liability for a transaction which is not a business combination and which, at the time of the transaction, has not impact on profit either for accounting or tax purposes.

A deferred tax asset is a tax which is recoverable at a future date. Deferred tax assets are recognised for all deductible temporary differences and unused carry-forwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

The Group has opted to assess the probability of recovering deferred tax assets.

Deferred taxes assets are not recognised if the probability of recovery is uncertain. Probability of recovery is ascertained by the business projections of the companies concerned.

1.6.11. Cash flow statement

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks and the net balances of sight loans and deposits with credit institutions.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group's operations, including cash flows related to investment property, held-to-maturity financial assets and negotiable debt instruments.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to subordinated debt, bonds and debt securities (excluding negotiable debt instruments).

1.6.12. Use of estimates in the preparation of the financial statements

Preparation of the financial statements requires managers of business lines and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet and in the disclosure of information in the notes to the financial statements.

This requires the managers in question to exercise their judgement and to make use of information available at the time of preparation of the financial statements when making their estimates.

The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates depending on market conditions. This may have a material impact on the financial statements.

Those estimates which have a material impact on the financial statements primarily relate to:

- Impairment (on an individual or collective basis) recognised to cover credit risks inherent in banking intermediation activities ;

Other estimates made by the Group's management primarily relate to :

- Goodwill impairment tests ;
- Provisions for employee benefits;
- The measurement of provisions for risks and charges.

II. NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

2.1. NET INTEREST INCOME

Includes net interest income (expense) related to customer and interbank transactions, debt securities issued by the Group, the trading portfolio (fixed income securities, repurchase agreements, loan / borrowing transactions and debts securities), available for sale financial assets and held-to-maturity financial assets.

NET INTEREST INCOME	2016			2015		
	Income	Expense	Net	Income	Expense	Net
Customer Items	**10 346 197**	**3 163 407**	**7 182 790**	**9 885 496**	**3 089 650**	**6 795 846**
Deposits, loans and borrowings	9 688 738	3 062 214	6 626 524	9 361 634	2 973 026	6 388 608
Repurchase agreements		101 193	-101 193		116 624	-116 624
Finance leases	657 459		657 459	523 862		523 862
Interbank items	**825 329**	**1 292 729**	**-467 400**	**887 565**	**916 517**	**-28 952**
Deposits, loans and borrowings	606 763	1 172 157	-565 394	623 683	877 403	-253 720
Repurchase agreements	218 566	120 572	97 994	263 882	39 114	224 768
Debt securities issued	**0**	**0**	**0**	**0**	**0**	**0**
Cash flow hedge instruments	**0**	**0**	**0**	**0**	**0**	**0**
Interest rate portfolio hedge instruments	**0**	**0**	**0**	**0**	**0**	**0**
Trading book	**1 908 668**	**803 508**	**1 105 160**	**1 341 654**	**955 975**	**385 679**
Fixed income securities	1 908 668	463 711	1 444 957	1 341 654	623 022	718 632
Repurchase agreements			0			0
Loans/borrowings			0			0
Debt securities	0	339 797	-339 797	0	332 953	-332 953
Available for sale financial assets			**0**			**0**
Held to maturity financial assets	**1 425 048**		**1 425 048**	**1 388 241**		**1 388 241**
TOTAL	**14 505 242**	**5 259 644**	**9 245 598**	**13 502 956**	**4 962 142**	**8 540 814**

(In thousand MAD)

As of December 31, 2016, the net interest income increased by 8.3% compared as of December 31, 2015 and amounted 9 245 million MAD. This variation is mainly due to an increase of income related to trading portfolio, which amounted 1 909 million MAD as of December 31, 2016 versus 1 342 million MAD as of December 31, 2015.

NET FEE INCOME	2016			2015		
	Income	Expense	Net	Income	Expense	Net
Net fee on transactions	**1 900 141**	**242 909**	**1 657 232**	**1 575 303**	**164 300**	**1 411 003**
With credit institutions			-			-
With customers	1 336 588		1 336 588	1 125 822		1 125 822
On custody	267 138	112 548	154 590	196 168	97 622	98 546
On foreign exchange	296 415	130 361	166 054	253 313	66 678	186 635
On financial instruments and off balance sheet			-			-
Banking and financial services	**672 534**	**212 821**	**459 713**	**715 274**	**175 123**	**540 151**
Income from mutual funds management			-			-
Income from electronic payment services	365 244	55 540	309 704	361 150	49 371	311 779
Insurance			-			-
Other	307 290	157 281	150 009	354 124	125 752	228 372
NET FEE INCOME	**2 572 675**	**455 730**	**2 116 945**	**2 290 577**	**339 423**	**1 951 154**

(In thousand MAD)

Net fee income covers fees from interbank market and the money market, customer transactions, securities transactions, foreign exchange transactions, securities commitments, financial transactions derivatives and financial services.

2.3. NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This entry includes all items of income (excluding interest income and expenses, classified under «Net interest income» as described above) relating to financial instruments managed within the trading book.

This covers gains and losses on disposals, gains and losses related to mark-to-market, as well as dividends from variable-income securities..

NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH profit or loss	2016			2015		
	Trading Book	Assets measured under the fair value option	Total	Trading Book	Assets measured under the fair value option	Total
Fixed income and variable income securities	976 350		976 350	466 807		466 807
Derivative instruments	6 746	-106	6 640	-27 077	1 682	-25 395
Repurchase agreements						
Loans						
Borrowings						
Remeasurement of interest rate risk hedged portfolios						
Remeasurement of currency positions						
TOTAL	**983 096**	**-106**	**982 990**	**439 730**	**1 682**	**441 412**

(In thousand MAD)

As of December 31, 2016, net gains on financial instruments at fair value through profit rose by 123% compared to December 31, 2015.

This variation is mainly due to an increase of yield of fixed and variable income from 467 million MAD in 2015 to 976 million MAD in 2015.

2.4. NET GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

This section includes :

- Dividends and other income from equities and other floating rate securities classified as financial assets available for sale ;
- Gains and losses on disposals of fixed and floating rate securities classified as available for sale financial assets ;
- Impairment provisions on floanting rate securities, classified as available for sale financial assets.

NET GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	2016	2015
Fixed income securities	**0**	**0**
Disposal gains and losses		
Equity and other variable-income securities	**229 923**	**211 536**
Dividend income	240 014	218 305
Impairment provisions	-10 091	-5 314
Net disposal gains	0	-1 455
TOTAL	**229 923**	**211 536**

(In thousand MAD)

As of December 31, 2016, net gains on available-for-sale financial assets increased significantly compared to 31 December 2015 and amounted MAD 230 million. This variation is mainly due to the increase in dividend income, which amounted nearly MAD 218 million in 2015, compared to MAD 240 million in 2016

2.5. NET INCOME FROM OTHER ACTIVITIES

NET INCOME FROM OTHER ACTIVITIES	2016			2015		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities			-			-
Net income from investment property	-	-	-	-	-	-
Net income from assets held under operating leases	270 114	111 298	158 816	269 116	104 725	164 391
Net income from property development activities	-	-	-	-	-	-
Other banking income & expenses	258 049	96 299	161 750	383 325	218 872	164 453
Other operating income	356 352	262 359	93 993	392 081	49 036	343 045
TOTAL NET INCOME FROM OTHER ACTIVITIES	**884 515**	**469 956**	**414 559**	**1 044 522**	**372 633**	**671 889**

(In thousand MAD)

2.6. COST OF RISK

Includes expenses arising from the manifestation of credit risk and counterparty disputes inherent in the banking business conducted with stakeholders. Net impairment non covered by such risk allocations are classified in the income statement according to their type.

Cost of risk for the period

COST OF RISK FOR THE PERIOD	2016	2015
Impairment provisions	**-2 355 213**	**-2 571 528**
Impairment provisions on loans and advances	-2 310 117	-2 444 843
Impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Provisions on off balance sheet commitments	-8 643	-13 059
Other provisions for contingencies and charges	-36 453	-113 626
Write back of provisions	**721 441**	**1 618 558**
Write back of impairment provisions on loans and advances	669 887	1 475 347
Write back of impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Write back of provisions on off balance sheet commitments	0	1 575
Write back of other provisions for contingencies and charges	51 554	141 636
Changes in provisions	**17 241**	**-486 986**
Losses on counterparty risk on available for sale financial assets (fixed income securities)		
Losses on counterparty risk held to maturity financial assets		
Loss on irrecoverable loans and advances not covered by impairment provisions		
Loss on irrecoverable loans and advances covered by impairment provisions	-11 102	-529 326
Discount on restructured products		
Recoveries on amortized loans and advances	28 343	42 340
Losses on off balance sheet commitments		
Other losses		
Cost of Risk	**-1 616 531**	**-1 439 956**

(In thousand MAD)

Cost of risk for the period

COST OF RISK FOR THE PERIOD	2016	2015
Net allowances to impairment	-1 633 772	-952 971
Recoveries on loans and receivables previously written off	28 343	42 340
Irrecoverable loans and receivables not covered by impairment provisions	-11 102	-529 325
TOTAL COST OF RISK FOR THE PERIOD	**-1 616 531**	**-1 439 956**

(In thousand MAD)

Cost of risk for the period asset type

COST OF RISK FOR THE PERIOD ASSET TYPE	2016	2015
Loans and Receivables due from credit institutions		
loans and receivables due from customers	-1 622 989	-1 456 481
Available for sale financial assets		
Held to maturity financial assets		
Financial assets from market transactions		
Others		
Commitments and others	6 458	16 525
Total cost of risk for the period	**-1 616 531**	**-1 439 956**

(In thousand MAD)

2.7. NET GAINS ON OTHER ASSETS

NET GAINS ON OTHER ASSETS	2016	2015
PP&E and intangible assets used in operations	**0**	**0**
Capital gains on disposals		
Capital losses on disposals		
Equity interests	**0**	**0**
Capital gains on disposals		0
Capital losses on disposals	0	0
Others*	-111 741	74 609
Net Gain/Loss on Other Assets	**-111 741**	**74 609**

(In thousand MAD)

2.8. INCOME TAX

2.8.1. Current and deferred tax

CURRENT AND DEFERRED TAX	2016	2015
Current tax	414 191	63 550
Deferred tax	521 548	473 814
Current and deferred tax assets	**935 740**	**537 364**
Current tax	641 287	131 027
Deferred tax	1 198 242	1 130 452
Current and deferred tax liabilities	**1 839 530**	**1 261 479**

(In thousand MAD)

2.8.2. Net income tax expense

NET INCOME TAX EXPENSE	2016	2015
Current tax expense	-1 078 191	-790 809
Net deferred tax expense	-45 463	-170 424
Net Corporate income tax expense	**-1 123 654**	**-961 233**

(In thousand MAD)

2.8.3. Effective tax rate

EFFECTIVE TAX RATE	2016	2015
Net income	2 834 827	2 654 730
Net corporate income tax expense	-1 123 654	-961 233
Average effective tax rate	**39,6%**	**36,2%**

(In thousand MAD)

Analysis of effective tax rate

ANALYSIS OF EFFECTIVE TAX RATE	2016	2015
Standard tax rate	37,0%	37,0%
Differential in tax rates applicable to foreign entities		
Reduced tax rate		
Permanent differences		
Change in tax rate		
Déficit reportable		
Other items	2,6%	-0,8%
Average effective tax rate	**39,6%**	**36,2%**

(In thousand MAD)

2.9 - GENERAL OPERATING EXPENSES

GENERAL OPERATING EXPENSES	2016	2015
Staff expenses	3 511 124	3 275 478
Taxes	120 407	104 508
External expenses	1 585 443	1 486 180
Other general operating expenses	1 461 479	1 395 056
Allowances for depreciation and provisions of tangible and intangible assets	696 947	672 006
General operating expenses	**7 375 400**	**6 933 228**

(In thousand MAD)

General operating expenses increased by 6.38% between 2015 and 2016, from MAD 6,933 million at December 31, 2015 to MAD 7,375 million at December 31, 2016.

This variation can be explained by a 7.19% increase in staff expenses, from MAD 3,275 million in 2015 to MAD 3,511 million in 2016, and by the increase in other operating expenses (including taxes, Amortization and other external expenses) of 5.65% from MAD 3,658 million in 2015 to MAD 3,864 million in 2016

III. SEGMENT INFORMATION

BMCE Bank Group is composed of four core business activities for accounting and financial information purposes:

- **Banking in Morocco :** includes BMCE Bank's Moroccan business;
- **Asset management and Investment banking :** includes investment banking (BMCE Capital), securities brokerage (BMCE Capital Bourse) and asset management (BMCE Capital Gestion) ;
- **Specialised financial services :** includes consumer credit (Salafin), leasing (Maghrébail), factoring (Maroc Factoring), recovery (RM Experts) and credit insurance (Acmar) ;
- **International activities :** includes BMCE International (Madrid), Banque de Développement du Mali, La Congolaise de Banque, BMCE Bank International and Bank Of Africa.

3.1. EARNINGS BY BUSINESS LINE

EARNINGS BY BUSINESS LINE	Activity in morocco	Invest-ment Banking	Specialised financial services	Others	Interna-tional activities	Total
2016						
Net interest Income	3 645 136	69 037	761 297	-16 351	4 786 479	9 245 598
Net Fee income	1 030 566	169 988	12 501	0	903 890	2 116 945
Net Banking Income	5 525 326	393 864	784 994	142 682	6 143 149	12 990 015
General Operating Expenses & allowances for depreciation and amortization	-3 260 377	-288 018	-231 504	-77 796	-3 517 705	(7 375 400)
Operating Income	2 264 949	105 846	553 490	64 886	2 625 444	5 614 615
Corporate income tax	-605 905	-47 661	-181 653	-17 920	-270 515	(1 123 654)
Net Income Attributable to shareholders of the parent	814 518	141 073	188 023	48 758	843 814	2 036 186
2015						
Net interest Income	3 517 004	32 488	620 546	-17 635	4 388 411	8 540 814
Net Fee income	963 811	150 168	13 519	0	823 656	1 951 154
Net Banking Income	4 880 905	344 371	644 205	147 277	5 800 047	11 816 805
General Operating Expenses & allowances for depreciation and amortization	-3 037 457	-267 747	-218 765	-77 284	-3 331 975	(6 933 228)
Operating Income	1 843 447	76 625	425 441	69 993	2 468 071	4 883 577
Corporate income tax	-464 940	-48 930	-151 203	-16 773	-279 387	(961 233)
Net Income Attributable to shareholders of the parent	845 170	110 059	173 887	47 536	778 883	1 955 535

(In thousand MAD)

3.2. ASSETS AND LIABILITIES BY BUSINESS ACTIVITY

ASSETS AND LIABILITIES BY BUSINESS ACTIVITY	Activity in morocco	Investment Banking	Specialised financial services	Others	International activities	Total
2016						
Total assets	205 383 601	979 684	9 234 390	183 128	90 142 075	305 922 878
Assets items						
Available for sale assets	2 249 497	101 026	19 718	20 464	5 927 020	8 317 725
Customer loans	117 079 106	121	14 702 011	0	47 992 984	179 774 222
Financial assets at fair value	38 499 389	208 390	207	0	182 937	38 890 923
Held to maturity assets	4 188 468	0	0	0	20 947 702	25 136 170
Liabilities & shareholders equity items						
Customer deposits	131 000 917	17	908 600	0	58 140 801	190 050 335
Shareholder's Equity	15 463 646	315 561	1 478 662	(32 906)	6 357 724	23 582 687
2015						
Total assets	187 904 186	724 956	7 343 858	214 288	83 234 332	279 421 620
Assets items						
Available for sale assets	2 141 161	107 685	17 265	20 365	4 560 096	6 846 572
Customer loans	113 592 597	109	14 680 785	0	45 006 205	173 279 696
Financial assets at fair value	25 275 085	122 281	207	0	362 655	25 760 228
Held to maturity assets	4 328 349	0	0	0	20 231 109	24 559 458
Liabilities & shareholders equity items						
Customer deposits	121 110 279	2 616	1 107 886	0	56 034 240	178 255 021
Shareholder's Equity	14 966 626	263 520	1 422 829	(35 622)	5 492 199	22 109 552

(In thousand MAD)

3.3. BREAKDOWN OF LOANS AND RECEIVABLES

Breakdown of loans and receivables to credit institutions by geographical region

BREAKDOWN OF LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS BY GEOGRAPHICAL REGION

	2016			2015		
	PERFORMING LOANS	NPLS	PROVISIONS	PERFORMING LOANS	NPLS	PROVISIONS
Morocco	13 781 032	58 620	58 620	13 272 891	58 616	58 616
Europe	3 145 671	0	0	3 127 517	0	0
Subsaharian Africa	4 275 686	27 760	8 920	4 554 179	24 100	7 651
Total	**21 202 389**	**86 380**	**67 540**	**20 954 587**	**82 716**	**66 267**
Allocated debts						
Provisions						
Net Value	**21 202 389**	**86 380**	**67 540**	**20 954 587**	**82 716**	**66 267**

(In thousand MAD)

Breakdown of loans to customer by georgraphical region

BREAKDOWN OF LOANS TO CUSTOMER BY GEORGRAPHICAL REGION

	2016				2015			
	PERFORMING LOANS	NPLS	INDIVIDUAL PROVISIONS	COLLECTIVE PROVISIONS	PERFORMING LOANS	NPLS	INDIVIDUAL PROVISIONS	COLLECTIVE PROVISIONS
Morocco	128 534 813	9 353 560	4 358 705	1 748 430	125 168 158	8 419 017	3 904 848	1 408 837
Europe	3 885 045	205 958	85 332	0	3 816 758	110 303	32 658	0
Subsaharian Africa	41 432 888	5 150 768	2 424 641	171 702	38 924 773	4 204 443	1 936 574	80 839
Net Value	**173 852 746**	**14 710 286**	**6 868 678**	**1 920 132**	**167 909 689**	**12 733 763**	**5 874 080**	**1 489 676**

(In thousand MAD)

Change in impairment for loans due from customers

	2016	2015
TOTAL PROVISIONS AT BEGINNING OF THE PERIOD	**7 363 756**	**6 877 560**
Provisions	2 369 128	2 464 842
Write-backs of provisions	-708 909	-1 421 577
Use of provisions	-174 476	-522 094
Change in currency parities and other	-60 689	-34 975
TOTAL PROVISIONS AT END OF THE PERIOD	**8 788 810**	**7 363 756**

(In thousand MAD)

Change in impairment for loans due from credit institutions

	2016	2015
TOTAL PROVISIONS AT BEGINNING OF THE PERIOD	**66 267**	**68 353**
Provisions	1 273	
Write-backs of provisions		-2 086
Use of provisions	-	-
Change in currency parities and other		
TOTAL PROVISIONS AT END OF THE PERIOD	**67 540**	**66 267**

(In thousand MAD)

IV. NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2015

4.1. CASH, AMOUNTS DUE FROM CENTRAL BANKS, BANKS AND THE POST OFFICE

CASH, AMOUNTS DUE FROM CENTRAL BANKS, BANKS AND THE POST OFFICE	2016	2015
Cash	**3 391 893**	**3 562 741**
Central banks	7 922 511	5 998 648
Treasury	836 575	836 959
Giro	4 658	4 742
Central banks, treasury, giro	**8 763 744**	**6 840 349**
Cash, central banks, treasury, giro	**12 155 637**	**10 403 090**

(In thousand MAD)

4.2. ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and liabilities recognised at fair value through income consist of negotiated transactions for trading purposes.

ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	2016			2015		
	Trading book	Assets designated at fair value through profit or loss	Total	Trading book	Assets designated at fair value through profit or loss	Total
Financial assets at fair value through profit or loss						
Negotiable certificates of deposits	**16 099 331**		**16 099 331**	**4 746 066**		**4 746 066**
Treasury bills and other eligible for central bank refinancing	14 101 323		14 101 323	4 235 874		4 235 874
Other negotiable certificates of deposits	1 998 008		1 998 008	510 192		510 192
Bonds	**3 231 539**		**3 231 539**	**1 518 833**		**1 518 833**
Government bonds	881 003		881 003	616 244		616 244
Other bonds	2 350 536		2 350 536	902 589		902 589
Equities and other variable income securities	**19 533 271**		**19 533 271**	**19 490 636**		**19 490 636**
Repurchase agreements						
Loans						
To credit institutions						
To corporate customers						
To private individual customers						
Trading Book Derivatives	**26 782**		**26 782**	**4 693**		**4 693**
Currency derivatives	26 205		26 205	4 089		4 089
Interest rate derivatives	577		577	604		604
Equity derivatives						
Credit derivatives						
Other derivatives						
Total financial assets at fair value through profit or loss	**38 890 923**		**38 890 923**	**25 760 228**		**25 760 228**
Of which loaned securities						
Excluding equities and other variable-income securities						
Financial liabilities at fair value through profit or loss						
Borrowed securities and short selling						
Repurchase agreements						
Borrowings		2 037 621	2 037 621		1 999 324	1 999 324
Credit institutions		2 037 621	2 037 621		1 999 324	1 999 324
Corporate customers						
Debt securities						
Trading Book Derivatives	**60 655**		**60 655**	47 270		47 270
Currency derivatives	**60 655**		**60 655**	47 270		47 270
Interest rate derivatives						
Equity derivatives						
Credit derivatives						
Other derivatives						
Total financial liabilities at fair value through profit or loss	**60 655**	**2 037 621**	**2 098 276**	**47 270**	**1 999 324**	**2 046 594**

(In thousand MAD)

4.3. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets other than those classified as:

a) Loans and receivables;

b) Held-to-maturity financial assets;

c) Financial assets at fair value through profit or loss.

AVAILABLE-FOR-SALE FINANCIAL ASSETS	2016	2015
Negotiable certificates of deposit	0	0
Treasury bills and other bills eligible for central bank refinancing		
Other negotiable certificates of deposit		
Bonds	5 501 553	4 112 360
Government bonds	3 970 101	2 833 016
Other bonds	1 531 452	1 279 344
Equities and other variable-income securities	3 251 983	3 153 573
Of which listed securities	316 103	319 930
Of which unlisted securities	2 935 880	2 833 643
Total available-for-sale financial assets, before impairment provisions	**8 753 536**	**7 265 933**
Of which unrealized gains and losses	-435 811	-419 361
Of which fixed-income securities		
Of which loaned securities	-435 811	-419 361
Total available-for-sale financial assets, net of impairment provisions	**8 317 725**	**6 846 572**
Of which fixed-income securities, net of impairment provisions		

(In thousand MAD)

4.4. INTERBANK TRANSACTIONS, RECEIVABLES AND AMOUNTS DUE FROM CREDIT INSTITUTIONS

Loans and receivables due from credit institutions

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	2016	2015
Demand accounts	4 992 941	5 630 176
Loans	13 446 232	12 839 340
Including cash loans DD	24 826	27 323
Repurchase agreements	2 846 445	2 567 788
Total loans and receivables due from credit institutions, before impairment provisions	**21 285 618**	**21 037 304**
Provisions for impairment of loans and receivables due from credit institutions	-64 389	-66 268
Total loans and receivables due from credit institutions, net of impairment provisions	**21 221 229**	**20 971 036**

(In thousand MAD)

Amounts due to credit institutions

AMOUNTS DUE TO CREDIT INSTITUTIONS	2016	2015
Demand accounts	2 801 428	2 081 821
Borrowings	32 330 639	34 683 456
Including cash loans DD	1 153 270	2 877 349
Repurchase agreements	14 576 201	14 410 750
TOTAL	**49 708 268**	**51 176 027**

(In thousand MAD)

4.5. LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS

LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS

LOANS AND RECEIVABLES DUE FROM CUSTOMERS	2016	2015
Demand accounts	24 688 644	25 697 536
Loans to customers	138 932 342	124 431 972
Repurchase agreements	11 561 531	18 162 143
Finance leases	13 380 515	12 351 801
Total loans and receivables due from customers, before impairment provisions	**188 563 032**	**180 643 452**
Impairment of loans and receivables due from customers	-8 788 810	-7 363 756
Total loans and receivables due from customers, net of impairment provisions	**179 774 222**	**173 279 696**

BREAKDOWN OF AMOUNTS DUE FROM CUSTOMERS BY BUSINESS ACTIVITY	2016	2015
Activity in Morocco	117 079 106	113 592 596
Specialized Financial Services	14 702 011	14 680 785
International Activities	47 992 984	45 006 206
Investment Banking	121	109
Other Activities	0	0
Total	**179 774 222**	**173 279 696**
Allocated Debts		
Value at Balance sheet	**179 774 222**	**173 279 696**

BREAKDOWN OF AMOUNTS DUE FROM CUSTOMERS BY GEOGRAPHICAL REGION	2016	2015
Morocco	131 781 238	128 273 490
Sub saharan Africa	43 987 312	41 111 803
Europe	4 005 672	3 894 403
Total	**179 774 222**	**173 279 696**
Allocated Debts		
Value at Balance sheet	**179 774 222**	**173 279 696**

AMOUNTS DUE TO CUSTOMERS	2016	2015
On demand deposits	108 326 940	100 028 015
Term accounts	40 965 156	40 871 554
Savings accounts	22 391 034	21 017 845
Cash certificates	5 085 322	4 666 140
Repurchase agreements	4 218 496	2 481 744
Other items	9 063 387	9 189 723
TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS	**190 050 335**	**178 255 021**

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS ACTIVITY	2016	2015
Activity in Morocco	131 000 907	121 110 279
Specialized Financial Services	908 610	1 107 886
International Activities	58 140 801	56 034 240
Investment Banking	17	2 616
Other Activities	0	0
Total	**190 050 335**	**178 255 021**
Allocated Debts		
Value at Balance sheet	**190 050 335**	**178 255 021**

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION	2016	2015
Morocco	131 909 534	122 220 781
Sub saharan Africa	56 390 289	54 445 069
Europe	1 750 512	1 589 171
Total	**190 050 335**	**178 255 021**
Allocated Debts		
Value at Balance sheet	**190 050 335**	**178 255 021**

(In thousand MAD)

4.6. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS	2016	2015
Other debt securities	**13 186 303**	**8 967 697**
Negotiable certificates of deposit	13 186 303	8 967 697
Bond issues		
Subordinated debts	**10 183 703**	**8 436 745**
Subordinated debt	10 183 703	8 436 745
Redeemable subordinated debt	8 183 703	6 436 745
Undated subordinated debt	2 000 000	2 000 000
Subordinated Notes	0	0
Redeemable subordinated notes		
Undated subordinated notes	0	0
Public Funds and special guarantee funds	**309 673**	**202 552**
Total	**23 679 679**	**19 965 657**

(In thousand MAD)

Special purpose public funds and special guarantee funds only relate to BOA Group.

They are non-repayable funds aimed at subsidising lending rates and provisioning for credit losses in specific sectors and business activities.

4.7. HELD-UNTIL-MATURITY FINANCIAL ASSETS

HELD-UNTIL-MATURITY FINANCIAL ASSETS	2016	2015
Negotiable certificates of deposit	**5 669 715**	**6 095 691**
Treasury bills and other bills eligible for central bank refinancing	5 669 715	6 095 691
Other negotiable certificates of deposit		0
Bonds	**19 466 455**	**18 463 767**
Government bonds	14 331 242	12 802 119
Other bonds	5 135 213	5 661 648
Total held-to-maturity financial assets	**25 136 170**	**24 559 458**

(In thousand MAD)

4.8. CURRENT AND DEFERRED TAXES

CURRENT AND DEFERRED TAXES	2016	2015
Current taxes	414 191	63 550
Deferred taxes	521 548	473 814
Current and deferred tax assets	**935 739**	**537 364**
Current taxes	641 287	131 027
Deferred taxes	1 198 242	1 130 452
Current and deferred tax liabilities	**1 839 529**	**1 261 479**

(In thousand MAD)

Deferred Taxes by Category

	2016				2015			
	Deferred tax assets	Deferred tax liabilities	DT/Impact on G&PL	DT/Impact on income	Deferred tax assets	Deferred tax liabilities	ID / Impact G&PL	ID / Impact Résultat
Available-for-sale financial assets	3 917	-72 580	-25 077	404		-65 558	-67 229	404
Property, plant and equipment, Intangible assets and Investment property	112 226	-596 010	-	-11 613	106 593	-592 036	-	-11 613
Loans	240 147	-489 953	-	-153 950	229 607	-441 044	-	-153 950
Staff benefits	119 748	-	24 417	1 992	99 272	-135	-6 225	1 992
Others	-1 953	-39 699	-	-5 156	950	-31 679	-	-5 156
Deferred taxes relating to consolidation and IFRS restatements	474 085	-1 198 242	-660	-168 323	436 422	-1 130 452	-73 454	-168 324
Loss carry forwards	47 463				37 392			

(In thousand MAD)

4.9. ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES

ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES	2016	2015
Guarantee deposits and bank guarantees paid	40 950	82 020
Settlement accounts related to securities transactions	71 213	43 028
Collection accounts	397 441	656 493
Reinsurers' share of technical reserves		
Accrued income and prepaid expenses	517 122	479 608
Other debtors and miscellaneous assets	5 087 235	3 794 891
Inter-related Accounts	326 815	308 147
TOTAL ACCRUED INCOME AND OTHER ASSETS	**6 440 776**	**5 364 187**
Guarantee deposits received	20 247	16 786
Settlement accounts related to securities transactions	7 261 686	14 974
Collection accounts	1 304 298	1 417 640
Accrued expenses and deferred income	1 154 763	1 078 145
Other creditors and miscellaneous assets	4 537 906	3 787 495
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	**14 278 900**	**6 315 040**

(In thousand MAD)

4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD	2016	2015
Euler Hermes Acmar	19 447	25 114
Banque de Développement du Mali	387 973	347 072
Eurafric Information	-12 202	-9 728
Société Conseil Ingénierie et Développement	148 585	142 354
Inverstments in equity methods companies belonging to subsidiaries	87 465	80 975
Investments in associates	631 268	585 787

(In thousand MAD)

Financial data of the main companies accounted for under the equity method

FINANCIAL DATA OF THE MAIN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD	Total Assets	Net Banking Income or Net Revenues	Company Income	Net income
Euler Hermes Acmar	422 984	143 544	27 683	5 537
Banque de Développement du Mali	11 536 766	586 037	243 263	79 056
Eurafric Information	152 925	205 803	-397	-1 692
Société Conseil Ingénierie et Développement	589 439	262 295	32 110	11 658

(In thousand MAD)

4.11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS AND INVESTMENT PROPERTY

	2016			2015		
IMMOBILISATIONS DE PLACEMENT ET D'EXPLOITATION	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount
PP&E	12 320 654	5 331 829	6 988 825	11 455 252	4 939 223	6 516 029
Land and buildings	3 797 644	380 388	3 417 256	2 860 401	112 969	2 747 432
Equipment, furniture and fixtures	3 837 324	2 357 522	1 479 802	4 023 357	1 980 130	2 043 227
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other PP&E	4 685 686	2 593 919	2 091 767	4 571 494	2 846 124	1 725 370
Intangible Assets	2 162 892	1 333 922	828 970	1 866 540	1 163 015	703 525
Purchased software	1 684 757	1 096 920	587 837	1 423 019	930 976	492 043
Internally-developed software	0	0	0	0	0	0
Other intangible assets	478 135	237 002	241 133	443 521	232 039	211 482
Investment Property	3 841 315	95 169	3 746 146	3 116 213	81 082	3 035 131

(In thousand MAD)

Change in property, plant and equipment

CHANGE IN PROPERTY, PLANT AND EQUIPMENT	2016	2015
Net value as of January, 1st	**6 521 829**	**5 847 075**
Acquisition of the year	859 988	2 172 198
Entrance in the scope	-	-
Depreciation, Amortization of impaiment	(470 711)	(853 088)
Disposal of the year	(328 668)	(677 373)
Reclassifications	406 387	27 217
NET VALUE AT END OF PERIOD	**6 988 825**	**6 516 029**

(In thousand MAD)

Change in intangible assets

CHANGE IN INTANGIBLE ASSETS	2016	2015
Net value as of January, 1st	**703 525**	**744 273**
Acquisition of the year	324 337	181 642
Entrance in the scope	-	-
Depreciation, Amortization of impaiment	(173 905)	(186 771)
Disposal of the year	(13 633)	(10 950)
Reclassifications	(11 354)	(24 669)
NET VALUE AT END OF PERIOD	**828 970**	**703 525**

(In thousand MAD)

investment properties

INVESTMENT PROPERTIES	2016	2015
Net value as of January, 1st	**3 035 131**	**835 047**
Acquisition of the year	744 004	2 242 743
Entrance in the scope	-	-
Depreciation, Amortization of impaiment	(18 306)	(4 828)
Disposal of the year	(13 643)	(29 943)
Reclassifications	(1 040)	(7 888)
NET VALUE AT END OF PERIOD	**3 746 146**	**3 035 131**

(In thousand MAD)

4.12. GOODWILL

GOODWILL	2016	2015
Gross value at start of period	852 310	832 470
Accumulated impairment at start of period		
Carrying amount at start of period	852 310	832 470
Acquisitions		19 840
Disposals		
Impairment losses recognized during the period		
Translation adjustments		
Subsidiaries previously accounted for by the equity method		
Other movements	0	0
Gross value at end of period	852 310	852 310
Accumulated impairment at end of period		
CARRYING AMOUNT AT END OF PERIOD	852 310	852 310

(In thousand MAD)

The following table provides a breakdown of goodwill :

	2016 book Value	2015 book Value
Maghrébail	10 617	10 617
Banque de développement du Mali	3 588	3 588
SALAFIN	5 174	5 174
Maroc Factoring	1 703	1 703
BMCE Capital Bourse	2 618	2 618
BMCE International (Madrid)	3 354	3 354
Bank Of Africa	711 976	711 976
LOCASOM	98 725	98 725
CID	14 555	14 555
TOTAL	**852 310**	**852 310**

Goodwill impairment tests

The recoverable amount of a cash-generating unit has been determined on the basis of value in use.

An intrinsic value approach has been adopted to determine value in use at BOA and Locasom as follows:

- At BOA, the "dividend discount model" (hereafter, the "DDM") has been adopted. This is a standard method used by the banking industry to determine an activity's value by reference to the net present value of dividends that the activity is likely to generate in the future. The value thus calculated corresponds to the value in shareholders' equity;
- At Locasom, the "discounted cash flow method" (hereafter, the "DCF" method) has been adopted. This is a standard method used by the services sector to determine an activity's value by reference to the net present value of available cash flows that the activity is likely to generate in the future. The value thus calculated corresponds to enterprise value.

Cash-flow projections are based on financial estimates over a three-year period approved by management.

	Bank of Africa	Locasom
	%	%
Discount rate	18%	8.5%
Growth rate	2%	3%

A certain number of assumptions of estimated net banking income, the cost-to-income ratio, the costs of risk and risk-weighted assets (hereafter, "RWA") underpin the DDM, which is used to determine recoverable value. These are taken from medium-term (3-year) business plans for the first three years, representing the duration of the economic cycle to which the banking industry is sensitive and then in perpetuity, based on sustainable growth rates to calculate terminal value.

Key cash flow variables are EBITDA and the operating margin which underpin the DCF method. This is a standard method used by the services sector to determine an activity's value by reference to the net present value of available cash flows that the activity is likely to generate in the future. The value thus calculated corresponds to enterprise value.

Discount rate

The indirect approach has been used to determine the cost of capital. The indirect approach consists of adjusting the cost of capital of a reference country (France) by a country risk factor, reflecting the specific risks relating to the economic, political, institutional and financial conditions of the country in which the company has its operations.

BOA's cost of capital has been determined on the basis of the observed average discount rate, calculated by weighting the discount rate of each bank by net banking income, in each of the countries in which BOA has operations. The discount rate ranges from 16% to 18% for BOA and from 7% to 8.5% for Locasom.

Growth rate

BOA's business forecasts have been prepared using the CFA Franc. The CFA Franc is guaranteed by the French Treasury and has a fixed exchange rate against the euro. As a result, the long-term growth rate adopted by BOA is 2%, in line with estimates of inflation in France.

Locasom's growth rate has been set at 3%, in line with assumptions for the rate of growth of its sector in Morocco.

Regulatory capital requirements

BOA's risk weighted assets must satisfy Core Tier One regulatory capital requirements over the entire period for which BOA has made estimates.

Net banking income

Estimates of net banking income have been made on the basis on the currently low level of bank penetration in Africa and, as a result, the strong growth potential.

L'EBITDA

Estimates of EBITDA and operating margins have been made on the basis of historical data.

Cost-to-income ratio

Estimates of the cost-to-income ratio are highly correlated with growth in expenses, particularly those relating to the opening of branches, which are required in order to attract new customers.

Sensitivity to changes in assumptions

	BANK OF AFRICA
Cost of capital	**18%**
Unfavorable change of 200 basis points	-1 685 379
Favorable change of 200 basis points	2 198 234
	LOCASOM
Cost of capital	**8,5%**
Unfavorable change of 200 basis points	-208 537
Favorable change of 150 basis points	342 689

For the cash-generating units in question, there is no reason to amortise goodwill, even after factoring in, for impairment tests, the most adverse change in the cost of capital, considered by management to be the assumption most sensitive to any reasonable change.

4.13. PROVISIONS FOR CONTINGENCIES AND CHARGES

	2016	2015
Total provisions at start of period	650 913	523 011
Additions to provisions	51 674	222 915
Reversals of provisions	-51 024	-147 234
Effect of movements in exchange rates and other movements	39 329	57 128
Gross value at end of period	**-5 688**	**-4 907**
TOTAL PROVISIONS AT END OF PERIOD	**685 204**	**650 913**

	Legal and fiscal risks	Obligations for post-employment benefits	Loan commitments and guarantees	Onerous contrats	Other provisions	Total book value
Total provisions at start of period	25 167	323 090	19 602	0	283 054	650 913
Net additions to provisions	14 220	6 578	8 643	0	22 531	51 972
Provisions used	0	0	0	0	0	0
Effect of movements in exchange rates	-18 574	0	0	0	-32 450	-51 024
Other movements	-118	0	-12 119	0	45 580	33 343
TOTAL PROVISIONS AT END OF PERIOD	20 695	329 668	16 126	0	318 715	685 204

4.14. TRANSFERS OF FINANCIAL ASSETS

Financial assets that have been transferred by the Group are mainly composed of securities sold temporarily under repurchase agreements or securities lending transactions.

The liabilities associated with securities temporarily sold under repurchase agreements consist of amounts owing from credit institutions and customers under "Repurchase agreements".

Transferred financial assets not derecognised

These include repurchase agreements or securities lending transactions resulting in a transfer of securities without them being derecognised.

The assets that have been transferred by the Group are:

- Treasury securities
- Certificates of deposit
- Bonds

Transfers of derecognised financial assets

These include securitisation transactions resulting in a transfer of securities leading to de-recognition.

There have been no significant transfers of derecognised securities by the Group in 2016 and 2014.

	2016	
	Carrying amounts of transferred assets	Carrying amounts of associated liabilities
Securities lending operations		
Securities at fair value through profit or loss		
Repurchase agreements		
Securities at fair value through profit or loss	14 338 028	14 329 475
Securities classified as loans and receivables	0	0
Available-for-sale assets	460 221	459 843
Total	**14 798 249**	**14 789 318**

	2015	
	Carrying amounts of transferred assets	Carrying amounts of associated liabilities
Securities lending operations		
Securities at fair value through profit or loss		
Repurchase agreements		
Securities at fair value through profit or loss	13 288 374	13 282 129
Securities classified as loans and receivables	0	0
Available-for-sale assets	691 953	691 060
Total	**13 980 326**	**13 973 188**

4.15. FAIR VALUE

4.15.1. Fair value of financial instruments carried at amortised cost

The information supplied in this note must be used and interpreted with the greatest caution because these fair values are an estimate of the value of the relevant instruments as of 31 December 2014. They are liable to fluctuate from day to day as a result of changes in different variables such as interest rates and credit quality of the counterparty.

In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instruments on the assumption that BMCE Bank Group remained a going concern.

The fair value of a financial instrument is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The valuation techniques and assumptions used ensure that the fair value of financial assets and liabilities is measured on a consistent basis throughout the BMCE Bank Group.

Fair value is based on prices quoted on a liquid market when these are available. In other cases, fair value is determined using commonly-used valuation techniques.

The table below shows the fair value of the Group's financial assets and liabilities at 31 December 2016 :

	2016		2015	
	Book value	Estimated market value	Book value	Estimated market value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	21 221 229	21 235 707	20 971 036	20 998 500
Loans and receivables due from customers	179 774 222	180 516 425	173 279 696	173 621 762
Placements détenus jusqu'à leur échéance	25 136 170	25 438 896	24 559 458	24 444 821
Immeubles de placement	3 746 146	3 807 973	3 035 131	3 096 958
FINANCIAL LIABILITIES				
Loans and receivables due to credit institutions	49 708 268	49 708 268	51 176 027	51 176 027
Loans and receivables due to customers	190 050 335	190 050 335	178 255 021	178 255 021
Debt securities	13 186 303	13 186 303	8 967 697	8 967 697
Subordinated debts	10 493 376	10 493 376	8 639 297	8 639 297

The techniques and assumptions used to determine fair value for each category are described hereafter:

Loans and receivables

The fair value of receivables is determined by estimating the fair value of assets held after conducting sensitivity analysis on each asset class on the basis of each instrument's duration and convexity by observing historical returns as a function of changes in market conditions.

In the absence of a market yield curve reflecting actual rates along the different segments of the curve, average yields on origination for the financial year in question have been used as indicative of actual market rates.

In the case of loans and receivables that have a maturity of less than one year (demand liabilities) or are granted on floating-rate terms, fair value equates to the carrying amount due to their limited sensitivity to changes in rates or by the simple fact that they are granted on the basis of actual market conditions.

Loans and receivables due from credit institutions

Loans and receivables due from credit institutions totalled MAD 21.2 billion with a fair value close to the carrying amount. This is due to the predominance of short-term money market transactions (in the form of cash loans, interbank loans and repurchase agreements).

Outstandings of loans to finance companies totalled MAD 9.4 billion, amortisable over a short period, with a fair value that is MAD 14.5 million higher than the carrying amount.

Loans and receivables due from customers

Outstandings of loans and receivable due from customers totalled MAD 179 billion at 31 December 2016, consisting primarily of cash loans, overdraft facilities and floating rate loans.

Outstandings of fixed-rate loans primarily consist of consumer loans amortisable over a short period (average maturity 2.3 years) and fixed-rate mortgage loans amortisable over an average period of almost 7.2 years.

The sensitivity analysis of the Bank's fixed rate loan book shows a faire value that is 333 million MAD higher than the carrying amount.

Financial liabilities

In the case of financial liabilities that have a maturity of less than one year (demand liabilities) or are granted on floating-rate terms, or for an indefinite period (as is the case for perpetual subordinated debt) as well as most regulated savings products, fair value equates to the carrying amount.

Amounts due to credit institutions

Amounts due to credit institutions totalled MAD 49.7 billion and are recognised at their carrying amount. They consist primarily of short-term cash borrowing transactions in the form of 7-day advances from the Central Bank, interbank borrowings and borrowings from local banks or foreign correspondent banks in addition to repurchase agreements.

Amounts due to customers

Amounts due to customers totalled MAD 190 million, consisting primarily of non-interest-bearing sight deposits in the form of cheque accounts, current accounts in credit and immediate-access regulated savings account.

Repurchase agreements with customers, particularly in respect of mutual funds, are also recognised under "Amounts due to customers".

Outstandings of term deposits totalled MAD 41 billion, with an average maturity of less than one year consisting due to the predominance of 3-month, 6-month and 12-month maturities.

In the case of customer term deposits, fair value equates to the carrying amount.

Debt securities

Outstandings of debt securities totalled MAD 13.2 billion, consisting primarily of certificates of deposit issued by the Bank with predominantly 3-month, 6-month and 12-month maturities.

In the case of debt securities, fair value equates to the carrying amount.

Subordinated debt

Outstandings of subordinated debt, which totalled MAD 10.5 billion, are recognised at the carrying amount due to the predominance of floating-rate issues and perpetual subordinated debt outstandings.

4.15.2. Breakdown by measurement method of financial instruments recognised at fair value presented in accordance with IFRS 7 recommendations

	2016			
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Financial instruments at-fair-value through profit or loss held for trading	38 890 923	-	-	38 890 923
of which financial assets at-fair-value through profit or loss	38 890 923			38 890 923
of which derivative financial instruments				-
Financial instruments designated as at-fair-value through profit or loss				-
Derivatives used for hedging purposes				-
Available for sale financial assets			8 317 725	8 317 725
FINANCIAL LIABILITIES				
Financial instruments at-fair-value through profit or loss held for trading	-	2 098 276	-	2 098 276
of which financial assets at-fair-value through profit or loss		2 037 621		2 037 621
of which derivative financial instruments		60 655		60 655
Financial instruments designated as at-fair-value through profit or loss				
Derivatives used for hedging purposes				

	2015			
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Financial instruments at-fair-value through profit or loss held for trading	25 760 228	-	-	25 760 228
of which financial assets at-fair-value through profit or loss	25 760 228			25 760 228
of which derivative financial instruments				-
Financial instruments designated as at-fair-value through profit or loss				-
Derivatives used for hedging purposes				-
Available for sale financial assets			6 846 572	6 846 572
FINANCIAL LIABILITIES				
Financial instruments at-fair-value through profit or loss held for trading	-	2 046 594	-	2 046 594
of which financial assets at-fair-value through profit or loss		1 999 324		1 999 324
of which derivative financial instruments		47 270		47 270
Financial instruments designated as at-fair-value through profit or loss				
Derivatives used for hedging purposes				

The Bank has transferred its bonds from Level 1 to Level 2 of the fair value hierarchy. This transfer was made to comply with the hierarchy criteria for each level as defined by IFRS 13.

Unquoted available-for-sale financial assets classified as Level 3 assets under the fair value hierarchy are measured using the following methods:

- Carrying amount

- Adjusted net asset value

- Net asset value

- Pricing – corporate events

The Group primarily usesthe 'net asset value' and 'carrying amount' valuation methods.

The above methods are preferred due to these securities' illiquidity and/ or a lack of comparable transactions.

Different methods are used to measure variable income securities such as :

67% of the portfolio is measured using the net asset value method and 21% using the comparable model (similar equity transactions).

Table of changes in available-for-sale financial assets under Level 3 :

	2016		
	Debt	Equity	
CARRYING AMOUNT at 1st January	**4 112 359**	**2 734 213**	**6 846 572**
Profits and losses recognised in the P&L	-	16 656	16 656
Profits and losses recognised in equity	-	13 334	13 334
Acquisitions	1 753 241	116 854	1 870 095
Disposals	-336 055	-63 613	-399 668
Transfers	-	-	-
Translation differences	-27 992	-1 272	-29 264
Reclassifications	-	-	-
CARRYING AMOUNT AT END OF PERIOD	**5 501 553**	**2 816 172**	**8 317 725**

	2015		
	Debt	Equity	
CARRYING AMOUNT at 1st January	**2 402 295**	**2 163 669**	**4 565 964**
Profits and losses recognised in the P&L	-	-1 114	-1 114
Profits and losses recognised in equity	-	-57 090	-57 090
Acquisitions	2 192 760	587 861	2 780 621
Disposals	-418 169	-67 308	-485 477
Transfers	-	-	-
Translation differences	-64 527	108 195	43 668
Reclassifications	-	-	-
CARRYING AMOUNT AT END OF PERIOD	**4 112 359**	**2 734 213**	**6 846 572**

4.15.3. Fair value hierarchy of assets and liabilities recognised at amortised cost

	2016			
	Level 1	Level 2	Level 3	Total
ASSETS				
Loans and receivables due from credit institutions			21 235 707	21 235 707
Loans and receivables due from customers			180 516 425	180 516 425
Held-to-maturity financial assets	5 456 267		19 982 629	25 438 896
LIABILITIES				
Due to credit institutions			49 708 268	49 708 268
Due to customers			190 050 335	190 050 335
Debt securities issued			13 186 303	13 186 303
Subordinated debt			10 493 376	10 493 376

	2015			
	Level 1	Level 2	Level 3	Total
ASSETS				
Loans and receivables due from credit institutions			20 998 500	20 998 500
Loans and receivables due from customers			173 621 762	173 621 762
Held-to-maturity financial assets	4 762 514		19 682 307	24 444 821
LIABILITIES				
Due to credit institutions			51 176 027	51 176 027
Due to customers			178 255 021	178 255 021
Debt securities issued			8 967 697	8 967 697
Subordinated debt			8 639 297	8 639 297

Fair value measurement of financial instruments

Financial instruments measured at fair value are classified at three levels in accordance with IFRS 7 :

◗ **Level 1 :**

Quoted prices on liquid markets for identical assets or liabilities :

This level includes financial instruments with quoted prices in a liquid market that can be used directly.

For BMCE Bank Group, it includes listed equities, mutual funds, bonds and Treasury bonds.

◗ **Level 2 :**

Observable inputs other than Level 1 quoted prices for the asset or liability in question either directly (prices) or indirectly (price-derived inputs):

This level includes financial instruments quoted on markets considered insufficiently liquid as well as those traded on over-the-counter markets. Prices published by an external source, derived from the measurement of similar instruments, are considered to be price-derived inputs.

The Group does not have any financial instruments measured at Level 2.

◗ **Level 3 :**

Inputs relating to the asset or liability that are not based on observable market data (non-observable inputs) : Given the diversity of instruments and the reasons for including them in this category, calculating the sensitivity of fair value to changes in variables would appear to be of little relevance.

This level includes unlisted equities valued by various methods including the net carrying amount, net adjusted asset value, net asset value, stock market multiples and equity issue pricing.

Level 3 inputs are inputs relating to assets or liabilities which are not based on observable market-based data (unobservable data). Given the diversity of instruments and the reasons for including them within this category, calculating the sensitivity of fair value to changes in the inputs would likely generate information of limited relevance.

The fair values of held-to-maturity financial assets are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due for instance to the instrument beingilliquid as well as significant model risk. An unobservable input is a parameter for which there are no market data available. It is therefore derived from in-house assumptions about the data used by other market participants. Assessing whether a product is illiquid or subject to significant model risk is a matter of judgment.

Held-to-maturity financial assets classified under Level 3 are primarily bonds held by banks in sub-Saharan Africa.

V/ FINANCING ANG GUARANTEE COMMITMENTS

5.1. FINANCIAL COMMITMENT

	2016	2015
Financing commitments given	**13 452 970**	**9 846 296**
- To credit institutions		1 023 096
- To customers:	13 452 970	8 823 200
Confirmed letters of credit		
Other commitments given to customers		
Financing commitments received	**2 181 683**	**2 491 359**
From credit institutions	2 181 683	2 491 359
From customers	-	-

◗ **Financing commitments given to credit and similar institutions**

This entry relates to commitments to make liquidity facilities available to other credit institutions such as refinancing agreements and back-up commitments on securities issuance.

◗ **Financing commitments given to customers**

This entry relates to commitments to make liquidity facilities available to customers such as confirmed credit lines and commitments on securities issuance.

◗ Financing commitments received from credit and similar institutions

This entry relates to financing commitments received from credit and similar institutions such as refinancing agreements and back-up commitments on securities issuance.

5.2. GUARANTEE COMMITMENTS

	2016	2015
Guarantee commitments given	**31 627 218**	**27 255 712**
To credit institutions	11 933 231	8 380 362
To customers :	19 693 988	18 875 350
Sureties provided to tax and other authorities, other sureties		
Guarantee commitments received		
From credit institutions	75 147 878	68 162 828
From the State and guarantee institutions	73 902 914	65 458 883
From the State and other guarantee institutions	1 244 964	2 703 945

◗ Guarantee commitments given to credit and similar institutions

This entry relates to commitments to assume responsibility for an obligation entered into by a credit institution if the latter is not satisfied with it. This includes guarantees, warranties and other guarantees given to credit and similar institutions.

◗ Guarantee commitments given to customers

This entry relates to commitments to assume responsibility for an obligation entered into by a customer if the latter is not satisfied with it. This includes guarantees given to government institutions and real estate guarantees, among others. les cautions immobilières, etc.

◗ Guarantee commitments received from credit and similar institutions

This entry includes guarantees, warranties and other guarantees received from credit and similar institutions.

◗ Guarantee commitments received from the State and other organisations

This entry relates to guarantees received from the State and other organisations.

VI. SALARY AND EMPLOYEE BENEFITS

6.1. DESCRIPTION OF CALCULATION METHOD

Employee benefits relate to long-service awards and end-of-career bonuses.

The method used for calculating the liability relating to both these benefits is the "projected unit credit" method as recommended by IAS 19.

◗ Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) scheme

The Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) is a private mutual insurance company. The company reimburses employees for a portion of their medical, pharmaceutical, hospital and surgical expenses. It is a post-employment scheme providing medical cover for retired employees.

The CMIM is a multi-employer scheme. As BMCE Bank is unable to determine its share of the overall liability (as is the case for all other CMIM members), under IFRS, expenses are recognised in the year in which they are incurred. No provision is recognised in respect of this scheme.

6.2. SUMMARY OF PROVISIONS AND DESCRIPTION OF EXISTING SCHEMES

6.2.1. Provisions in respect of post-employment and other long-term benefits provided to employees

	2016	2015
Retirement allowances and equivalents	329 668	323 091
Special seniority premiums allowances		
Other		
TOTAL	**329 668**	**323 091**

6.2.2. Basic assumptions underlying calculations

An analysis of sensitivity to the two main actuarial assumptions used to calculate the cost of benefit plans (post-employment benefits, long service awards) at 31 December 2015 is presented in the following table :

Post-employment benefits	**-50 bp change in the rate**	**+50 bp change in the rate**
Discount rate	-7 300	6 637
Wage growth	7 252	-7 924
Long service awards	**-50 bp change in the rate**	**+50 bp change in the rate**
Discount rate	**-10 615**	**9 842**
Wage growth	**12 118**	**-13 013**

Economic assumptions	**31/12/15**
Discount rate	3,75%
Taux de croissance des salaires long terme (inflation Incluse)	3%
Long-term wage growth	10,61%

Demographic assumptions	
Retirement terms	Voluntary Retirement
Retirement age	60 years
Mortality table	Men 60/64 – Women 60/64

The discount rate is based on secondary market Treasury benchmark bond yields - Duration: about 22 years.

6.2.3. Cost of post-employment plans

	2016	2015
Normal cost	25 161	17 474
Interest cost	11 626	12 475
Expected returns of funds		
Amortization of actuarial gains/ losses		
Amortization of net gains/ losses		
Additional allowances	36 787	29 949
Other		
Net cost of the period		

6.2.4. Changes in the provision recognised on the balance sheet

	2016	2015
Actuarial liability, beginning of the period	323 091	230 928
Normal cost	25 161	17 474
Interest cost	11 626	12 475
Experience gains/ losses	-	-
Other actuarial gains/ losses	-	82 815
Depreciation of net gains/losses		
Paid benefits	-30 210	-20 601
Additional benefits		
Other		
Actuarial liability, end of the period	329 668	323 091
Including fees related to retirement and similar		
Including others...		

VII. ADDITIONAL INFORMATION

7.1. CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

7.1.1. Share capital transactions

Transactions on capital	In number	Unit value	In MAD
Number of shares outstanding at 31 December 2013	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2014	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2015	179 463 390	10	1 794 633 900

7.1.2. Earnings per share

Basic earnings per share is calculated by dividing the net income for the period attributable to holders of ordinary share s by the weighted average number of ordinary shares outstanding during the period.

	2016	2015
SHARE CAPITAL (IN MAD)	1 794 633 900	1 794 633 900
Number of common shares outstanding during the year	179 463 390	179 463 390
NET INCOME ATTRIBUTABLE TO THE SHARHOLDER'S OF THE PARENT (IN MAD)	2 036 185 656	1 955 534 700
BASIC ERNINGS PER SHARE (IN MAD)	11,35	10,90
DILUTED EARNING PER SHARE (IN MAD)	11,35	10,90

The Bank does not have any dilutive instruments for conversion into ordinary shares. As a result, diluted earnings per share equates to basic earnings per share.

7.2. SCOPE OF CONSOLIDATION

Company	Activity	% of voting interests	% of own-ership interests	Method
BMCE BANK	Banking			Parent Company
BMCE CAPITAL	Investment Bank	100,00%	100,00%	Full Consolidation
BMCE CAPITAL GESTION	Asset management	100,00%	100,00%	Full Consolidation
BMCE CAPITAL BOURSE	Financial intermediation	100,00%	100,00%	Full Consolidation
MAROC FACTORING	Factoring	100,00%	100,00%	Full Consolidation
MAGHREBAIL	Leasing	52,47%	52,47%	Full Consolidation
SALAFIN	Consumer loans	74,76%	74,76%	Full Consolidation
BMCE EUROSERVICES	Financial intitution	100,00%	100,00%	Full Consolidation
LCB BANK	Banking	37,00%	37,00%	Full Consolidation
BMCE BANK INTERNATIONAL HOLDING	Banking	100,00%	100,00%	Full Consolidation
BANK OF AFRICA	Banking	72,85%	72,85%	Full Consolidation
LOCASOM	Car rental	100,00%	97,39%	Full Consolidation
RM EXPERTS	Debt collection	100,00%	100,00%	Full Consolidation
BANQUE DE DEVELOPPEMENT DU MALI	Banking	32,38%	32,38%	Equity Method
EULER HERMES ACMAR	Insurance	20,00%	20,00%	Equity Method
EURAFRIC INFORMATION	Technology Service	41,00%	41,00%	Equity Method
CONSEIL INGENIERIE ET DEVELOPPEMENT	Study office	38,90%	38,90%	Equity Method

BMCE Bank of Africa holds 37% of La Congolaise de Banque's voting rights and has a controlling interest in this subsidiary as per the criteria outlined in IFRS 10.

Power: BMCE Bank of Africa derives its effective rights from the management contract entrusted to it by the other shareholders. It has a majority on the Board of Directors with three directors followed by the Congolese State which has two directors.

Returns: BMCE Bank of Africa is exposed, or has rights, to the profits generated by LCB pro-rata to its shareholding in the company.

Link between power and returns : BMCE Bank of Africa is responsible for appointing LCB's senior management as well as being able to influence this entity's returns.

7.3. COMPENSATION PAID TO THE MAIN EXECUTIVE CORPORATE OFFICERS

Remuneration paid to the main directors

By "main directors" is meant the members of the bank's general management team

	2016	2015
Short-term benefits	14 342	21 971
Post-employment benefits	631	730
Other long-term benefits	5 298	4 442

Short-term benefits relate to the fixed remuneration inclusive of social security contributions received by the main Executive Corporate Officers in respect of the 2013 financial year.

Post-employment benefits relate to end-of-career bonuses and other long-term benefits relate to long-service awards.

Directors' fees paid to members of the board of directors

	2016			2015		
	Gross Amount	With holding tax	Net amount paid	Gross amout	Tax with holding	Net amount paid
Natural and legal persons Resident in Morocco	2 985	735	2 250	2 388	588	1 800
Physical and legal persons non Resident in Morocco	588	88	500	471	71	400
TOTAL	3 573	823	2 750	2 859	659	2 200

Loans granted to the main Executive Corporate Officers

	2016	2015
Consumer loans	19 765	2 285
Mortgage loans	12 393	15 361
Total	**32 158**	**17 646**

7.4. RELATIONS WITH RELATED PARTIES

Relations between BMCE Bank and fully-consolidated companies and the parent company

Transactions and period-end balances between fully-consolidated entities are of course eliminated. Period-end balances resulting from transactions between companies accounted for under the equity method and the parent company are maintained in the consolidated financial statements.

Related-party balance sheet items

	Parent company (FINANCECOM)	Sister companies	Companies consolidated under the equity method	Fully consolidated companies
Assets				
Loans, advances and securities	313 832	3 389 440	39 771	12 926 268
On demand accounts	313 832	1 827 319	13 341	12 193 309
Loans		836 921	26 430	363 782
Securities		725 200		369 177
Lease financing				
Other assets				7 365
Total	**313 832**	**3 389 440**	**39 771**	**12 933 633**
Liabilities				
Deposits	-	1 866 341	35 607	12 365 095
On demand accounts		1 866 341	35 607	12 236 912
Other borrowings				128 183
Debt securities				349 662
Other liabilities				218 876
Total	**-**	**1 866 341**	**35 607**	**12 933 633**
Financing and guarantee commitments given				
Commitments given				1 166 184
Commitments received				1 166 184

Related party profit and loss items

	Parent company (FINANCE-COM)	Sister compa-nies	Companies consolidated under the eq-uity method	Fully con-solidated companies
Interest and similar income			-1 396	-382 076
Interest and similar expenses				476 764
Fees (income)		-48 413		-306 450
Fee (expenses)				43 525
Services provided				
Services procured	41 370			
Lease income		-70 587	-4 169	-158 620
Other		75 835		326 858

7.5. LEASES

Information concerning finance leases

	Gross Investissement	Present value of minimum lease payments under the lease	Unguaranteed residual value accruing to the lessor
≤ 1 years	2 950 405	491 124	71 548
> 1 year ≤ 5 years	9 066 870	5 454 124	300 635
> 5 years	5 397 608	4 513 272	597 769
TOTAL	17 414 882	10 458 520	969 952

Information concerning operating leases

	Present value of minimum lease payments under the lease	Total contingent rents recognized as income in the period
≤ 1 year	220 000	240 000
> 1 year ≤ 5 years	900 000	1 200 000
> 5 years		
TOTAL	1 120 000	1 440 000

The portion of the residual value in the total of the financing amounts is 58.11%.

Fidaroc Grant Thornton

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20 000 Casablanca
Maroc

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11, Avenue Bir Kacem Souissi
Rabat

To shareholder's of
BMCE BANK
140, Avenue Hassan II
Casablanca

STATUTORY AUDITORS' GENERAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECMBER 2016

In compliance with the assignment entrusted to us by your Annual General Meeting of 27 May 2017, we have audited the attached financial statements of Banque Marocaine du Commerce Extérieur, 'BMCE Bank', comprising the balance sheet, the off-balance sheet statement, the income statement, the management accounting statement, the cash flow statement and the additional information statement for the financial year ended 31 December 2016. These financial statements show shareholders' equity and equivalent of MAD 24,709,660 K, including net income of MAD 1,324,971 K.

Management's responsibility

It is Management's responsibility to draw up and present these financial statements to give a true and fair view of the company's financial position in accordance with the generally-accepted accounting principles and procedures applicable in Morocco. This responsibility includes drawing up, implementing and maintaining internal control procedures regarding the drawing up and presentation of the financial statements to ensure that they free of material misstatement and for making accounting estimates that are reasonable under the circumstances.

Auditor's responsibility

It is our responsibility to express an opinion on these financial statements based on our audit. We carried out our audit in accordance with Moroccan accounting standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves implementing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures adopted depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements.

In making those risk assessments, the auditor takes into consideration the internal control procedures adopted by the entity regarding the drawing up and presentation of the financial statements so as to determine appropriate audit procedures under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the said procedures. An audit also consists of assessing whether the accounting policies adopted are appropriate and whether the accounting estimates made by senior management are reasonable, as well as assessing the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements

In our opinion, the financial statements referred to above in the first paragraph give, in all material aspects, a true and fair view of the income from operations for the financial year ended 31 December 2016 and of the financial position of Banque Marocaine du Commerce Extérieur in accordance with the generally-accepted accounting principles and procedures applicable in Morocco.

Specific checks and information

We also carried out specific checks required by law and we are satisfied that the Bank's financial statements are consistent with the information provided in the Board of Directors' management report for shareholders.

Furthermore, in accordance with the provisions of Article 172 of Act 17-95 as amended and completed, we hereby inform you that, in 2016, the Bank acquired:

- An additional 37.5% stake in O TOWER for MAD 62 million. As a result of this acquisition, the Bank's stake in this company is now 60%;
- An additional 30% stake in SONORMA for MAD 8.25 million. As a result of this acquisition, the Bank's stake in this company is now 60%;
- A 20% stake in AFRICA CO-DEVELOPMENT GROUP for MAD 500 K.
- A 51% stake in AFRICA MOROCCO LINKS for MAD 510 K.

Casablanca, 12 April 2017

The Statutory Auditors

FIDAROC GRANT THORNTON

FIDAROC GRANT THORNTON
Membre du Réseau Grant Thornton International
47, Rue Allal Ben Abdellah - Casablanca

Rachid BOUMEHRAZ
Associé

KPMG

11, Avenue Bir Kacem, Souissi - Rabat
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Jamal SAAD EL IDRISSI
Associé

Statutory Auditors' Special Report

Fidaroc Grant Thornton
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Maroc

KPMG
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Rabat

To shareholder's of
BMCE BANK
140, Avenue Hassan II
Casablanca

STATUTORY AUDITORS' SPECIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

In our capacity as the statutory auditors of your company, we hereby present to you our report on related party agreements in accordance with the provisions of Articles 56-59 of Act No. 17-95 as amended and completed by Act No. 20-05 and Act No. 78-12 and their application decrees.

It is our responsibility to present to you the main terms and conditions of agreements that have been disclosed to us by the Chairman of the Board or that we may have discovered in carrying out our assignment, without our commenting on their relevance or substance or looking for any undisclosed agreements. Under the provisions of the above act, it is your responsibility to determine whether these agreements should be approved.

We performed the procedures that we deemed necessary in accordance with Moroccan accounting standards. These procedures consisted of checking that the information given to us is consistent with the underlying documents.

1. AGREEMENTS ENTERED INTO DURING 2016

1.1. Share sale agreement between BMCE BANK and BOA BENIN

Under the terms of this agreement entered into in January 2016, BOA Benin shall sell 175 BOA Group shares to BMCE Bank.

The sale is agreed at a price of 950 euros per share, amounting to a total sum of EUR 166,250.

The share sale shall take effect on the date that the shares are transferred to BMCE Bank.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group's Board of Directors, is also Group Executive General Manager of BMCE BANK

• Mr Driss BENJELLOUN, Director of BOA Benin, is also Delegate General Manager of BMCE BANK

1.2. Agreement between BMCE Bank and BMCE Capital Bourse relating to the operational and technical handling of the latter's custody business

Under the terms of this agreement entered into in February 2016, BMCE Capital Bourse will delegate to BMCE Bank the operational and technical handling of its asset custody business.

In exchange, BMCE Capital Bourse shall pay an annual fee of MAD 50,000 exclusive of taxes. Furthermore, it shall remain liable to Maroclear for all membership fees and taxes.

This is a one-year automatically-renewable agreement

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Person concerned:

• Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

1.3. Financial advisory mandate between BMCE Bank and BMCE Capital Conseil

Under the terms of this mandate entered into in October 2016, BMCE Bank shall appoint BMCE Capital Conseil as financial advisor and global coordinator for the MAD 500 million Green Bond issue.

This agreement is for a 12-month period taking effect on the date that it is signed. It is automatically renewable by additional 3-month periods, if required, and shall end as soon as the deal is completed.

A flat-rate advisory and placing fee is charged at MAD 2 million exclusive of taxes.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 2,072 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive General Manager of BMCE BANK

• Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK.

1.4. Lease agreement between BMCE Bank and Eurafric Information (EAI)

DATA CENTRE

Under the terms of this agreement entered into in January 2017, BMCE Bank shall lease to Eurafric Information a Data Centre covering a surface area of 1,735 m² located on the BMCE Bank campus in Bouskoura Green City, Casablanca.

In terms of compensation, the monthly rent shall be MAD 211,629.60 inclusive of taxes including the communal services tax charged at the current rate of 10.5%.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

OFFICE FLOORS AND CAR PARKING SPACES IN THE A2 OFFICE BUILDING

Under the terms of this agreement entered into in December 2016, BMCE Bank shall lease to Eurafric Information all office floors in the A2 Office Building covering a total surface area of 3,624 m² as well as all car parking spaces related to this building, located on the BMCE Bank campus in Bouskoura Green City, Casablanca.

In terms of compensation, the monthly rent shall be MAD 363,075.38 inclusive of taxes including the communal services tax charged at the current rate of 10.5%.

The effective date is 1 October 2016 for a 3-year period, automatically renewable for equal periods of 3 years. Furthermore, the Parties agree that the rent will be revised 1 March 2017 to 10%.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 1,090 K for the period ended 31 December 2016.

OFFICE FLOORS AND CAR PARKING SPACES IN THE B2 OFFICE BUILDING

Under the terms of this agreement entered into in December 2016, BMCE Bank shall lease to Eurafric Information all office floors in the B2 Office Building covering a total surface area of 3,822 m² as well as all car parking spaces related to this building, located on the BMCE Bank campus in Bouskoura Green City, Casablanca.

In terms of compensation, the monthly rent shall be MAD 381,864.80 inclusive of taxes including the communal services tax charged at the current rate of 10.5%.

The effective date is 1 October 2016 for a 3-year period, automatically renewable for equal periods of 3 years. Furthermore, the Parties agree that the rent will be revised 1 March 2017 to 10%.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 1,143 K for the period ended 31 December 2016.

Persons concerned :

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also Group Executive General Manager of BMCE BANK

• Mr Zouheir BENSAID, a member of EAI's Supervisory Board, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN and Mr Mounir CHRAIBI, members of EAI's Supervisory Board, are also Delegate General Managers of BMCE BANK

1.5. Advisory mandate between BMCE Bank and BMCE Capital Titrisation relating to the securitisation of mortgage-backed securities

Under the terms of this agreement, BMCE Bank shall entrust to BMCE Capital Titrisation the securitisation of the Group's mortgage-backed securities.

This agreement is for a 12-month period taking effect on the date that it is signed and will be automatically renewed by further 3-month periods if required.

In terms of compensation, a flat-rate fee of MAD 1 million exclusive of taxes will be charged on the date that the agreement is signed and shall end as soon as the deal is completed.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 1,036 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive General Manager of BMCE BANK

• Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK.

1.6. Mandate between BMCE Bank and BMCE Capital Titrisation to arrange a real estate asset securitisation deal

In a context of optimising limited resources, BMCE Bank intends to manage its balance sheet as effectively as possible in relation to its sizeable real estate assets.

By transferring its real estate assets, BMCE Bank will be able to: (i) free up a portion of the capital mobilised on its balance sheet under liabilities in respect of these assets and (ii) generate fresh cash reserves by ceding these assets.

Under the terms of this agreement, BMCE Capital Titrisation shall be appointed as arranger for the Group's first real estate securitisation deal. This inaugural deal will be for a sum of between MAD 500 million and MAD 1 billion exclusive of taxes.

This agreement is for a 12-month period taking effect on the date that it is signed. It will be automatically renewed by additional 3-month periods, if required, and shall end as soon as the deal is completed.

As far as the structuring fee is concerned, a retainer fee of MAD 1 million exclusive of taxes will be charged on the date that the mandate is signed. A success fee of 0.4% exclusive of taxes will be paid in the event that the deal is completed successfully.

As far as the placing fee is concerned, compensation of 0.2% exclusive of taxes of the total deal size will be paid at the delivery/settlement date.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 1,181 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Excecutive General Manager of BMCE BANK

• Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

1.7. Financial advisory mandate between BMCE Bank and BMCE Capital Conseil

Under the terms of this mandate entered into in October 2016, BMCE Bank shall appoint BMCE Capital Conseil as financial advisor and global coordinator for a MAD 2 billion subordinated bond issue.

This agreement has been entered into for a 12-month period taking effect on the date that it is signed. Subsequently, it will be automatically renewed by additional 3-month periods, if necessary, and shall end as soon as the deal is completed.

A flat-rate advisory and placing fee is charged at MAD 2 million exclusive of taxes.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 2,072 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Excecutive General Manager of BMCE BANK

• Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

1.8. Management agreement between BMCE Bank and Maroc Factoring

BMCE Bank has embarked on a project aimed at revising its policy of distributing factoring products and services within the Group.

In such a context, factoring outstandings will be divided between BMCE Bank and Maroc Factoring based on a number of criteria including balance sheet size and capital. As a result, BMCE Bank will record the factoring transactions in its ledgers with management entrusted to Maroc Factoring.

This management agreement will consist of Maroc Factoring proposing factoring applications to BMCE Bank based on the existing delegated blueprint, providing the Bank with technical assistance in transactions such as checking invoices at the operational level, introducing legal mechanisms for substituting or ceding accounts receivable and monitoring the recovery of the factoring receivables financed.

In terms of compensation, Maroc Factoring will be paid in line with standard market rates.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 830 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of Maroc Factoring's Supervisory Board, is also Group Excecutive General Manager of BMCE BANK

• Mr Driss BENJELLOUN, a member of Maroc Factoring's Supervisory Board, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI, a member of Maroc Factoring's Supervisory Board, is also Delegate General Manager of BMCE BANK

1.9. Addendum to the agreement between BMCE BANK and BMCE Capital relating to financial market and custody operations

This addendum, entered into 29 April 2016, aims to amends the scope of delegated activities to enable BMCE Capital to provide to BMCE Bank with any type of specialised service or benefit in terms of research, analysis or financial appraisal.

This agreement is for an indefinite period.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 3,108 K in respect of the variable compensation component for the period ended 31 December 2016.

The annual compensation shall remain unchanged at 15% of the surplus, by comparison with MAD 100 million, of the gross operating income generated by BMCE Bank's capital market operations and will be between MAD 20 million and MAD 30 million.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Excecutive General Manager of BMCE BANK

• Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK.

1.10. Agreement between BMCE Bank and FinanceCom to provide assistance and services

Under the terms of the agreement entered into by BMCE Bank and FinanceCom, the latter undertakes to provide BMCE Bank with assistance in drawing up its Strategic Plans, research, implementing partnerships in Morocco and overseas, generating commercial synergies and support.

This agreement is automatically renewable.

Compensation shall amount to 0.3% of BMCE Bank's net banking income, in addition to re-invoicing for FinanceCom staff seconded to the Bank for a pre-determined period and any justifiable expenses incurred.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 39,187 K for the period ended 31 December 2016.

Persons concerned:

• Mr Othman BENJELLOUN, Chairman of FinanceCom, is also Chairman and Chief Executive Officer of BMCE Bank

• Mr Zouheir BENSAID is a Director of both companies

• Mr Brahim BENJELLOUN-TOUIMI, Director of FinanceCom, is also Group Excecutive General Manager of BMCE BANK

2. AGREEMENTS ENTERED INTO DURING PREVIOUS YEARS WHICH REMAINED IN FORCE DURING 2016

2.1. Shareholders' current account advance agreement between FINANCECOM, BMCE BANK, RMA WATANYA and O TOWER

Under the terms of this agreement entered into 1 January 2015, BMCE BANK, FINANCECOM and RMA WATANYA, shareholders in O TOWER, with FINANCECOM holding a 55% stake and RMA WATANYA and BMCE BANK each holding a 22.5% stake, accept to provide O TOWER with a shareholders' current account advance with 4.5% interest The purpose of this current account advance is to provide temporary funding for O TOWER's operations. The fully paid up amount at 31 December 2015 was MAD 5,942 K.

This agreement has been entered into for a twelve-month (12) period beginning 1 January 2015. Subsequently, it will be automatically renewed by further one-year (1) periods on 31 December of each year.

Regarding this agreement, BMCE BANK recognised income of MAD 275 K for the period ended 31 December 2016.

Persons concerned:

• Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BMCE BANK, is also Chairman of O TOWER's Board

• Mr Mounir CHRAIBI, Delegate General Manager of BMCE BANK, is also a Director of O TOWER

• Mr Zouheir BENSAID, Director of BMCE BANK, is also a Director of O TOWER

2.2. Advisory mandates between BMCE BANK and BMCE CAPITAL CONSEIL

- The purpose of this advisory mandate, entered into 14 April 2015, is to conduct due diligence, review the business plan, draw up an evaluation report and information memorandum and set up an electronic data room regarding BOA Group.

This mandate is for a twelve-month (12) period unless extended by mutual agreement.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

- A second advisory mandate, entered into 15 April 2015, appoints BMCE CAPITAL CONSEIL as advisor and global coordinator for the MAD 2 billion public offering of subordinated notes.

This is an eighteen-month (18) automatically-renewable mandate.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Excecutive General Manager of BMCE BANK

• Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK.

2.3. Loan contract between BMCE BANK and BOA GROUP

BMCE BANK entered into a contract 22 June 2015 to grant BOA Group a EUR 20 million loan with a 7-year maturity and an interest-free option to defer repayment of the capital by 2 years. The loan will earn annual interest at a variable rate equivalent to 6-month Euribor plus a 350 basis points margin excluding taxes.

The contract also specifies the main characteristics and repayment terms of the loan.

Regarding this agreement, BMCE BANK recognised income of MAD 7,738 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman and Chief Executive Officer of BOA Group, is also Group Excecutive General Manager of BMCE BANK

• Mr Azeddine GUESSOUS is a Director of BOA Group and of BMCE BANK

• Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, Director of BOA Group, is also Delegate General Manager of BMCE BANK

• Mr Mohamed AGOUMI, a Director of BOA Group, is also Delegate General Manager of BMCE BANK

2.4. Addendum to the agreement between Salafin and BMCE BANK relating to the adoption of a customer file recovery management system

As part of the project for adopting a joint approach to loan recovery, BMCE BANK and Salafin entered into a framework agreement 15 September 2008, subsequently modified 5 June 2009, which defines the terms for establishing a dedicated loan recovery system.

The revised loan recovery policy at the commercial level recommends that the banking network becomes involved by assuming responsibility for the first and second missed payments for all types of product.

The purpose of this amendment is to define the new terms and remit of each party.

Regarding remuneration, since 1 July 2015, Salafin will intervene from the third missed payment and will invoice 13% of the amount recovered with a minimum payment of 60 dirhams excluding taxes per customer.

A customer file is managed on the Salafin system until all arrears have been recovered or transferred to those entities defined under the recovery strategy. In the event that the number of customers in arrears is halved, the remuneration will be 5% of the amount recovered with a minimum payment of 60 dirhams excluding taxes per customer.

Text messages are invoiced at the same rate as for customer files not managed by Salafin.

Regarding this agreement, BMCE BANK recognised income of MAD 8,305 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Group Excecutive General Manager of BMCE BANK

• Mr Mamoun BELGHITI and Mr Amine BOUABID, members of SALAFIN's Supervisory Board

• Mr Driss BENJELLOUN and Mr Omar TAZI, members of SALAFIN's Supervisory Board, are also Delegate General Managers of BMCE BANK.

2.5. Deed of sale of the current account between ALLIANCES DARNA and BMCE BANK

Previously, ALLIANCES DARNA held a shareholders' current account with a balance of MAD 250,143 against RIYAD ALNOUR, a real estate developer in which BMCE BANK acquired a holding as part of a sale with a buy-back option.

A deed of transfer was signed 21 July 2015 by Alliances Darna and BMCE BANK, as a result of which the latter became owner of the said shareholder current account. The sale was agreed in the sum of MAD 250,143 K.

Regarding this agreement, BMCE BANK recognised income of MAD 10,172 K for the period ended 31 December 2016.

Person concerned:

• Mr M'Fadel ELHALAISSI, Delegate General Manager of BMCE BANK, is also a Director of RIYAD ALNOUR

2.6. Services agreement between BMCE BANK and BMCE Capital

BMCE BANK and BMCE Capital entered into a services agreement 27 November 2015 effective 1 January 2015.

This agreement provides for legal and regulatory assistance for carrying out specific transactions within BMCE BANK Group and drawing up deeds in the name and on behalf of BMCE BANK.

This is a one-year automatically-renewable agreement.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 622 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive Managing Director of BMCE BANK

• Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

2.7. Shareholder current account agreement between RIYAD ALNOUR and BMCE BANK

Under the terms of this agreement entered into 22 December 2015, BMCE BANK accepts to provide RIYAD ALNOUR with a shareholders' current account advance of MAD 221,500 K with 4% interest. The purpose of this advance is to enable RIYAD ALNOUR to entirely clear its debts towards BMCE BANK regarding short- and medium-term loans and overdrawn balances. The amount advanced under the shareholders' current account will be fully repaid in fine on exercising the buy-back option.

Regarding this agreement, BMCE BANK recognised income of MAD 9,008 K for the period ended 31 December 2016.

Person concerned:

• Mr M'Fadel ELHALAISSI, Deputy Chief Executive Officer of BMCE BANK, is also a Director of RIYAD ALNOUR

2.8. Addendum to the agreement between BMCE BANK and BMCE Capital relating to financial market and custody operations

This addendum, entered into 18 December 2014, amends the terms and conditions for remunerating BMCE Capital in respect of its management of BMCE BANK's financial market and custody operations as stipulated in the initial contract of 1999 and in subsequent amendments.

This is a one-year automatically-renewable addendum.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 3,108 K in respect of the variable compensation component for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive Managing Director of BMCE BANK

• Mr Amine BOUABID, Director of BMCE BANK, is also Member of BMCE Capital's Supervisory Board

• Mr Zouheir BENSAID, Director of BMCE BANK, is also Member of BMCE Capital's Supervisory Board

• Mr Driss BENJELLOUN and Mr M'Fadel EL HALAISSI, Delegate General Managers of BMCE BANK, are also Members of BMCE Capital's Supervisory Board

2.9. IT transfer and services agreement between BMCE BANK, BMCE BANK International and IT International Services

Under the terms of this agreement entered into 28 February 2014, BMCE BANK International Plc shall transfer its IT platform to IT International Services, a subsidiary of BMCE BANK, with the latter providing IT services in consideration.

In respect of 2014, the price relating to this transfer amounted to EUR 2,989,438.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI is Group Executive Managing Director of BMCE BANK and Director of BMCE BANK international Plc

• Mr Mohammed AGOUMI, Director of BMCE BANK International Plc, is also Delegate General Manager of BMCE BANK and Director of IT International Services

• Mr Mounir CHRAIBI, Delegate General Manager of BMCE BANK, is also a Director of IT International Services

2.10. Shareholder current account advance agreement between BMCE BANK and BMCE IMMOBILIER (ex MABANICOM)

Under the terms of this agreement entered into 13 February 2014, BMCE BANK accepts to provide BMCE IMMOBILIER (ex MABANICOM) with a shareholders' current account advance in the total net sum of MAD 38,000,000 with 3.45% statutory interest in respect of the financial period 2013.

The advance has been agreed for a one-year renewable period and it will be repaid by appropriating income arising on the sale of property units acquired by means of the said advance to the company Pack Energy on a gradual basis.

Entered into for a renewable one-year period, the agreement shall expire when BMCE IMMOBILIER (ex MABANICOM) has repaid BMCE BANK in full.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 977 K for the period ended 31 December 2016.

Persons concerned:

• Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI, Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK

• Mr Omar TAZI, Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK

2.11. Cooperation agreement between BMCE BANK and BMCE IMMOBILIER

Entered into 3 February 2014, the purpose of this agreement is to carry out the following assignments in consideration for remuneration on an individual assignment basis:

• Real estate brokerage services when requested or required by BMCE BANK in respect of leasing, purchasing or selling real estate assets owned by or on behalf of BMCE BANK and BMCE BANK Group;

• Collecting rents and lease payments due to BMCE BANK and BMCE BANK Group;

• Providing real estate valuation services, researching real estate projects, and notifying the customer of special conditions when requested or required in respect of valuing real estate assets on behalf of BMCE BANK and BMCE BANK Group.

This agreement shall be for a period of 3 years.

Regarding this agreement, BMCE BANK recognised an expense of MAD 4,899 K for the period ended 31 December 2016.

Persons concerned:

• Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI, Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK

• Mr Omar TAZI, Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK

2.12. Draft agreement between BMCE BANK and Medi Télécom SA relating to establishing an operational partnership regarding the Mobile Money service

This draft agreement, entered into 26 June 2012, prior to establishing a definitive contract, relates to this partnership and establishes the project's strategic guidelines and principles for doing business.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BMCE BANK, is also a Director of MEDI TELECOM

• Mr Zouheir BENSAID, Director of MEDI TELECOM, is also a Director of BMCE BANK

2.13. Delegated responsibility agreement between BMCE BANK and BMCE International SAU relating to the management of BMCE Euroservices

The purpose of this contract, entered into 10 April 2012, is to formalise intra-Group relations between the parties regarding the responsibility assumed by BMCE INTERNATIONAL SAU in relation to services carried out by BMCE Euro Services, its wholly-owned subsidiary, under the orders of BMCE BANK, of which the former is indirectly a wholly-owned subsidiary.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Mohamed AGOUMI, Chairman of BMCE International SAU's Board, is also Delegate General Manager of BMCE BANK and Director of BMCE Euroservices

• Mr Azzedine GUESSOUS and Mr Mohammed BENNANI are Directors of BMCE BANK and of BMCE International SAU

• Mr Brahim BENJELLOUN-TOUIMI, Group Executive General Manager of BMCE BANK, is also a Director of BMCE International SAU and Chairman of the Board of BMCE Euroservices

2.14. Management mandate between BMCE BANK and BOA France

This agreement, entered into 6 June 2012 between BMCE BANK and BOA France, a subsidiary of BOA Group, establishes the terms and conditions by which BMCE BANK mandates BOA France, in consideration for the payment of fees, to handle on its behalf financial transactions for Moroccan customers living abroad. The contract also defines the operating terms and conditions of the BMCE BANK account held in the ledgers of BOA France.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group's Board, is also Group Executive General Manager of BMCE BANK

• Mr Azeddine GUESSOUS is a Director of BOA Group and of BMCE BANK

• Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, a Director of BOA Group, is also Delegate General Manager of BMCE BANK

• Mr Mohamed AGOUMI, a Director of BOA Group, is also Delegate General Manager of BMCE BANK

2.15. Agreement between BMCE BANK and BMCE Capital Gestion Privée to manage structured product margin calls

Under this agreement, entered into 29 June 2012, BMCE Capital Gestion Privée undertakes to monitor the risk of fluctuation in structured products contracted between the Parties by adopting a margin call system for the said structured products.

Remuneration for margin calls on behalf of BMCE BANK is based on dirham-denominated money market rates.

This agreement did not have any impact on BMCE BANK's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive General Manager of BMCE BANK

• Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK.

2.16. Services contract between BMCE BANK and RMA Watanya

Entered into in April 2012 effective 1 October 2011, this contract defines general and specific terms and conditions regarding the provision of premises, miscellaneous services and equipment by BMCE BANK to RMA WATANYA.

It also establishes the terms and conditions of use by the latter of the resources made available in consideration for a flat-rate payment.

Regarding this agreement, BMCE BANK recognised income of MAD 121 K for the period ended 31 December 2016.

Persons concerned:

• Mr Othman BENJELLOUN, Chairman of RMA WATANYA's Supervisory Board is also Chairman and Chief Executive Officer of BMCE BANK

• Mr Zouheir BENSAID is Chairman of RMA WATANYA's Supervisory Board and Director of BMCE BANK

• Mr Brahim BENJELLOUN-TOUIMI is a Member of RMA WATANYA's Supervisory Board and is Group Executive General Manager of BMCE BANK

2.17. Technical support agreement between BMCE BANK and AFH Services

Under the terms of this one-year automatically-renewable agreement entered into in 2012, BMCE BANK provides intra-Group technical support to AFH aimed at providing BOA Group with business line expertise.

In consideration, AFH is invoiced for these services on the basis of man days at a rate of €1,200 excluding taxes per man day.

This agreement did not have any impact on BMCE BANK's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group, is also Group Executive General Manager of BMCE BANK

• Mr Driss BENJELLOUN, Delegate General Manager of BMCE BANK, is also a Director of AFH Services

2.18. Services agreement between BMCE BANK and BMCE Capital

Entered into 20 November 2012 effective 1 January 2012, this one-year automatically-renewable agreement establishes the terms and conditions by which BMCE BANK remunerates BMCE Capital for technical support provided to BOA Group via its legal division.

Remuneration for the said services, invoiced on an annual basis, is calculated on the basis of man days at a rate of €100 per man day.

This agreement did not have any impact on BMCE BANK's financial statements for the period ended 31 December 2016.

Persons concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive General Manager of BMCE BANK
- Mr Amine BOUABID, Director of BMCE BANK, is also Member of BMCE Capital's Supervisory Board
- Mr Zouheir BENSAID, Director of BMCE BANK, is also Member of BMCE Capital's Supervisory Board
- Mr Driss BENJELLOUN, Delegate General Manager of BMCE BANK, is also Member of BMCE Capital's Supervisory Board
- Mr M'Fadel EL HALAISSI, Delegate General Manager of BMCE BANK, is also Member of BMCE Capital's Supervisory Board.

2.19. Amendment to a subordinated loan contract between BMCE BANK and BMCE International

Under this agreement entered into 30 May 2010, BMCE BANK shall make available to BBI a subordinated loan for the euro equivalent of £15,000,000 at an annual fixed rate of 4% in respect of Tier 2 capital.

The loan's repayment date is ten years after the agreement's effective date under the terms of an amendment entered into 25 July 2012.

Regarding this agreement, BMCE BANK recognised income of MAD 7,790 K for the period ended 31 December 2016.

Persons concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Director of BMCE BANK International Plc, is also Group Executive General Manager of BMCE BANK
- Mr Mohammed AGOUMI, Director of BMCE BANK International Plc, is also Delegate General Manager of BMCE BANK

2.20. Agreements between BMCE BANK and SALAFIN

• Services contract between BMCE BANK and SALAFIN

This three-year automatically-renewable services contract, entered into in 2009, defines the terms and conditions by which BMCE BANK provides SALAFIN with a certain number of services and equipment as well as the terms governing usage.

BMCE BANK receives a flat royalty payment of MAD 1,000 including taxes per desk. Royalties are paid on a quarterly basis in advance.

Regarding this agreement, BMCE BANK recognised income of MAD 84 K for the period ended 31 December 2016.

• Agreement that SALAFIN establishes an on-demand credit compliance control system for BMCE BANK's customer files as well as hosting a management system on an ASP basis (via its ORUS subsidiary)

Entered into in 2011, the purpose of this agreement between BMCE BANK and SALAFIN is to establish a back-office system to ensure customer file compliance, send reminders to the network to correct non-compliant customer files and report on operational risks. The system also centralises and processes customer declarations of death and disability insurance subscriptions and digitises and archives customer loan files that have been transferred to an entity appointed by the Bank.

The agreement also relates to hosting, running and maintaining on a daily basis a customer file management system based on the Immédiat system which is interfaced with the Bank's information systems as well as providing BMCE BANK with a maintenance centre.

The remuneration paid by BMCE BANK is calculated on the basis of the number of customer files actually processed by the system based on a pricing structure.

Regarding this agreement, BMCE BANK recognised an expense of MAD 211 K for the period ended 31 December 2016.

- Agreement between BMCE BANK and Salafin relating to services, technical support and application hosting

Entered into 15 January 2009, this agreement relates to the implementation of a recovery service by which SALAFIN undertakes to carry out the assignments entrusted to it by BMCE BANK (recovery system support and set-up, provision of a user licence for the management module for attributing portfolios to agents and the telecommunications management module, development of interfaces with BMCE BANK's information systems, dedicated hosting and running of the recovery software solution on a daily basis and the provision of a maintenance centre).

Regarding this agreement, BMCE BANK recognised an expense of MAD 1.081 K for the period ended 31 December 2016.

• Amendment to the agreement that SALAFIN establishes an on-demand credit compliance control system for BMCE BANK's customer files

Entered into 1 July 2011, this amendment to the agreement between BMCE BANK and SALAFIN modifies the remuneration terms, established by the distribution agreement entered into in 2006, by ensuring joint management by both Parties in respect of new consumer loans distributed to retail customers. As a result, interest income will be split as follows: 80% to the entity which bears the risk and 20% to the other entity. This amendment also specifies the services provided by SALAFIN for all outstandings managed by one or both Parties.

Regarding this agreement and its amendment, BMCE BANK recognised an expense of MAD 106,526 K and total income of MAD 14,904 K for the period ended 31 December 2016.

Persons concerned :

• Mr Brahim BENJELLOUN TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Group Executive General Manager of BMCE BANK

• Mr Mamoun BELGHITI and Mr Amine BOUABID are members of Salafin's Supervisory Board and Directors of BMCE BANK

• Mr Omar TAZI and Mr Driss BENJELLOUN are members of Salafin's Supervisory Board and Delegate General Managers of BMCE BANK

2.21. Agreements between BMCE BANK and Eurafric Information (EAI)

• Draft agreement between BMCE BANK and Eurafric Information (EAI) relating to the invoicing of software licences and related services

Entered into 2 December 2011, the purpose of this agreement is for EAI to provide BMCE BANK with a certain number of licences as described in the contract (Briques GRC, E-Banking Cyber Mut, Poste Agence Lot 1) for use by the latter's employees.

In consideration, BMCE BANK must pay EAI the dirham equivalent of €4,800,370.40 for CRM services, €3,303,063.20 for CRM licences, €201,976.60 for the Poste Agence Lot 1 licence, €729.504 for Poste Agence Lot 1 services, €500,000 for E-Banking licences and €768,672 for E-Banking services. These amounts exclude taxes, to which must be added an additional 10% in respect of a government withholding tax deducted at source.

BMCE BANK must also pay licence maintenance costs including €545,004.80 for CRM maintenance, €105,694 for the Poste Agence Lot 1 contract and €162,801 for maintenance of E-banking Cyber Mut.

• Amendment No.2 APPENDIX III to the services contract between BMCE BANK and Eurafric Information

Entered into 10 March 2011 effective 1 January, this amendment modifies the services provided by EAI to BMCE BANK as well as the pricing structure and the terms and conditions of payment. The amendment offers the possibility of revising on an annual basis the man-hour rate applicable to services provided under the initial contract.

In respect of both these agreements entered into with EAI in 2011, BMCE BANK recognised the following amounts for the period ended 31 December 2016:

• Recurring services (expenses): MAD 54,209 K

• Maintenance (expenses): MAD 9,204 K

• Non-recurring services (non-current assets): MAD 89,404 K

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also a Group Executive General Manager of BMCE BANK

• Mr Zouheir BENSAID, Director of BMCE BANK, is also a member of EAI's Supervisory Board

• Mr Driss BENJELLOUN and Mr Mounir CHRAIBI, Directors of EAI, are also Delegate General Managers of BMCE BANK

2.22. Agreement between BMCE BANK and Global Network Systems SA ("GNS") relating to Carte MPOST – Passport

Entered into 1 February 2011, the purpose of this agreement is for BMCE BANK to provide GNS with prepaid cards as well as determining the terms for recharging, personalising and using these cards.

For each card delivered, the Bank is credited an amount previously agreed by both Parties.

The cost of recharging the card is debited against the customer's bank account held with BMCE BANK. All other expenses are debited against the card's balance.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Delegate General Manager of BMCE BANK.

• Mr M'Fadel EL HALAISSI and Mr Driss BENJELLOUN, Delegate General Managers of BMCE BANK, are also Directors of GNS Technologies

2.23. Services contract between BMCE BANK and Eurafric GED Services SAS

Entered into in 2011 for an initial three-month automatically-renewable period prior to establishing a definitive contract when authorisation is obtained from Bank Al Maghrib, the purpose of this contract is to define the terms and conditions by which BMCE BANK entrusts to Eurafric GED Services document digitisation services.

Monthly invoices are issued based on volume. The cost is 0.86 dirhams per digitised page, 0.68 dirhams per video-encoded document, 5 dirhams per document for the return of any previously unreturned document to the service provider, 3 dirhams per document communicating the index in the event that the document has been returned to BMCE BANK (prices quoted exclude taxes).

Regarding this agreement, BMCE BANK recognised an expense of MAD 1.854 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also Group Executive General Manager of BMCE BANK.

2.24. Partnership agreement between BMCE BANK and BMCE BANK International Plc relating to sub-contracting clearing services

Under the terms of this agreement entered into 4 October 2011, BMCE BANK International provides BMCE BANK with a number of banking services including:

- Cheques drawn on French- or foreign-domiciled banks;
- Inter-bank transfers to BMCE BANK or its customers;
- International SWIFT transfers;
- Bills of exchange domiciled with BMCE BANK and payable in France;
- Documentary credit confirmations

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN-TOUIMI, Director of BMCE BANK International Plc, is also Group Executive General Manager of BMCE BANK

• Mr Mohammed AGOUMI, Director of BMCE BANK International Plc, is also Delegate General Manager of BMCE BANK

2.25. Agreement between BMCE BANK and BMCE Capital Gestion to promote and market mutual funds via the BMCE BANK branch network

Entered into 1 March 2011 for an automatically-renewable 12-month period, the purpose of this agreement is to determine the terms and conditions for cooperation between the Parties relating to the marketing by BMCE BANK of a specific number of BMCE Capital Gestion products via the BMCE BANK branch network. In this regard, the Parties give a mutual undertaking to allocate the necessary human, material, technical and logistical resources to develop and promote the mutual funds.

BMCE BANK's remuneration is calculated on the basis of the volume of subscriptions/redemptions generated by the branch network with BMCE CAPITAL GESTION retroceding a share of the entry/exit fees at the rates set out in an appendix to the agreement.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

• Mr Amine BOUABID, Director of BMCE Capital Gestion, is also a Director of BMCE BANK

• Mr Driss BENJELLOUN, Delegate General Manager of BMCE BANK, is also a Director of BMCE Capital Gestion

2.26. Agreements relating to leasing premises

These agreements relate to the leasing of premises or offices to the following companies:

COMPANY	DATE	NATURE	LOCALISATION	AMOUNT 2016 (MAD K)
EAI	01/03/2011	OFFICE SPACE	49 & 51 RUE ALI IBNOU ABI TALEB, GROUND FLOOR, 1ST TO 7TH FLOORS, CAR PARK AND BASEMENT, CASABLANCA	6.469 KDH AU 30/09/2016
RM EXPERTS	01/01/2011	OFFICE SPACE	IMMEUBLE ZÉNITH, NO.2 AND 2 BIS, LOTISSEMENT TAOUFIK, ROUNDABOUT ROUTE DE MARRAKECH AND BOUSKOURA, CASABLANCA	1.095 KDH
BMCE CAPITAL	01/10/2009	OFFICE SPACE	142, AVENUE HASSAN II, 4TH, 7TH AND 8TH FLOOR, CASABLANCA	2.957 KDH
MEDITELECOM	01/08/2012	BUILDING PATIO	ESSAOUIRA	99,8 KDH
BMCE CAPITAL	01/07/2002	OFFICE SPACE	BMCE BANK BRANCH, AGADIR VILLE	33,7 KDH
EURAFRIC INFORMATION	15/10/2009	279 M² APARTMENT TF NO.36929/C, PROPERTY KNOWN AS "GAMECOUR"	243 BD MOHAMED V, CASABLANCA	256 KDH AU 30/09/2016

The leases are renewed automatically.

2.27. Three-party agreement relating to the transfer of leases in respect of the acquisition and development of office premises in Avenue Imam Malik, Rabat

Entered into 16 March 2011 between BMCE CAPITAL, the initial lessee, BMCE Bank, the current lessee and MAGHREBAIL, the lessor, this agreement provides for the transfer of leases to BMCE Bank in consideration for a monthly rental payment of MAD 68,453.70 excluding taxes and a total fixed cost of MAD 7,200,000 in relation to funding costs of which MAD 720,000 relates to the estimated land value.

This contract is for a period of 97 months from 25 April 2011 to 24 May 2019.

In respect of this contract, BMCE Bank recognised a total expense of MAD 851 K thousand for the period ended 31 December 2016.

Persons concerned:

• Mr Azeddine GUESSOUS, Chairman of the Board of Maghrebail, is also Director of BMCE Bank

• Mr Othman BENJELLOUN, Mr Zouheir BENSAID and Mr Brahim BENJELLOUN-TOUIMI, Directors of Maghrebail are also respectively Chairman and Chief Executive Officer, Director and Group Executive General Manager of BMCE Bank

• Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive General Manager of BMCE Bank

• Mr Zouheir BENSAID, Director of BMCE Bank, is also a member of BMCE Capital's Supervisory Board

• Mr Driss BENJELLOUN and Mr M'Fadel EL HALAISSI, members of BMCE Capital's Supervisory Board are also Delegate General Managers of BMCE Bank

2.28. Amendment to the BMCE EDIFIN agreement between BMCE BANK and GLOBAL NETWORK SYSTEMS (GNS), now GNS TECHNOLOGIES SA

Entered into 2 April 2010 and effective 1 January 2010, the purpose of this amendment, as part of the Bank's policy to extend BMCE EDIFIN services to all commercial relations and enhance profitability, is to revise the monthly payment for GNS' Value-Added Network services. In this regard, BMCE BANK shall assume the role of wholesaler as well responsibility for marketing the services acquired from GNS.

A second amendment, entered into 30 December 2011 and effective January 2012, sees the annual payment made by BMCE BANK to the service provider reduced to MAD 2,750,000 excluding taxes which corresponds to the minimum volume that it undertakes to acquire from 2,000,000 transaction entries.

Regarding this agreement, BMCE BANK recognised an expense of MAD 2,870 K for the period ended 31 December 2016.

Persons concerned:

• Mr Mounir CHRAIBI, Chairman of the Board of GNS Holding, is also Delegate General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI and Mr Driss BENJELLOUN, Delegate General Managers of BMCE BANK, are also Directors of GNS Holding

2.29. Services contract between BMCE BANK and RM Experts relating to debt recovery

Entered into 24 December 2010 between RECOVERY INTERNATIONAL MANAGEMENT AND EXPERTISE (RM EXPERTS) and BMCE BANK, the agreement mandates RM EXPERTS on an exclusive basis to recover the non-performing loans entrusted to it by BMCE BANK.

The contract is for a five-year period which is automatically renewable in subsequent two-year periods.

BMCE BANK undertakes to make available to the service provider, on a secondment basis, all staff working in the Remedial Management Division from the contract date. These employees will be paid directly by BMCE BANK.

BMCE BANK will invoice the service provider for these employees' salaries and other items of remuneration plus a 20% margin.

RM EXPERTS will invoice BMCE BANK for "managing its human resources".

As part of this agreement, for each customer file for which the amount to be recovered is less than two hundred K dirhams, BMCE BANK will be invoiced for the sum of five hundred dirhams excluding taxes in respect of related expenses. RM EXPERTS also receives from BMCE BANK success fees payable on a quarterly basis depending on the sums repaid or recovered.

In the event of non-recovery, BMCE BANK undertakes to reimburse RM EXPERTS for all actual costs incurred by the latter.

BMCE BANK paid RM EXPERTS success fees of MAD 35,094 K and management fees of MAD 3,523 K for the period ended 31 December 2016.

Persons concerned:

• Mr Mamoun BELGHITI, Chairman of the Board of RM EXPERTS, is also a Director of BMCE BANK

• Mr Brahim BENJELLOUN-TOUIMI, Group Executive General Manager of BMCE BANK, is also a Director of RM Experts

• Mr M'Fadel EL HALAISSI, Delegate General Manager of BMCE BANK, is also a Director of RM Experts

2.30. Agreement between BMCE BANK and Maghrebail

Entered into 8 May 2009, the purpose of this agreement is to determine the terms and conditions governing BMCE BANK's marketing of MAGHREBAIL's formatted lease products, the BMCE Bail product, the BMCE Immobail Entreprise product and standard leasing products, regardless of whether or not they are severally and jointly backed by BMCE BANK.

The terms and conditions of this agreement are as follows:

• MAGHREBAIL pays BMCE BANK agency fees as set out in a price list;

• MAGHREBAIL undertakes to pay quarterly agency fees in respect of BMCE BANK's remuneration;

• MAGHREBAIL undertakes to pay annual success fees calculated on the basis of achieving sales targets that are independently confirmed by a steering committee;

• MAGHREBAIL undertakes to remunerate BMCE BANK for its guarantee at the annual rate of interest in respect of formatted products. The rate of interest charged on the guarantee is determined on a case-by-case basis in respect of standard leasing products, regardless of whether or not they are severally and jointly backed; it is calculated annually on the amount of MAGHREBAIL's financial outstandings guaranteed by BMCE BANK (financial outstandings x proportion of bank guarantee).

Regarding this agreement, BMCE BANK recognised income of MAD 11,920 K for the period ended 31 December 2016.

Persons concerned:

• Mr Azeddine GUESSOUS, Chairman of Maghrebail, is a Director of BMCE BANK

• Mr Othman BENJELLOUN, Mr Zouheir BENSAID and Mr Brahim BENJELLOUN TOUIMI, Members of the Board of Maghrebail, are respectively Chairman, Directors and Group Executive General Manager of BMCE BANK

• Mr M'Fadel EL HALAISSI, Director of Maghrébail, is also Delegate General Manager of BMCE BANK

2.31 Partnership agreement between BMCE BANK and Locasom

Entered into 29 May 2009, the purpose of this agreement is to determine the terms and conditions governing marketing by BMCE BANK of LOCASOM's BMCE LLD product (a vehicle leasing product for acquiring and managing a fleet of vehicles). Under this agreement, BMCE BANK will steer its customers towards this product while LOCASOM will follow up with interested customers by providing the necessary support. This product will be marketed via the BMCE BANK branch network.

The terms and conditions of this agreement are as follows:

• BMCE BANK solely undertakes to encourage BMCE LLD customers to make regular lease payments (by directly debiting the customer's account etc.)

• BMCE BANK receives a fee ranging from 0.15% to 0.40% calculated on the basis of the vehicle's budgeted amount and the lease period.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2016.

Persons concerned:

Mr Driss BENJELLOUN and Mr M'Fadel EL HALAISSI, Delegate General Managers of BMCE BANK and Mr Azzedine GUESSOUS, Director of BMCE BANK, are also Directors of Budget Locasom.

2.32. Services contract between BMCE BANK and BMCE EuroServices

Entered into in 2013, this contract aims to clarify the underlying terms and conditions by which BMCE BANK will pay half-yearly fees to the Service Provider in consideration for the latter developing the Moroccans living abroad customer segment in Morocco.

Remuneration of Head Office and Branch Offices will be based on two criteria: a percentage of the net banking income earned by BMCE BANK in the Moroccans living abroad segment and a percentage of the funds transferred to BMCE BANK accounts in Morocco.

Regarding this agreement, BMCE BANK recognised an expense of MAD 146,515 K for the period ended 31 December 2016.

Persons concerned:

• Mr Brahim BENJELLOUN TOUIMI, Chairman of the Board of BMCE EuroServices, is also Group Executive General Manager of BMCE BANK

• Mr Omar TAZI, Assistant Director of BMCE EuroServices, is also Delegate General Manager of BMCE BANK

• Mr Driss BENJELLOUN, Mr Mohamed AGOUMI and Mr Mounir CHRAIBI, Directors of BMCE EuroServices, are also Delegate General Managers of BMCE BANK

2.33. Commercial lease contract between BMCE BANK and GNS TECHNOLOGIES

Under the terms of this agreement, effective 1 January 2013 for an automatically-renewable 3-year period, BMCE BANK shall lease to GNS Technologies office space on the 2nd floor of a building located at 239 Boulevard Mohammed V in Casablanca whose land title number is No.36.829/C with a surface area of 276 m² whose land title number is in turn No.75.965/C, a property known as "GAMECOUR 4".

The monthly rental payment relating to this office space is set at MAD 16.6 K for the first year, MAD 19.3 K for the second year and MAD 22 K for the third year. To that is added a local council tax of 10.5% payable monthly as well as rental charges to maintain and manage the building's common areas which are invoiced pro-rata to the surface area rented.

Regarding this agreement, BMCE BANK recognised income of MAD 293 K for the period ended 31 December 2016.

Persons concerned:

• Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Deputy Chief Executive Officer of BMCE BANK

• Mr M'Fadel EL HALAISSI and Mr Driss BENJELLOUN, Delegate General Manager of BMCE BANK, are also Directors of GNS Technologies.

2.34. Commercial lease contract between BMCE BANK and RM EXPERTS

Under the terms of this agreement, effective 1 March 2013 for an automatically-renewable 3-year period, BMCE BANK shall lease to RM Experts office space on the 3rd floor of a building located at Casablanca Zénith No.2 et 2A Sidi Maarouf, Taoufik land plot, whose land title number is No.19.779/47 with a surface area of 235 m² whose land title number is in turn No. 19.779/47.

The monthly rental payment is MAD 31.2 K excluding management company and maintenance charges.

Regarding this agreement, BMCE BANK recognised income of MAD 200 K for the period ended 31 December 2016.

Persons concerned:

• Mr Mamoun BELGHITI, Chairman of the Board of RM EXPERTS is also a Director of BMCE BANK

• Mr Brahim BENJELLOUN TOUIMI, Group Executive General Manager of BMCE BANK, is also a Director of RM Experts

• Mr M'Fadel El HALAISSI, Delegate General Manager of BMCE BANK, is also a Director of RM Experts

Casablanca, 12 April 2017

The Statutory Auditors

FIDAROC GRANT THORNTON	KPMG
Rachid BOUMEHRAZ	Jamal SAAD EL IDRISSI
Associé	Associé

Note Presenting the Rules, Accounting Principles and Valuation Methods Adopted

1 - FUNDAMENTAL ACCOUNTING PRINCIPLES

1.1- Credit institutions are obliged to publish financial statements each financial year which give a true and fair view of their assets, financial position and results.

1.2- Providing a true and fair view will necessarily depend on compliance with seven fundamental accounting principles recommended under General Accounting Standards.

1.3- When transactions, events and positions are accounted for in compliance with fundamental accounting principles and recommendations from Accounting Standards for Credit Institutions, the financial statements are presumed to give a true and fair view of the credit institution's assets, financial position, assumed risks and results.

1.4- In the event that, after applying these principles, the financial statements do not give a true and fair view, the credit institution is obliged to provide all necessary information in the additional information statement so as to be able to give a true and fair view.

1.5- In the exceptional event that, after strictly applying one of these principles or recommendations, the financial statements do not give a true and fair view, the credit institution is obliged to depart from established accounting principles.

Any eventual departure must be mentioned in the additional information statement and must be duly justified. It must also indicate the impact on the credit institution's assets, financial position, assumed risks and results.

1.6- The main fundamental accounting principles adopted are listed hereafter:

- Going concern principle
- Consistency principle
- Historical cost principle
- Time period principle
- Prudence principle
- Objectivity principle
- Materiality principle

2.1. Presentation

The financial statements comprise:

- Head office accounts
- The accounts of domestic branches
- The accounts of overseas branches and representative offices (Paris branch, Tangier Offshore)

Any transactions or balances between group entities are eliminated on consolidation.

2.2 General principles

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of BMCE Bank's financial statements complies with Accounting Standards for Credit Institutions.

2.3 Amounts due from credit institutions and customers and signature loans

General presentation of amounts due

• Amounts due from credit institutions and customers are classified on the basis of their initial maturity or economic purpose:

- Demand or term deposits in the case of credit institutions;

- Operating loans, equipment loans, consumer loans, property loans and other loans in the case of customers.

• Off-balance sheet signature loans relate to irrevocable funding commitments and guarantees.

• Repurchase agreements involving securities are recognised under the relevant receivables entry (credit institutions, customers).

• Values awaiting collection, which are only credited to the remitter on actual receipt or after a contractual period, are not recognised on the balance sheet but are accounted for materially.

• Accrued interest on these receivables is recognised under "Related receivables" through the income statement.

Non-performing customer loans

• Non-performing customer loans and advances are recognised and measured in accordance with applicable banking regulations.

• The main applicable provisions can be summarised as follows:

- Non-performing loans and advances are, depending on the level of risk, classified as "substandard", "doubtful" or "irrecoverable".

- After deducting the proportion of the guarantee required under current legislation, provisions are recognised as follows:

- 20% in the case of substandard loans;

- 50% in the case of doubtful loans;

- 100% in the case of irrecoverable loans.

Impairment provisions for credit risks on assets are deducted from the assets' carrying amount.

• On downgrading healthy loans and advances as non-performing loans, interest thereon is no longer calculated and recognised. It is only recognised as income when received.

• Losses on irrecoverable loans are recognised when the possibility of recovering non-performing loans is deemed to be nil.

• Provision write-backs for non-performing loans are recognised when the latter undergo an improvement, are effectively repaid or restructured with partial or total loan repayment.

2.4 Amounts owing to credit institutions and customers

Amounts owing to credit institutions and customers are classified in the financial statements on the basis of their initial maturity or type:

- Demand or term deposits in the case of credit institutions;

- Demand accounts in credit, savings accounts, term deposits and other customer accounts in credit.

Included under these various headings, depending on the category of counterparty, are repurchase agreements involving securities or movable assets.

Interest accrued on these payables is recognised under "Related payables" through the income statement.

2.5 Securities portfolio

2.5.1 General presentation

Securities transactions are recognised and measured in accordance with the provisions of the Credit Institutions Accounting Plan.

Securities are classified according to their legal type (debt security or equity security) as well as the purpose for which they were acquired (trading securities, available-for-sale securities, held-to-maturity securities and long-term investment securities).

2.5.2 Trading securities

Securities are considered to be Trading securities if they are:

- Bought or sold with the express intention of selling them or repurchasing them in the near future to make a profit;

- Held by the credit institution in the context of its role as market-maker, their classification as trading securities being conditional on them seeing significant trading volume as a function of market conditions;

- Acquired or sold in the context of specialised portfolio management activity comprising derivative instruments, securities or other instruments managed together with recent evidence that a short-term profit-taking approach has been adopted;

- The subject of a sales undertaking in the context of arbitrage activity.

Trading securities are recognised at cost less dealing charges plus accrued interest, where applicable. Dealing charges are recognised directly through the income statement. Securities that have been sold are valued on the basis of the same rules.

2.5.3 Available-for-sale securities

Fixed income or floating rate securities are considered to be Available-for-sale securities if they are acquired with a view to being held for an indefinite period and that the institution may decide to sell them at any time.

By default, this category includes securities that fail to satisfy the criteria for recognition under another category of securities.

Available-for-sale securities are recognised at cost plus charges and accrued interest.

Securities transferred from the "Portfolio securities" and "Equity securities and Investments in related companies" categories are valued either prior to or at the time of transfer based on the rules relating to their original category. They are reclassified under Available-for-sale securities on the basis of this carrying amount.

Securities transferred from the "Held-to-maturity securities" category are reclassified at their net carrying amount at the time of transfer.

2.5.4 Held-to-maturity securities

Held-to-maturity securities are debt securities which are acquired or which have been transferred from another category of securities for the purpose of being held until maturity in order to generate regular income over the long-term.

These securities are recognised ex-coupon at the time of acquisition.

At each balance sheet date, the securities are valued at cost, regardless of their market value. Accordingly, unrealised profit or loss is not recognised.

2.5.5 Long-term investment securities

This category comprises securities whose long-term ownership is deemed useful to the Bank. These securities are categorised according to the provisions established by Accounting Standards for Credit Institutions as follows:

- Equity securities;

- Investments in related companies;

- Portfolio securities

- Other similar assets.

At each balance sheet date, they are valued on the basis of generally-accepted criteria such as utility value, share of net assets, future earnings prospects and share price performance. Impairment provisions are booked for unrealised losses on a case by case basis.

2.5.6 Repurchase agreements

Securities delivered under repurchase agreements are recognised on the balance sheet. The amount received, which represents the liability to the transferee, is recognised on the balance sheet under liabilities.

Securities received under reverse repos are not recognised on the balance sheet, although the amount received, which represents the receivable due from the transferor, is recognised on the balance sheet under assets.

2.6. Foreign currency-denominated transactions

Receivables, amounts owing and signature loans denominated in foreign currencies are translated into dirhams at the average exchange rate prevailing at the balance sheet date.

Foreign currency differences on contributions from overseas branches and on foreign currency borrowings hedged against exchange rate risk are recorded on the balance sheet under other assets or other liabilities as appropriate. Any translation gains and losses arising from the translation of non-current securities acquired in a foreign currency are recorded as translation differences under the category of securities in question.

Foreign currency differences on other accounts held in foreign currencies are recognised through the income statement.

Income and expenses in foreign currency are translated at the exchange rate prevailing on the day they are recognised.

2.7. Translation of financial statements denominated in foreign currencies

The 'closing rate' method is used to translate financial statements denominated in foreign currencies.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of the foreign entity (Paris Branch) are translated based on the exchange rate prevailing at the closing date.

Shareholders' equity (excluding net income for the financial year) is measured at different historical rates (additional charges) and constitutes reserves. The difference arising from this correction (closing rate less historical rate) is recorded under "Translation differences" under shareholders' equity.

Translation of income statement items except for depreciation and amortisation expenses and provisions, which are translated at the closing rate, are translated at the average exchange rate for the financial year. However, income statement items have been translated at the closing rate since this method does not result in any material difference by comparison with the average exchange rate method.

2.8. General risk provisions

These provisions are booked, at the discretion of the management, to address future risks relating to banking operations which cannot be currently identified or accurately measured.

Provisions booked are added back for taxation purposes.

2.9. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recognised on the balance sheet at cost less accumulated amortisation and depreciation, calculated using the straight line method over the estimated life of the assets in question.

Intangible assets are categorised under operating and non-operating non-current assets and are amortised over the following periods:

Category	Amortisation period
Lease rights	Non-amortisable
Patents and brands	For the period under patent protection
Research & development assets	1 year
IT software	5 years
Other goodwill items	Non amortisable

Plant, property and equipment are categorised under operating and non-operating non-current assets and are amortised over the following periods:

Category	Amortisation period
Land	Non amortisable
Operating premises:	
Built before 1986	20 years
Built after 1986	40 years
Office furniture	10 years
IT hardware	5 years
Vehicles	5 years
Fixtures, fittings and equipment	10 years
Shares in non-profit companies	Non amortisable

2.10 Deferred charges

Deferred charges comprise expenses which, given their size and nature, are likely to relate to more than one financial year.

2.11 Statutory provisions

Statutory provisions, particularly those relating to taxation, are booked in application of statutory or regulatory requirements. The decision as to whether or not to book such provisions is effectively a management decision motivated, in particular, by a desire to derive a tax benefit.

If the criteria for booking and utilising such provisions are met and they have been booked to be able to benefit from a definite tax break, statutory provisions, with the exception of accelerated amortisation reserves, are treated as tax-free reserves.

2.12 Recognition of interest income and fee income on the income statement

Interest income

Income and expenditure earned on capital actually lent or borrowed are considered as interest income.

Income and expenditure earned on an accruals basis, which remunerates risk, are considered as interest equivalent. This category includes fees on guarantee and financing commitments (guarantees, collateral etc.).

Interest accrued on capital actually lent or borrowed is recognised under related receivables and payables accounts through the income statement.

Interest equivalent is immediately recognised through the income statement upon invoicing.

Fee income

Income and expenditure, calculated on a flat-rate basis, which remunerate a service provided, are recognised as fees upon invoicing.

2.13 Non-recurring income and expenditure

This consists exclusively of income and expenditure arising on an exceptional basis. Such items are rare, in principle, as they are unusual by nature and occur infrequently.

2.14 Retirement obligations

Retirement obligations (Wissam Al Choghl, compensation payments for early retirement) not covered by pension schemes and managed by external independent providers (non-mandatory) are not provisioned.

Aggregated Activity

AS OF DECEMBER 31, 2016

ASSETS	2016	2015
Cash, central banks, treasury, giro accounts	4 147 681	2 699 639
Loans to credit institutions and equivalent	24 562 762	24 495 193
. Demand	2 623 461	3 100 756
. Time	21 939 301	21 394 437
Loans and advances to customers	115 990 730	113 328 625
. Cash and consumer loans	40 791 247	39 141 837
. Equipment loans	19 100 535	16 069 234
. Mortgage loans	37 725 042	36 374 131
. Other loans	18 373 906	21 743 423
Advances acquired by factoring	668 926	-
Transaction and marketable securities	38 601 321	25 429 973
. Treasury bonds and equivalent securities	15 957 201	5 325 413
. Other debt securities	3 313 509	709 167
. Title deeds	19 330 611	19 395 393
Other assets	1 948 439	1 877 269
Investment securities	4 059 152	5 587 659
. Treasury bonds and equivalent securities	1 559 544	1 642 527
. Other debt securities	2 499 608	3 945 132
Equity investments and equivalent uses	8 864 040	8 735 714
Subordinated loans	193 101	195 461
Fixed assets leased and rented	74 000	-
Intangible fixed assets	516 958	464 103
Tangible fixed assets	5 295 196	4 418 365
Total Assets	204 922 306	187 232 001

(In thousand MAD)

LIABILITIES	2016	2015
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	25 767 091	31 244 236
. Demand	7 412 683	8 527 146
. Time	18 354 408	22 717 090
Customer deposits	131 124 421	121 205 803
. Demand deposits	71 264 402	63 460 442
. Savings deposits	21 371 211	20 159 145
. Time deposits	32 746 734	31 043 262
. Other deposits	5 742 074	6 542 954
Debt securities issued	12 076 677	9 454 620
. Negociable debt securities	9 512 638	7 427 788
. Bond loans	2 564 039	2 026 832
. Other debt securities issued	-	-
Other liabilities	10 695 318	2 433 750
Contingent liabilities	549 139	483 194
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	10 085 536	8 206 900
Revaluation reserve	-	-
Reserves and premiums related to capital	11 504 457	11 104 784
Capital	1 794 634	1 794 634
Shareholders Unpaid-up Capital (-)	-	-
Retained earnings (+/-)	62	44
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	1 324 971	1 304 036
Total Liabilities	204 922 306	187 232 001

(In thousand MAD)

OFF-BALANCE SHEET	2016	2015
Given commitments	23 635 989	18 830 322
Financing commitments on behalf of credit institutions and equivalent	370 797	940 029
Financing commitments on behalf of customers	8 773 032	4 805 370
Guarantee commitments given to credit institutions and equivalent	5 123 121	3 643 050
Guarantee commitments given to customers	8 991 909	9 361 412
Securities repos purchased	78 357	78 357
Other securities to be delivered	298 773	2 104
Received commitments	11 053 701	8 331 036
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	10 670 880	8 089 828
Guarantee commitments received from the State and various guarantee bodies	381 273	30 773
Securities repos sold	-	-
Other securities to be received	1 548	210 435

(In thousand MAD)

Income Statement Aggregated Activity

	2016	2015
Bank operating revenues	**10 877 012**	**10 822 117**
Interests and assimilated revenues on transactions with credit institutions	640 634	705 261
Interests and assimilated revenues on transactions with customers	5 412 511	5 378 909
Interests and assimilated revenues on debt securities	550 943	490 961
Revenues on title deeds	574 946	489 124
Revenues from leased and rented fixed assets	-	-
Fees on provided services	1 041 214	942 600
Other banking revenues	2 656 764	2 815 262
Bank operating expenses	**4 740 639**	**5 447 786**
Interests and assimilated expenses on transactions with credit institutions	880 482	802 951
Interests and assimilated expenses on transactions with customers	1 743 350	1 779 179
Interests and assimilated expenses on debt securities issued	370 761	547 152
Expenses on leased and rented fixed assets	-	-
Other banking expenses	1 746 046	2 318 504
Net Banking Income	**6 136 373**	**5 374 331**
Non-banking operating revenues	110 111	134 333
Non-banking operating expenses	279 491	48 713
General operating expenses	**3 493 169**	**3 262 976**
Staff expenses	1 540 320	1 455 087
Tax expenses	99 018	85 230
External expenses	1 491 136	1 383 566
Other general operating expenses	10 022	41
Allowances for depreciation and provisions for intangible and tangible fixed assets	352 673	339 052
Allowances for provisions and loan losses	**1 225 203**	**1 734 984**
Allowances for non performing loans and commitments	1 134 947	1 283 564
Loan losses	8 862	373 676
Other allowances for provisions	81 394	77 744
Provision write-backs and recovery on amortised debts	**626 712**	**1 160 482**
Provision write-backs on non performing loans and commitments	356 319	733 941
Recovery of amortised debts	28 343	42 340
Other provision write-backs	242 050	384 201
Current income	**1 875 333**	**1 622 471**
Non-current revenues	-	-
Non-current expenses	-	-
Pre-tax earnings	**1 875 333**	**1 622 471**
Corporate tax	550 362	318 435
Net Earnings For The Year	**1 324 971**	**1 304 036**

(In thousand MAD)

EARNINGS FORMATION TABLE	2016	2015
+ Interests and assimilated revenues	6 604 087	6 575 131
- Interests and assimilated expenses	2 994 594	3 129 281
Net interest income	**3 609 493**	**3 445 850**
+ Revenues from leased and rented fixed assets	-	-
- Expenses on leased and rented fixed assets	-	-
Profit from leasing and renting operations	**-**	**-**
+ Fees received	1 296 907	1 131 043
- Fees paid	301 734	213 808
Net fee income	**995 173**	**917 235**
± Income from operations on transaction securities	933 900	358 569
± Income from transactions on marketable securities	20 704	92 069
± Income from exchange transactions	241 039	292 469
+ Income from derivatives transactions	6 746	-27 076
Income from market transactions	**1 202 389**	**716 031**
+ Other miscellaneous banking revenues	574 946	489 124
- Other miscellaneous banking expenses	245 633	193 910
Net banking income	**6 136 373**	**5 374 330**
± Net income from equity investments	203 177	379 101
+ Other non-banking operating revenues	110 043	134 333
- Other non-banking operating expenses	260 170	47 258
- General operating expenses	3 493 170	3 262 977
Gross operating income	**2 696 248**	**2 577 529**
± Allowances for non performing loans and commitments (net of write-backs)	-759 142	-880 960
+ Other allowances net of provision write-backs	-61 774	-74 098
Current income	**1 875 332**	**1 622 471**
Non-current income	**-**	**-**
- Corporate tax	550 362	318 435
Net earnings for the year	**1 324 971**	**1 304 036**

(In thousand MAD)

CASH FLOW	2016	2015
+ Net earnings for the year	**1 324 971**	**1 304 036**
+ Allowances for depreciation and provisions for intangible and tangible fixed assets	352 673	339 052
+ Allowances for provisions for equity investments depreciation	6 800	-
+ Allowances for provisions for general risks	58 900	65 205
+ Allowances for regulated provisions	-	-
+ Non-current allowances	-	-
- Provisions write-backs	229 230	380 555
- Capital gains on disposals of intangible and tangible fixed assets	25 691	63 644
+ Capital losses on disposals of intangible and tangible fixed assets	-	-
- Capital gains on disposals of equity investments	67	-
+ Capital losses on disposals of equity investments	19 321	1 455
- Write-backs of investment subsidies received	-	-
+ Financing capacity	**1 507 676**	**1 265 549**
- Dividends distributed	897 317	789 639
+ Cash-flow	**610 359**	**475 910**

(In thousand MAD)

STATEMENT OF CASH FLOW	2016	2015
1. (+) Operating income received from banking operations	9 786 279	9 884 270
2. (+) Recovery of amortised debts	28 343	42 340
3. (+) Non-banking revenues received	110 111	134 333
4. (+) Banking operating expenses paid	4 821 763	5 502 164
5. (+) Non-banking operating expenses paid	279 491	48 713
6. (+) General operating expenses paid	3 140 496	2 923 924
7. (+) Corporate tax paid	550 362	318 435
I - Net Cash Flows from the Income Statement	**1 132 622**	**1 267 708**
Change in :		
8. (+) Loans to credit institutions and equivalent	-67 569	-5 305 274
9. (+) Loans to customers	-2 662 105	-13 934 389
10. (+) Debt and marketable securities	-11 642 841	1 987 571
11. (+) Other assets	-71 170	-60 172
12. (+) Fixed assets leased and rented out	-	-
13. (+) Liabilities to credit institutions and equivalent	-5 477 145	14 862 724
14. (+) Customer deposits	9 918 618	11 103 366
15. (+) Debt securities issued	2 622 057	-4 279 898
16. (+) Other liabilities	8 037 624	-1 531 270
II - Balance of Changes in Operating Assets and Liabilities	**657 469**	**2 842 658**
III - Net Cash Flows from Operating Activities (I + II)	**1 790 091**	**4 110 366**
17. (+) Revenues from equity investments	47 964	-
18. (+) Revenues from disposals of intangible and tangible fixed assets	43 039	95 103
19. (+) Acquisitions of equity investments	159 903	1 608 499
20. (+) Acquisitions of intangible and tangible fixed assets	1 638 835	2 565 211
21. (+) Interests received	579 088	514 412
22. (+) Dividends received	511 645	423 145
IV - Net Cash Flows from Investment Activities	**-617 002**	**-3 141 051**
23. (+) Subsidies, public funds and guarantee funds received	-	
24. (+) Issues of subordinated debts	-	-
25. (+) Stock issues	1 878 636	1 903 833
26. (+) Repayment of shareholders equity and equivalent		
27. (+) Interests paid		
28. (+) Dividends paid	706 366	868 921
V - Net Cash Flows from Financing Activities	897 317	789 639
VI - Net Change In Cash (III + IV + V)	**274 953**	**245 273**
VII - Cash & Cash Equivalent at Beginning of Year	**1 448 042**	**1 214 588**
VIII - Cash & Cash Equivalent at Year-end	**2 699 639**	**1 485 051**
VIII. Cash at Year - end	**4 147 681**	**2 699 639**

(In thousand MAD)

MAIN VALUATION METHODS APPLIED

VALUATION METHODS APPLIED BY BMCE BANK
Cf : Accounting Principles.

LOANS TO CREDIT INSTITUTIONS AND EQUIVALENT

Claims	Bank Al-Maghrib Treasury and giro accounts	Banks in Morocco	Other credit institutions and equivalent in Morocco	Foreign credit institutions	Total 2016	Total 2015
Ordinary accounts in debit	**2 763 783**	**1 411 820**	**1 045 337**	**1 505 132**	**6 726 072**	**5 756 042**
Securities received as pledges	**-**	**-**	**2 844 215**	**-**	**2 844 215**	**2 554 737**
- Overnight	-	-	-	-	-	-
- Time	-	-	2 844 215	-	2 844 215	2 554 737
Short-term loans	**-**	**-**	**5 565 352**	**-**	**5 565 352**	**5 474 311**
- Overnight	-	-	-	-	-	-
- Time	-	-	5 565 352	-	5 565 352	5 474 311
Financial loans	**-**	**995 794**	**9 368 418**	**20 165**	**10 384 377**	**10 224 031**
Other loans	**2 895 759**	**232 209**	**-**	**40 973**	**3 168 941**	**3 166 491**
Receivables accrued interest	**4 239**	**1 977**	**14 097**	**1 173**	**21 486**	**19 220**
Non performing loans	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**5 663 781**	**2 641 800**	**18 837 419**	**1 567 443**	**28 710 443**	**27 194 832**

Comment : pl 480 MMAD : 2 895 759 included in « Other loans »

(In thousand MAD)

LOANS TO CUSTOMERS

Claims	Public sector	Private Sector			Total 2016	Total 2015
		Financial companies	Non financial companies	Other customers		
Short-term loans	**1 159 187**	**2 440 933**	**28 088 181**	**55 377**	**31 743 678**	**29 833 489**
- Deposit accounts in debit	690 450	1 328 042	16 089 924	52 077	18 160 493	18 638 892
- Commercial loans in Morocco	25 283	-	4 154 880	3 300	4 183 463	3 366 936
- Export loans	-	-	765 296	-	765 296	545 927
- Other cash loans	443 454	1 112 891	7 078 081	-	8 634 426	7 281 734
Consumer loans		**-**		**9 742 758**	**9 742 758**	**9 328 888**
Equipment loans	**4 497 327**	**-**	**14 412 587**	**-**	**18 909 914**	**15 886 479**
Mortgage loans			**8 946 683**	**28 719 487**	**37 666 171**	**36 319 719**
Other loans	**885 376**	**11 324 900**	**2 943 397**	**-**	**15 153 673**	**18 885 215**
Advances acquired by factoring	**100 000**	**-**	**568 927**	**-**	**668 927**	**-**
Receivables accrued interest	**37 999**	**77 591**	**320 175**	**218 539**	**654 304**	**716 626**
Non performing loans	**100 836**	**3 266**	**1 754 889**	**261 240**	**2 120 232**	**2 358 209**
- Substandard loans	-		72 199	168 464	240 662	266 751
- Doubtful loans	12 203	408	779 129	74 476	866 216	1 191 293
- Loss loans	88 633	2 858	903 561	18 301	1 013 353	900 165
TOTAL	**6 780 725**	**13 846 691**	**57 034 839**	**38 997 401**	**116 659 656**	**113 328 625**

(In thousand MAD)

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER

	Credit Institutions and Equivalent	Public Issuers	Private Issuers		Total 2016	Total 2015
			Financial companies	Non financial companies		
Quoted securities	**2 461 728**	**17 419 266**	**19 382 486**	**786 875**	**40 050 355**	**28 399 578**
- Treasury bonds and equivalent securities	-	17 410 813	-	-	17 410 813	6 938 416
- Bonds	793 753	8 453	51 875	786 875	1 640 956	2 065 769
- Other debt securities	1 667 976		-			-
- Title deeds	-	-	19 330 611	-	19 330 611	19 395 393
Unquoted securities	**2 027 741**	**155 762**	**118 461**	**308 154**	**2 610 118**	**2 618 055**
- Treasury bonds and equivalent securities	-	-	-	-		
- Bonds	2 000 036	-	-	-	2 000 036	2 025 839
- Other debt securities	433	49 000	-	301 502	350 935	389 914
- Title deeds	-	-	-	-		-
Accrued interest	27 272	106 762	118 461	6 652	259 147	202 302
TOTAL	**4 489 469**	**17 575 028**	**19 500 947**	**1 095 029**	**42 660 473**	**31 017 632**

(In thousand MAD)

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES

	Gross book value	Current value	Redemption price	Unrealised capital gains	Unrealised capital losses	Provisions
Transaction securities	**38 385 887**	**38 369 891**	**38 369 891**	**-**	**-**	**15 996**
Treasury bonds and equivalent securities	15 872 007	15 856 136	15 856 136	-	-	15 871
Bonds	1 515 209	1 515 209	1 515 209	-	-	-
Other debt securities	1 667 935	1 667 935	1 667 935	-	-	-
Title deeds	19 330 736	19 330 611	19 330 611	-	-	125
Marketable securities	**231 430**	**231 430**	**231 430**	**-**	**-**	**-**
Treasury bonds and equivalent securities	101 064	101 064	101 064	-	-	-
Bonds	-	-	-	-	-	-
Other debt securities	130 366	130 366	130 366	-	-	-
Title deeds	-	-	-	-	-	-
Investment securities	**4 065 563**	**4 059 152**	**3 988 341**	**-**	**70 811**	**6 411**
Treasury bonds and equivalent securities	1 559 544	1 559 544	1 502 210	-	57 334	-
Bonds	2 155 084	2 148 673	2 135 196	-	13 477	6 411
Other debt securities	350 935	350 935	350 935	-	-	-
TOTAL	**42 682 880**	**42 660 473**	**42 589 662**	**-**	**70 811**	**22 407**

(In thousand MAD)

DETAIL OF OTHER ASSETS

	2016	2015
Optional instruments	**25 806**	**4 089**
Miscellaneous transactions on securities	**57 401**	**91 776**
Other Debtors	**638 436**	**560 921**
- Sums due by the state	471 412	405 921
- Sums due by provident companies	-	-
- Receivables from staff	78 918	81 578
- Receivable for non-banking services	-	-
- Other debtors	88 106	73 422
Other securities and assets	**7 425**	**4 822**
Adjustment accounts	**1 219 371**	**1 215 661**
Off-balance sheet adjustment accounts	102 135	78 753
Currency discrepancy accounts	-	-
Derivatives discrepancy accounts	-	-
Securities discrepancy accounts	-	-
Currency and securities Goodwill	-	-
Income on hedging transactions	-	-
Deferred expenses	235 046	182 255
Liaison accounts between the head office, subsidiaries and branches in Morocco	326 815	308 147
Accrued income and prepayment	185 124	210 163
Accrued income	4 227	1 468
Prepayment	180 897	208 695
Transitory accounts	-	-
Other adjustment accounts	370 251	436 343
Non performing loans on miscellaneous transactions	**-**	**-**
TOTAL	**1 948 439**	**1 877 269**

(In thousand MAD)

Equity investments and equivalent

AS OF DECEMBER 31ST, 2016

Name of the issuing company	Sector of activity	Number of shares	Share capital	Equity holding as %	Overall acquisition price	Provisions	Net book value
Equity Investment Securities							
RADIO MEDITERRANEE	Media	708 260	196 650 000	36,02	70 827	0	70 827
O TOWER	Development company	1 560 000	260 000 000	60,00	62 595	0	62 595
CASABLANCA FINANCE CITY AUTHORITY	Casablanca Financial Center Management	500 000	400 000 000	12,50	50 000	0	50 000
TANGER MED ZONES	Development company	443 396	506 650 000	8,75	44 340	0	44 340
EMAT	Holding Company	80 471	8 047 300	100,00	30 365	30 365	0
FONCIERE EMERGENCE	Real Estate	290 087	360 050 600	8,06	25 721	0	25 721
ECOPARC DE BERRECHID	Development company	120 000	55 000 000	21,82	12 000	0	12 000
CENTRE MONETIQUE INTERBANCAIRE	Electronic payment management	109 984	98 200 000	11,20	11 000	0	11 000
FONDS DE GARANTIE DE LA COMMANDE PUBLIQUE	Fonds d'investissement	100 000	100 000 000	10,00	10 000	0	10 000
MOROCAN INFORMATION TECHNO PARC CIE	Real estate management	56 500	46 000 000	12,28	5 650	0	5 650
MARTKO (MAGHREB ARAB TRADING C°)	Financial institution	12 000	600 000 USD	20,00	971	971	0
AFRICA CO-DEVELOPMENT GROUP	10000000	20 001	10 000 000	20,00	500	0	500
MITC CAPITAL	Fund MNF	4 000	2 000 000	20,00	400	0	400
STE RECOURS	Debt collection	3 750	2 500 000	15,00	375	375	0
511 Equity Affiliates					**324 743**	**31 710**	**293 033**
Securities related companies							
BOA GROUP	Foreign credit institution	437 837	93 154 535	72,85	2 901 957	0	2 901 957
BBI	Foreign credit institution	157 659 513	157 659 513	100,00	1 966 882	0	1 966 882
STE SALAFIN	Consummer credit	1 790 432	239 449 700	74,77	628 635	0	628 635
LITTORAL INVEST	Real Estate	26 000	2 600 000	100,00	450 000	0	450 000
MAGHREBAIL	Leasing	726 220	138 418 200	52,47	370 770	0	370 770
LOCASOM	Long Term Car Rental	784 768	83 042 900	94,50	336 882	0	336 882
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	121 723	10 000 429 600 FCFA	32,38	134 379	0	134 379
HANOUTY	Distribution	76 486	16 767 900	45,60	121 815	121 815	0
BMCE CAPITAL	Investment Bank	1 000 000	100 000 000	100,00	100 000	0	100 000
STE CONSEIL INGENIERIE ET DEVELOPPEMENT	Study Office	155 437	40 000 000	38,85	90 192	0	90 192
RIYAD ALNOUR	Hotel	3 000	300 000	100,00	78 357	0	78 357
CONGOLAISE DES BANQUES	Foreign credit institution	370 000	10 000 000 000 FCFA	37,00	74 844	0	74 844
MAROC FACTORING	Factoring	450 000	45 000 000	100,00	51 817	0	51 817
GLOBAL NETWORK SYSTEMS HOLDING	Data processing	116 000	11 600 000	100,00	46 591	0	46 591
EUROSERVICES	Service company	3 768	4 831 000	78,00	40 144	0	40 144
BMCE IMMOBILIER	SCI	200 000	20 000 000	100,00	29 700	0	29 700
RM EXPERT	Debt collection	199 996	20 000 000	100,00	20 000	0	20 000
DOCUPRINT (STA)	Service company	50 000	5 000 000	100,00	19 000	0	19 000
ACMAR	Service company	100 000	50 000 000	20,00	10 001	0	10 001
SONORMA	Reak estate	600	100 000	60,00	8 280	0	8 280
BMCE CAPITAL BOURSE (MAROC INTER TITRES)	Stock brokerage	67 500	10 000 000	67,50	6 750	0	6 750
STE FINANCIERE ITALIE	Financial institution	600 000	600 000 EURO	100,00	6 392	6 392	0
BMCE CAPITAL GESTION (MARFIN)	Mutual fund management	250 000	25 000 000	100,00	6 443	0	6 443
EURAFRIC INFORMATIQUE	Service company	40 998	10 000 000	41,00	4 100	0	4 100
BMCE ASSURANCES	Insurance	15 000	1 500 000	100,00	3 025	0	3 025
AFRICA MOROCCO LINKS	Transport Maritime	5 100	1 000 000	51,00	510	0	510
IT International service	IT	3 100	31 000 EURO	100,00			330
512 Equity Investments					**7 507 798**	**128 208**	**7 379 591**

Securities / Activities Of The Portfolio							
PROPARCO	International credit institution	1 082 935	693 079 200 EUR	2,50	170 938	0	170 938
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EUR	0,45	169 871	159 851	10 020
E.S.I	Foreign credit institution	467 250	500 400 000 EUR	0,93	146 231	134 973	11 258
UBAE ARAB ITALIAN BANK	Foreign credit institution	63 032	159 860 800 EUR	4,34	70 576	0	70 576
AMETHIS FINANCE Luxembourg	Foreign credit institution	3 507	56 702 294	2,01	39 453	0	39 453
BOURSE DE CASABLANCA	Bourse des valeurs	310 014	19 020 800	8,00	31 373	0	31 373
BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT	Credit institution	6 000	150 000 000 USD	4,00	15 124	0	15 124
FONDS D'INVESTISSEMENT DE L'ORIENTAL	Investment fund	107 500	300 000 000	7,17	10 750	5 395	5 355
MAROC NUMERIC FUND	Investment fund	75 000	75 000 000	20,00	13 950	7 566	6 384
INMAA SA	Service company	53 333	20 000 000	26,67	5 333	2 323	3 010
AFREXIM BANK (AFRICAN IMPORT EXPORT)	Foreign credit	30	175 621 000 USD	0,20	3 110	0	3 110
FONDS MONETAIRE ARABE(ARAB TRADE FINANCING PROGRAM)	Financial institution	50	500 000 000 USD	0,05	3 025	0	3 025
FIROGEST	Investment fund	2 500	2 000 000	12,50	250	0	250
SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE BANCAIRE	Guarantee funds	588	1 000 000	5,88	59		59
515 Securities/Activities of the portfolio					**680 043**	**310 108**	**369 935**
Other							-
CFG GROUP	Investment Bank	285 065	288 956 500	9,87	103 997	0	103 997
MUTANDIS SCA	Investment fund	582 354	619 264 100	9,40	64 752	0	64 752
MUTANDIS AUTOMOBILE SCA	Investment fund	592 451	630 000 000	9,40	65 874	0	65 874
ROYAL RANCHES MARRAKECH	Promot. Immobilière et touristique	106 667	800 000 000	13,33	60 000	0	60 000
VIGEO	Financial advisory	24 000	11 965 940 EUR	4,01	5 114	0	5 114
SOGEPOS	Development company	46 216	35 000 000	13,20	4 622	0	4 622
LA CELLULOSE DU MAROC	Paper pulp	52 864	700 484 000	0,75	3 393	3 393	0
SMAEX	Insurance and service	16 900	37 500 000	4,51	1 690	0	1 690
FRUMAT	Agri-industry	4 000	13 000 000	3,08	1 450	1 450	0
STE IMMOBILIERE SIEGE GPBM	Real Estate	12 670	19 005 000	6,67	1 267	0	1 267
STE D'AMENAGEMENT DU PARC INDUSTRIE	Real estate	10 000	60 429 000	1,65	1 000	0	1 000
MAROCLEAR	Central Custodian	8 030	20 000 000	4,02	803	0	803
STE IPE	Edition et impression	8 013	10 000 000,00	8,01	801	0	801
CASABLANCA PATRIMOINE S.A	Développement local	5 000	31 000 000	1,61	500	0	500
GECOTEX	Industry	5 000	10 000 000	5,00	500	500	0
SOCIETE ALLICOM MAROC	Industry	5 000	20 000 000	2,50	500	500	0
DAR ADDAMANE	Guarantee bodies	9 610	75 000 000	0,64	481	0	481
SINCOMAR	Agri-industry	494	37 440 000	0,13	49	49	0
PORNET	IT	1 800	6 000 000	0,03	180	0	180
SWIFT	Service Company	23	434 020 000 EUR	0,01	23	0	23
DYAR AL MADINA	Real Estate	640	20 000 000	0,32	9	0	9
RMA WATANYA	Insurance	5	1 796 170 800	0,00	2	0	2
RISMA	Tourism	10	795 941 500	0,00010	2	0	2
516-9 Other Equity Investment					**317 009**	**5 893**	**311 116**
Associates current account							
RYAD ENNOUR					471 643	0	471 643
BMCE IMMOBILIER					38 000	0	38 000
MARTCO					1 500	1 500	0
SIÈGE G.P.B.M.					723	0	723
MAGHSHORE					2 248	2 248	0
ALLICOM MAROC					552	552	0
Others					**514 665**	**4 300**	**510 366**
TOTAL					**9 344 259**	**480 219**	**8 864 040**

SUBORDINATED DEBTS

	Amount				Included linked and related Companies	
	31/12/2016			31/12/2015	31/12/2016	31/12/2015
	Gross	Provisions	Net	Net	Net	Net
Subordinated loans to credit institutions and similar	188 576		188 576	190 859		190 859
Subordinated loans to customers						
TOTAL	**188 576**		**188 576**	**190 859**		**190 859**

(In thousand MAD)

TANGIBLE AND INTANGIBLE FIXED ASSETS

Fixed Assets	Gross amount at the beginning of the year	Gross reclassification of the year	Acquisitions of the year	Disposals or withdrawls of the year	Gross amount at the end of the year	Depreciation and/or Provisions					Net amount at the end of the year
						Depreciation and/or provisions at the beginning of the year	Reclassification of the year	Allowances for the year	Depreciation on fixed assets withdrawn	Toral	
Intangible fixed assets	**1 111 384**	**-36**	**207 335**	**26 577**	**1 292 106**	**647 280**	**-**	**127 867**	**-**	**775 147**	**516 959**
Leasehold rights	94 906	-	1 000	-	95 906	-	-	-	-	-	95 906
Investment in research and development	-	-	-	-	-	-	-	-	-	-	-
Other operating intangible fixed assets	1 016 478	-36	206 335	26 577	1 196 200	647 280	-	127 867	-	775 147	421 053
Non-operating intangible fixed assets	-	-	-	-	-	-	-	-	-	-	-
Tangible fixed assets	**7 684 428**	**36**	**1 431 499**	**334 638**	**8 781 325**	**3 266 062**	**-**	**224 688**	**4 620**	**3 486 130**	**5 295 195**
Operating buildings	1 112 071	28 388	410 217	262 954	1 287 722	330 341	-	22 823	595	352 569	935 153
Operating land	185 559	-	700	860	185 399	-	-	-	-	-	185 399
Operating buildings offices	926 512	28 388	409 517	262 094	1 102 323	330 341	-	22 823	595	352 569	749 754
Operating buildings. Staff housing	-	-	-	-	-	-	-	-	-	-	-
Operating furniture and equipment	1 668 176	-1 366	162 136	55 864	1 773 082	1 442 663	-	58 168	1 848	1 498 983	274 099
Operating office furniture	451 634	-	83 440	55 842	479 232	322 340	-	18 836	1 826	339 350	139 882
Operating office equipment	177 241	-	15 759	-	193 000	161 100	-	7 613	-	168 713	24 287
Computer equipment	917 365	-1 366	27 980	-	943 979	870 049	-	23 415	-	893 464	50 515
Operating vehicles	21 897	-	32 397	-	54 294	12 087	-	5 139	-	17 226	37 068
Other operating equipment	100 039	-	2 560	22	102 577	77 087	-	3 164	22	80 229	22 348
Other operating tangible fixed assets	1 904 584	-26 986	105 505	-	1 983 103	1 289 398	-	113 709	-	1 403 107	579 996
Non operating tangible fixed assets	2 999 597	-	753 641	15 820	3 737 418	203 660	-	29 988	2 177	231 471	3 505 947
Non-operating land	2 544 343	-	460 600	6 395	2 998 548	-	-	-	-	-	2 998 548
Non-operating buildings	340 057	-	283 405	9 425	614 037	112 922	-	24 355	2 177	135 100	478 937
Non-operating furniture and equipment	50 496	-	6 372	-	56 868	40 345	-	2 580	-	42 925	13 943
Other non-operating tangible fixed assets	64 701	-	3 264	-	67 965	50 393	-	3 053	-	53 446	14 519
TOTAL	**8 795 812**	**-**	**1 638 834**	**361 215**	**10 073 431**	**3 913 342**	**-**	**352 555**	**4 620**	**4 261 277**	**5 812 154**

(In thousand MAD)

DISPOSAL OF TANGIBLE AND INTANGIBLE FIXED ASSETS

Sale or withdrawal date	Nature	Gross book value	Accumulated depreciation and/ or provisions	Net book value	Revenues from disposals	Capital gain on disposals	Capital loss on disposal
11/04/16	VILLA 405 RTE EL JADIDA QUARTIER OASIS	4 300	595	3 705	7 200	3 495	
04/05/16	IMMEUBLE TIZNIT RACHAT MAGHREBAIL	857	-	857	2 200	1 343	
10/05/16	IMMEUBLE MOUHCINE CASABLANCA	5 152	1 137	4 015	6 800	2 785	
16/12/16	PARC-CYCLES	22	22	-	2	2	
31/12/16	IMMEUBLE ZONE INDUSTRIELLE 12A SUEDE MAROC MARZIPAN	5 773	1 041	4 732	10 500	5 768	
31/12/16	MATERIEL ET MOBILIER DE BUREAU REFORMES	1 826	1 826		183	183	
31/12/16	TERRAIN TARGA 11 MARRAKECH	1 316		1 316	5 266	3 950	
31/12/16	TERRAIN TARGA 9 MARRAKECH	1 363		1 363	5 452	4 089	
31/12/16	TERRAIN TARGA 13 MARRAKECH	1 359		1 359	5 436	4 077	
		21 968	4 621	17 348	43 039	25 691	-

(In thousand MAD)

DEBTS TO CREDIT INSTITUTIONS AND EQUIVALENT

Debts	Credit institutions and equivalent in Morocco			Credit institutions abroad	Total 2016	Total 2015
	Bank Al-Maghrib, Treasury and giro current account	Banks in Morocco	Other credit institutions and equivalent in Morocco			
Ordinary credit accounts	-	2 596	33 951	514 544	551 091	283 444
Securities pledged	6 899 893	7 174 974	499 968	-	14 574 835	14 407 687
- Overnight	4 000 847	1 207 379	499 968	-	5 708 194	5 366 250
- Time	2 899 046	5 967 595	-	-	8 866 641	9 041 437
Cash Borrowings	2 700 000	1 457 837	3 495 509	2 326 042	9 979 388	14 919 447
- Overnight	-	1 100 000	53 270	-	1 153 270	3 584 126
- Time	2 700 000	357 837	3 442 239	2 326 042	8 826 118	11 335 321
Financial borrowings	79 281	-	436 363	284	515 928	1 513 342
Other debts	9 248	399	96 691	-	106 338	45 022
Payable accrued interests	14 879	13 262	7 007	4 363	39 511	75 294
TOTAL	**9 703 301**	**8 649 068**	**4 569 489**	**2 845 233**	**25 767 091**	**31 244 236**

(In thousand MAD)

CUSTOMER DEPOSITS

Deposits	Public sector	Private Sector			Total 2016	Total 2015
		Financial companies	Non financial companies	Other companies		
Demand acredit accounts	1 873 737	1 124 750	15 199 108	49 674 054	67 871 649	61 704 447
Saving accounts	-	-	-	22 062 817	22 062 817	20 735 340
Time Deposits	4 243 957	5 910 192	3 484 707	17 017 639	30 656 495	29 137 736
Other credit accounts (*)	2 948 195	4 304 849	2 437 585	266 775	9 957 404	9 024 699
Payable accrued interests	40 004	50 038	93 200	392 814	576 056	603 581
TOTAL	**9 105 893**	**11 389 829**	**21 214 600**	**89 414 099**	**131 124 421**	**121 205 803**

Comment : (*) Including PL 480 for MAD 2 895 759

(In thousand MAD)

DEBT SECURITIES ISSUED

Type of securities	Starting Date	Maturity Date	Characteristics Nominal unit value	Rate
CD BMCE	18/04/14	18/04/17	4.25%	420 000
CD BMCE	09/04/14	09/04/18	3.00%	65 000
CD BMCE	07/04/14	07/04/17	4.25%	443 000
CD BMCE	30/04/14	30/04/17	4.20%	310 000
CD BMCE	30/04/14	30/04/18	4.40%	170 000
CD BMCE	30/04/14	30/04/19	4.55%	365 000
CD BMCE	08/05/14	08/05/17	4.15%	70 000
CD BMCE	08/05/14	08/05/19	4.50%	12 000
CD BMCE	15/05/14	15/05/17	4.20%	210 000
CD BMCE	19/01/15	19/01/17	2.95%	105 000
CD BMCE	04/02/15	04/02/18	3.10%	430 000
CD BMCE	11/04/16	11/04/18	2.45%	690 000
CD BMCE	11/04/16	10/04/17	2.40%	441 000
CD BMCE	18/04/16	17/04/17	2.40%	350 000
CD BMCE	18/04/16	18/04/18	2.45%	220 000
CD BMCE	14/07/16	12/01/17	2.30%	120 000
CD BMCE	14/07/16	13/07/17	2.50%	1 138 000
CD BMCE	15/07/16	16/07/18	2.63%	350 000
CD BMCE	15/07/16	13/01/17	2.30%	170 000
CD BMCE	24/11/16	23//11/2017	2.53%	1 103 000
CD BMCE	24/11/16	25/05/17	2.35%	117 000
CD BMCE	24/11/16	23/02/17	2.25%	206 000
CD BMCE	28/11/16	28/11/18	2.70%	120 000
CD BMCE	15/12/16	15/06/17	2.45%	235 000
CD BMCE	20/12/16	20/12/19	3.00%	350 000
CD BMCE	26/12/16	09/01/17	2.25%	110 000
CD BMCE	26/12/16	06/01/17	2.25%	230 000
CD BMCE	26/12/16	25/12/17	2.70%	550 000
CD BMCE	28/12/16	09/01/17	2.25%	130 000
CD BMCE	29/12/16	29/12/17	2.25%	130 000
				9 360 000

DETAIL OF OTHER LIABILITIES

LIABILITIES	2016	2015
Optional Instruments Sold	**6 445**	**9 253**
Miscellaneous Transactions on Securities	**7 535 825**	**414 092**
Other Creditors	**1 364 281**	**1 193 397**
State debt	789 529	598 259
Social security and provident societies debts	52 852	49 996
Staff debt	189 594	181 879
Shareholders and partners debt	3 610	3 599
Supply of goods and services	18 044	38 861
Other creditors	310 652	320 803
Accrual Accounts	**1 788 767**	**817 007**
Adjustment accounts of off-balance sheet transactions	171 191	24 725
Currencies and securities differential accounts	-	-
Profit on hedging instruments	-	-
Liaison accounts between the head office, branches and Moroccan branches	162 939	73 406
Expenses payable and prepaid income	234 471	211 733
Other accruals	1 220 166	507 143
TOTAL	**10 695 318**	**2 433 750**

(In thousand MAD)

PROVISIONS	Amount 2015	Allowances	Write backs	Other changes	Encours 2016
Provisions, deducted from assets, on :	**5 566 151**	**1 157 740**	**629 799**	**27**	**6 094 119**
Loans to credit institutions and equivalent	58 616	5	-	-	58 621
Loans and advances to customers	4 744 298	1 134 942	356 320	220	5 523 140
Doubtful interest	9 733	-	-	-	9 733
Marketable securities	43 556	15 993	44 249	695	15 995
Equity investments and equivalent assets	703 001	6 800	228 561	-1 021	480 219
Leased and rented fixed assets	-	-	-	-	-
Other assets	6 947	-	669	133	6 411
Provisions Recorded under liabilities	**483 193**	**74 594**	**12 819**	**4 172**	**549 140**
Provisions for risks of fulfilment of commitments	182	8 643	10	-	8 815
Contingent liabilities	-	-	-	-	-
Provisions for general risks	455 805	58 900	-	-	514 705
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	27 206	7 051	12 809	4 172	25 620
Regulated provisions	-	-	-	-	-
TOTAL	**6 049 344**	**1 232 334**	**642 618**	**4 199**	**6 643 259**

(In thousand MAD)

SUBORDINATED DEBTS AS OF DECEMBER 31ST 2016

Currency	Debt amount	closing exchange rate (1)	Interest rate	Term (2)	Conditions for anticipated reimbursement, subordinated and convertibility	Debt amount in thousands MAD
MAD	1 000 000	1	2.51%	10 years		1 000 000
MAD	150 000	1	5.95%	Perpetual		150 000
MAD	850 000	1	3.63%	Perpetual		850 000
MAD	950 000	1	2.90%	Perpetual		950 000
MAD	50 000	1	5.30%	Perpetual		50 000
MAD	160 000	1	6.18%	10 years		160 000
MAD	50 000	1	6.18%	10 years		50 000
MAD	790 000	1	3.85%	10 years		790 000
MAD	154 500	1	5.64%	10 years		154 500
MAD	845 500	1	3.45%	10 years		845 500
MAD	626 000	1	4.74%	10 years		626 000
MAD	1 374 000	1	3.98%	10 years		1 374 000
MAD	526 100	1	3.74%	10 years		526 100
MAD	1 473 900	1	2.77%	10 years		1 473 900
EUR	70 000	10.654	5.86%	10 years		745 780
EUR	15 000	10.654	5.90%	10 years		159 810

SHAREHOLDER'S EQUITY	Amount 2015	Allocation of earning	Other changes	Amount 2016
Revaluation reserve	-	-	-	-
Additional paid-in capital	**11 104 784**	**406 700**	**-7 028**	**11 504 457**
Legal reseve	460 306	-	-	460 306
Other reserves	5 738 060	406 700	**-7 028**	6 137 732
Issuance, merger and contribution premiums	4 906 418	-	-	4 906 418
Capital	**1 794 634**	**-**	**-**	**1 794 634**
Called-up capital	1 794 634	-	-	1 794 634
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	-	-		
Shareholders. Unpaid-up capital	-	-	-	-
Retained earnings (+/-)	**44**	**18**	**-**	**62**
Net earnings being appropriated (+/-)	**-**	**-**	**-**	**-**
Net earnings for fiscal year(+/-)	**1 304 036**	**-**	**-**	**1 324 971**
TOTAL	**14 203 498**	**406 718**	**-7 028**	**14 624 123**

(In thousand MAD)

FINANCING AND GUARANTEE COMMITMENTS	2016	2015
Financing and guarantee commitments given	**23 258 857**	**18 749 860**
Financing commitments on behalf of credit institutions and equivalent	**370 797**	**940 029**
- Import letters of credit	-	
- Payment acceptances or commitments	-	
- Opening of confirmed credit	370 797	940 029
- Substitution commitments on issuing of securities		
- Irrevocable leasing commitments	-	
- Other financing commitments given	-	
Financing commitments on behalf of customers	**8 773 032**	**4 805 370**
- Import letters of credit	3 863 524	2 204 722
- Payment acceptances or commitments	2 005 076	758 904
- Opening of confirmed credit	1 408 419	1 350 790
- Substitution commitments on issuing of securities	-	
- Irrevocable leasing commitments	-	
- Other financing commitments given	1 496 013	490 954
Guarantee commitments for credit institutions and equivalent	**5 123 120**	**3 643 050**
- Confirmed export letters of credit	236 419	606 302
- Payment acceptances or commitments	30 926	4 347
- Credit guarantees given	-	-
- Other securities, endorsments and guarantees given	4 855 775	3 032 401
- Non performing commitments		
Guarantee commitments for customers	**8 991 908**	**9 361 411**
- Credit guarantees given	-	-
- Securities and guarantees given on behalf of the public administration	6 656 264	6 932 541
- Other securities and guarantees given	2 335 644	2 428 870
- Non performing commitments	-	
Financing and guarantee commitments received	**11 052 153**	**8 120 601**
Financing commitments received from credit institutions and equivalent	**-**	
- Opening of confirmed credit	-	
- Substitution commitments on issuing of securities	-	
- Other financing commitments received	-	
Guarantee commitments received from credit institutions and equivalent	**10 670 880**	**8 089 828**
- Credit guarantees	2 238 337	2 145 021
- Other guarantees received	8 432 543	5 944 807
Guarantee commitments received from the state and other guarantee institutions	**381 273**	**30 773**
- Credit guarantees	30 773	30 773
- Other guarantees received	350 500	

(In thousand MAD)

COMMITMENTS ON SECURITIES	AMOUNT
Given commitments	**377 130**
Securities repos purchased	78 357
Other securities to be delivered	298 773
Reveived commitments	**1 548**
Securities repos sold	-
Other securities to be received	1 548

(In thousand MAD)

FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES	Holding transaction		Other transaction of BMCE Paris and Offshore bank	
	2016	2015	2016	2015
Forward exchange transactions	**29 613 493**	**23 271 896**	**14 118 430**	**17 383 899**
Currency to be received	12 981 829	10 657 909	3 810 970	4 406 126
Currency to be delivered	1 230 698	1 771 813	2 643 575	3 221 145
Dirhams to be received	13 549 691	9 841 559	4 406 225	5 448 309
Dirhams to be delivered	1 851 275	1 000 615	3 257 660	4 308 319
Of which financial currency swaps	-	-	-	-
Commitments on derivatives	**5 072 202**	**6 627 031**	**300 879**	**269 265**
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	3 735 623	3 137 597	277 003	242 731
Commitments on regulated exchange rate markets	-	-	-	-
Commitments on OTC exchange rate markets	1 251 017	2 594 819	-	-
Commitments on regulated markets for other instruments	-	-	-	-
Commitments on OTC markets for other instruments	85 562	894 615	23 876	26 534

(In thousand MAD)

SECURITIES RECEIVED AND GIVEN AS COLLATERAL			
Securities received as collateral	**Net book value**	**Loans or given committments posted to assets or to off balance sheet**	**Amount of loans and given commitments**
Treasury bills and equivalent	8 141 919		
Other securities	2 006 289		
Mortgages	68 850 326		
Other securities received as collateral	175 697 198		
TOTAL	**254 695 732**		
Securities given as collateral	**Net book value**	**Loans or given committments posted to assets or to off balance sheet**	**Amount of loans and given commitments**
Treasury bills and equivalent	10 781 179	T. Bills repo	
Other securities	5 164 771		
Mortgages	-	Other securities delivered on repo	
Other securities received as collateral	-		
TOTAL	**15 945 950**		

(In thousand MAD)

BREAKDOWN OF USES AND RESOURCES ACCORDING TO RESIDUAL MATURITIES	D< 1 month	1 month<D< 3 months	3 months<D< 1 year	1 year <D< 5 years	D> 5 years	Total
Assets						
Loans to credit institutions and equivalent	9 407 234	1 649 442	2 018 331	7 864 458	999 836	21 939 301
Loans and advances to customers	12 406 255	6 525 575	10 515 932	39 925 275	28 568 708	97 941 745
Debt securities	30 244 305	443 052	1 586 766	7 576 453	2 809 897	42 660 473
Subordinated loans	-	-	-	-	-	-
Leasing and equivalent	-	-	-	-	-	-
TOTAL	**52 057 794**	**8 618 069**	**14 121 029**	**55 366 186**	**32 378 441**	**162 541 519**
Liabilities						
Liabilities to credit institutions and equivalent	7 968 644	5 969 309	3 147 821	1 188 835	79 799	18 354 408
Debts to customers	5 650 907	6 956 404	14 626 476	5 510 109	2 838	32 746 734
Debt securities issued	865 000	206 000	5 517 000	2 772 000	-	9 360 000
Subordinated borrowings	-	-	-	1 905 590	6 000 000	7 905 590
TOTAL	**14 484 551**	**13 131 713**	**23 291 297**	**11 376 534**	**6 082 637**	**68 366 732**

(In thousand MAD)

CONCENTRATION RISK ON THE SAME BENEFICIARY				
Number	**Total amount of risks**	**Amount of risk by passing 5% of capital**		
		Operating loans	**Contracting loans**	**Amount of securities held in th capital of the beneficiary**
21	55 844 980	39 528 159	7 204 343	492 665

(In thousand MAD)

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY	2016
Assets	**37 466 593**
Cash, central banks, treasury, giro accounts	89 255
Loans to credit institutions and equivalent	21 876 951
Loans and advances to customers	7 367 376
Transaction, marketable and investment securities	2 572 122
Other assets	147 012
Equity investments and equivalent uses	5 223 178
Subordinated loans	188 576
Fixed assets leased and rented	-
Intangible and tangible fixed assets	2 123
Liabilities	**33 995 416**
Central banks, treasury, giro accounts	-
Liabilities to credit institutions and equivalent	25 503 707
Customer deposits	5 027 823
Debt securities issued	2 064 039
Other liabilities	494 257
Subordinated debts	-
Subsidies, assigned public funds and special guarantee funds	905 590
Off-Balance Sheet	**9 894 341**
Given commitment	8 428 061
Received commitment	1 466 280

(In thousand MAD)

NET INTEREST INCOME	2016	2015
Interest received	**6 604 088**	**6 575 131**
Interest and similar income on transactions with credit institutions	640 634	705 261
Interest and similar income on transactions with customers	5 412 511	5 378 909
Interest and similar income on debt securities	550 943	490 961
Interest paid	**2 994 593**	**3 129 281**
Interest and similar fees on transactions with credit institutions	880 482	802 951
Interest and similar fees on transactions with customers	1 743 350	1 779 179
Interest and similar fees on debt securities	370 761	547 152

(In thousand MAD)

REVENUES FROM INVESTMENT SECURITIES	2016	2015
Equity Securities	**17 106**	**22 108**
Equity in affiliates	**511 645**	**423 435**
Equity in portfolio	-	-
Other securities	**46 196**	**43 582**
TOTAL	**574 947**	**489 126**

(In thousand MAD)

NON-PERFORMING LOANS TO SOCIAL CUSTOMERS	Credit lines	Sigmed Com-mitments	Total	Provisions for credit lines
Pre-doubtful loans	268 374		268 374	27 711
Non performing loans	1 628 870		1 628 870	762 654
Doubtful debts	5 814 482		5 814 482	4 801 129
TOTAL	**7 711 725**	**-**	**7 711 725**	**5 591 494**

(In thousand MAD)

COMMISSIONS	2016	2015
Fees received	**1 296 907**	**1 131 043**
On transactions with credit institutions	-	
On transactions with customers	517 972	444 409
Concerning operations on the primary securities markets	255 693	188 443
On derivatives	35 300	34 687
On transactions on securities under management and custody	-	-
On means of payment	26 940	27 269
On consulting and assistance	318 759	308 911
On sales of insurance products	-	-
On other services	48 413	50 306
Fees paid	93 830	77 018
On transactions with credit institutions	**301 735**	**213 808**
On transactions with customers		
Concerning operations on the primary securities markets	-	-
On derivatives	187 926	129 718
On transactions on securities under management and custody	-	-
On means of payment	1 143	4 591
On consulting and assistance	23 197	1 778
On sales of insurance products	55 191	49 012
On other services	-	-
On sales of insurance products	-	-
On other services	34 278	28 707

(In thousand MAD)

INCOME FROM MARKET TRANSACTIONS	2016	2015
Revenues	**2 401 073**	**2 626 818**
Gains on transactions securities	984 856	469 773
Capital gains on disposals of marketable securities	94 472	356 831
Provision write-backs on depreciation of marketable securities	44 249	-
Gains on derivatives	482 826	952 418
Gains on exchange transactions	794 670	847 796
Expenses	**1 198 684**	**1 910 787**
Losses on transaction securities	50 955	111 204
Capital losses on disposals of marketable securities	102 021	221 205
Provisions for depreciation of marketale securities	15 996	43 557
Losses on derivatives	476 081	979 494
Losses on exchange transactions	553 631	555 327
Earning	**1 202 389**	**716 031**

(In thousand MAD)

GENERAL OPERATING EXPENSES	2016	2015
Staff expenses	**1 540 320**	**1 455 087**
Taxes	**99 018**	**85 230**
External expenses	**1 501 158**	**1 383 607**
Allowances for depreciation and provision for intangible and tangible fixed assets	**352 673**	**339 052**

(In thousand MAD)

OTHER REVENUES AND EXPENSES	2016	2015
Revenues and expenses		
Other banking revenues and expenses	910 718	496 758
Other banking revenues	2 656 764	2 815 262
Other banking expenses	1 746 046	2 318 504
Non-banking operating revenues and expenses	**-169 380**	**85 620**
Non-banking operating revenues	110 111	134 333
Non-banking operating expenses	279 491	48 713
Other expenses		
Allowances for provisions and loan losses	1 225 203	1 734 984
Other revenues		
Provision write-backs and recoveries on amortised debts	626 712	1 160 482

(In thousand MAD)

FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS	Amount
I- Net Book earning	
Net gain	1 324 971
Net loss	
II- Tax Reintegration	841 982
1- Current	291 620
Diverses charges non dédudctibles	232 720
Provision for general risks	58 900
2- Non courantes	550 362
Impôts sur les sociétés	550 362
III- Tax deductions	511 645
1- Current	511 645
Dividends	511 645
2- Non-current	-
VI- Net earnings	1 655 309
Corporate tax	550 362
VI- Net Income	
Provisions Write-backs for investments	

DETERMINATION OF CURRENT EARNINGS AFTER-TAX	Amount
I. Earnings determination	
. Current earnings according to the income statement	1 875 333
. Tax reintegrations on current transactions	291 620
. Tax deductions on current transactions	511 645
. Current earnings theoretically taxable	1 655 309
. Theoretical tax on current earnings	612 464
. Current earnings after tax	1 262 869
II. Indications of the tax system and the incentives Granted by the investment codes or by specific provisions	

(In thousand MAD)

DETAIL ON VALUE ADDED TAX

Category	Balance at the beginning of the fiscal year 1	Accounting operations of the fiscal year 2	VAT claims for the fiscal year 3	VAT claims for the fiscal year 3
A. VAT Collected	93 014	688 739	683 058	98 694
B. VAT to be Recovered	99 356	483 825	513 335	69 846
* On expenses	88 648	381 440	411 185	58 903
* On fixed assets	10 707	102 385	102 150	10 943
C. T.V.A = (A - B)	-6 342	204 913	169 724	28 848

(In thousand MAD)

DISTRIBUTION OF THE SHARE CAPITAL AS OF DECEMBER 31ST, 2016

Amount of the capital : 1 794 633 900
Amount of the uncalled committed capital : -
Nominal value : 10,00

Name of the main shareholders	Address	Number of shares		(%) of capital held	(%) of voting rights
		2015	2016		
A- Morrocan shareholders					
RMA*	67 Avenue des FAR - Casablanca	53 559 056	53 541 983	29,83%	29,83%
SFCM	239, Bd Mohamed V	907 205	907 205	0,51%	0,51%
FINANCECOM	69 Avenue des FAR - Casablanca	10 705 351	10 705 351	5,97%	5,97%
CIMR	100, Bd Abdelmoumen - Casablanca	7 348 804	7 348 804	4,09%	4,09%
CDG **		17 138 328	17 138 328	9,55%	9,55%
MAMDA/ MCMA	16 Rue Abou Inane -Rabat	9 220 533	8 112 366	4,52%	4,52%
Personnel BMCE		2 355 167	2 330 943	1,30%	1,30%
Free Float		26 565 784	32 349 356	18,03%	18,03%
TOTAL (1)		**127 800 228**	**132 434 336**	**73,79%**	**73,79%**
B- Foreign shareholders					
BES VIDA COMPAHNIA DE SEGUROS SA		4 634 108	-		
Banque Fédérative du Crédit Mutuel		47 029 054	47 029 054	26,21%	26,21%
TOTAL		**179 463 390**	**179 463 390**	**100%**	**100%**

* Y compris OPCVM DE RMA WATANYA
** Suivant confirmation CDG datée du 12/05/2014

ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR

A- Origin of the earnings allocated	Amount	B- Results allocation	Amount
Decision of 27 May 2015			
Retained earnings	43	legal reserves	-
Net earnings being allocated	-	Dividends	897 317
Net earnings for the fiscal year	1 304 036	Other allocations	406 762
Withdrawals from earnings			
Other withdrawals	-		
TOTAL A	**1 304 079**	**TOTAL B**	**1 304 079**

(In thousand MAD)

Parent Financial Statements

BMCE BANK OF AFRICA

EARNINGS AND OTHER ELEMENTS OF THE LAST THREE FISCAL YEARS	2016	2015	2014
Equity capital and equivalent	**24 709 660**	**22 410 398**	**19 995 030**
Operations and earnings for the fiscal year	-	-	-
1- Net banking income	6 136 373	5 374 331	5 518 532
2- Pre-tax earnings	1 875 332	1 622 471	1 454 706
3- Corporate tax	550 362	318 435	251 133
4- Dividends distributed	897 317	789 639	717 854
5- Earnings not distributed	-	-	-
Earnings per share (in MAD)	-	-	-
Net earnings per share			
Earnings distributed per share	5	4,4	4
Staff	-	-	-
Gross remunerations for the year	1 540 320	1 455 087	1 352 127
Average number of staff employed during the fiscal year	5 031	4 909	4 955

(In thousand MAD)

DATING AND SUBSEQUENT EVENTS	
I. DATING	
. Date of the end of the fiscal year (1)	**31** december **2016**
. Date of financial statements performance (2)	
(1) Justification in case of a change in the date of the end of the fiscal year	
(2) Justification in the case of an overrun on the statutory period of three months allowed for drawing up the financial statements	
II. Events occurring subsequent to the end of the fiscal year not charged to this year and known before the 1st external Disclosure of the financial statements	
Dates	Event's Indication
	. Favorables
	. Unfavorables

STAFF NUMBERS	2016	2015
Staff renumerated	5 031	4 909
Staff employed	5 031	4 909
Equivalent full time staff	5 031	4 909
Administrative and technical staff (full-time equivalent)	-	-
Staff assigned to banking tasks (full-time equivalent)	-	-
Executives (full-time equivalent)	3 337	3 158
Employees (full-time equivalent)	1 694	1 751
Of which employees working abroad	49	49

(In thousand MAD)

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR UNDER CUSTODY	Number of accounts		Amounts	
	2016	2015	2016	2015
Securities of which the institution is custodian	8 748	9 840	244 880 382	2 209 807 585
Securities managed under mandate		-		-
Mutual funds of which the institution is custodian	85	83	99 232 765	90 090 939
Mutual funds managed under mandate	-	-	-	-
Other assets of which the institution is custodian	-	-	-	-
Other assets managed under mandate	-	-	-	-

(In thousand MAD)

NETWORK	2016	2015
Permanent branches	723	697
Temporary branches	-	-
ATMs	848	824
Main branches and branches abroad	1	1
Representative offices abroad	39	39

(In number)

NUMBER OF CUSTOMER ACCOUNTS	2016	2015
Customer accounts	101 319	91 571
Current accounts	281 612	268 489
Check accounts excluding Moroccan expatriates	1 139 063	1 051 872
Moroccan expatriates accounts	-	-
Factoring accounts	840 156	780 521
Savings accounts	10 810	11 214
Time deposits	1 521	1 965
Interest-bearing notes	-	-

(In number)

FIXED ASSETS ON LEASING, WITH OPTION TO PURCHASE, AND WITH SIMPLE LEASE

Ending FY : 31 December 2016

NATURE	Gross amount beginning of the year	Acquisitions of the year	Cessions of the year	Gross Amount year ended	Depreciation		Provisions			Net Amount year ended
					Depreciation	Total Depreciations	Provisions	Write-backs	Total provisions	
Fixed Leasing Assets	-	-	-	-	-	-	-	-	-	-
Leasing on intangible assets	-	-	-	-	-	-	-	-	-	-
Furniture leasing	-	**74 000**	-	**74 000**	-	-	-	-	-	**74 000**
- In progress	-	74 000	-	74 000	-	-	-	-	-	74 000
- Leased	-	-	-	-	-	-	-	-	-	-
- Non Leased after termination	-	-	-	-	-	-	-	-	-	-
Real leased leasing	-	-	-	-	-	-	-	-	-	-
- In progress	-	-	-	-	-	-	-	-	-	-
- Leased	-	-	-	-	-	-	-	-	-	-
- Non leased after termination	-	-	-	-	-	-	-	-	-	-
Leased to perceive	-	-	-	-	-	-	-	-	-	-
Restructured leases	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-
Fixed assets given on simple lease	-	-	-	-	-	-	-	-	-	-
Furniture given on simple lease	-	-	-	-	-	-	-	-	-	-
Real-estate given on simple lease	-	-	-	-	-	-	-	-	-	-
Leases to perceive	-	-	-	-	-	-	-	-	-	-
Restructured leases	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-
TOTAL	-	**74 000**	-	**74 000**	-	-	-	-	-	**74 000**

The following statements post ''non applicable'' mention for the 2016 fiscal year :

- Derogatory statements
- Summary of changing methods
- Subsidies, assigned public funds and special guarantee funds

Domestic Activity Balance Sheet

ASSETS	2016	2015
Cash, central banks, treasury, giro accounts	4 145 522	2 696 160
Loans to credit institutions and equivalent	28 616 951	26 834 499
. Demand	2 148 282	3 149 726
. Time	26 468 669	23 684 773
Loans and advances to customers	113 572 633	112 128 523
. Cash and consumer loans	40 200 395	38 846 783
. Equipment loans	17 282 066	15 171 241
. Mortgage loans	37 725 042	36 374 131
. Other loans	18 365 130	21 736 368
Advances acquired by factoring	668 926	-
Transaction and marketable securities	36 834 750	24 393 296
. Treasury bonds and equivalent securities	14 394 967	4 315 981
. Other debt securities	3 313 509	709 167
. Title deeds	19 126 274	19 368 148
Other assets	2 115 446	2 079 546
Investment securities	2 036 226	3 561 820
. Treasury bonds and equivalent securities	1 559 544	1 642 527
. Other debt securities	476 682	1 919 293
Equity investments and equivalent uses	8 338 825	8 160 611
Subordinated loans	193 101	195 461
Fixed assets leased and rented	74 000	-
Intangible fixed assets	516 315	462 997
Tangible fixed assets	5 293 716	4 416 862
TOTAL ASSETS	202 406 411	184 929 775

(In thousand MAD)

LIABILITIES	2016	2015
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	25 204 383	30 652 736
. Demand	7 413 143	8 537 607
. Time	17 791 240	22 115 129
Customer deposits	129 888 105	120 251 764
. Demand deposits	70 445 511	62 765 534
. Savings deposits	21 371 211	20 159 145
. Time deposits	32 376 779	30 796 912
. Other deposits	5 694 604	6 530 173
Debt securities issued	12 076 677	9 454 620
. Negotiable debt securities	9 512 638	7 427 788
. Bond loans	2 564 039	2 026 832
. Other debt securities issued	-	-
Other liabilities	10 917 583	2 764 747
Contingent liabilities	548 576	482 629
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	10 085 536	8 206 900
Revaluation reserve	-	-
Reserves and premiums related to capital	10 892 004	10 485 304
Capital	1 794 634	1 794 634
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	62	44
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	998 851	836 397
TOTAL LIABILITIES	202 406 411	184 929 775

(In thousand MAD)

OFF-BALANCE SHEET	2016	2015
Given commitments	**23 029 364**	**17 993 220**
Financing commitments on behalf of credit institutions and equivalent	370 797	940 029
Financing commitments on behalf of customers	8 773 032	4 805 077
Guarantee commitments given to credit institutions and equivalent	4 784 658	2 812 887
Guarantee commitments given to customers	8 962 052	9 354 766
Securities repos purchased	78 357	78 357
Other securities to be delivered	60 468	2 104
Received commitments	**10 281 321**	**6 661 049**
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	9 898 500	6 419 841
Guarantee commitments received from the State and various guarantee bodies	381 273	30 773
Securities repos sold	-	-
Other securities to be received	1 548	210 435

(In thousand MAD)

Domestic Activity Income Statement

	2016	2015
Bank operating revenues	9 971 197	9 998 694
Interests and assimilated revenues on transactions with credit institutions	470 114	524 896
Interests and assimilated revenues on transactions with customers	5 348 873	5 333 961
Interests and assimilated revenues on debt securities	393 093	357 491
Revenues on title deeds	574 526	488 610
Revenues from leased and rented fixed assets	-	-
Fees on provided services	1 034 788	936 609
Other banking revenues	2 149 803	2 357 127
Bank operating expenses	4 185 001	4 949 106
Interests and assimilated expenses on transactions with credit institutions	850 283	740 583
Interests and assimilated expenses on transactions with customers	1 740 154	1 773 754
Interests and assimilated expenses on debt securities issued	370 761	547 152
Expenses on leased and rented fixed assets	-	-
Other banking expenses	1 223 803	1 887 617
Net banking income	5 786 196	5 049 588
Non-banking operating revenues	110 111	134 333
Non-banking operating expenses	266 867	48 713
General operating expenses	3 488 022	3 237 226
Staff expenses	1 537 315	1 451 934
Tax expenses	99 018	85 230
External expenses	1 489 855	1 361 845
Other general operating expenses	10 022	41
Allowances for depreciation and provisions for intangible and tangible fixed assets	351 812	338 176
Allowances for provisions and loan losses	1 225 185	1 734 958
Allowances for non performing loans and commitments	1 134 947	1 283 564
Loan losses	8 844	373 650
Other allowances for provisions	81 394	77 744
Provision write-backs and recovery on amortised debts	540 025	991 563
Provision write-backs on non performing loans and commitments	354 630	733 941
Recovery of amortised debts	28 343	42 340
Other provision write-backs	157 052	215 282
Current income	1 456 258	1 154 584
Non-current revenues	-	-
Non-current expenses	-	-
Pre-tax earnings	1 456 258	1 154 584
Corporate tax	457 407	318 187
Net earnings for the year	998 851	836 397

(In thousand MAD)

EARNINGS FORMATION TABLE	2016	2015
+ Interests and assimilated revenues	6 212 080	6 216 348
- Interests and assimilated expenses	2 961 199	3 061 489
Net interest income	**3 250 881**	**3 154 859**
+ Revenues from leased and rented fixed assets	-	-
- Expenses on leased and rented fixed assets	-	-
Profit from leasing and renting operations	-	-
+ Fees received	1 290 101	1 124 802
- Fees paid	299 296	211 921
Net fee income	**990 805**	**912 881**
± Income from operations on transaction securities	933 774	358 449
± Income from transactions on marketable securities	35 622	64 677
± Income from exchange transactions	240 032	289 489
+ Income from derivatives transactions	6 159	-25 524
Income from market transactions	**1 215 587**	**687 091**
+ Other miscellaneous banking revenues	574 526	488 610
- Other miscellaneous banking expenses	245 606	193 854
Net banking income	**5 786 196**	**5 049 587**
± Net income from equity investments	118 179	210 182
+ Other non-banking operating revenues	110 043	134 333
- Other non-banking operating expenses	247 546	47 258
- General operating expenses	3 488 023	3 237 226
Gross operating income	**2 278 846**	**2 109 618**
± Allowances for non performing loans and commitments (net of write-backs)	-760 814	-880 934
+ Other allowances net of provision write-backs	-61 774	-74 098
Current income	**1 456 258**	**1 154 584**
Non-current income	-	-
- Corporate tax	457 407	318 187
Net earnings for the year	**998 851**	**836 397**

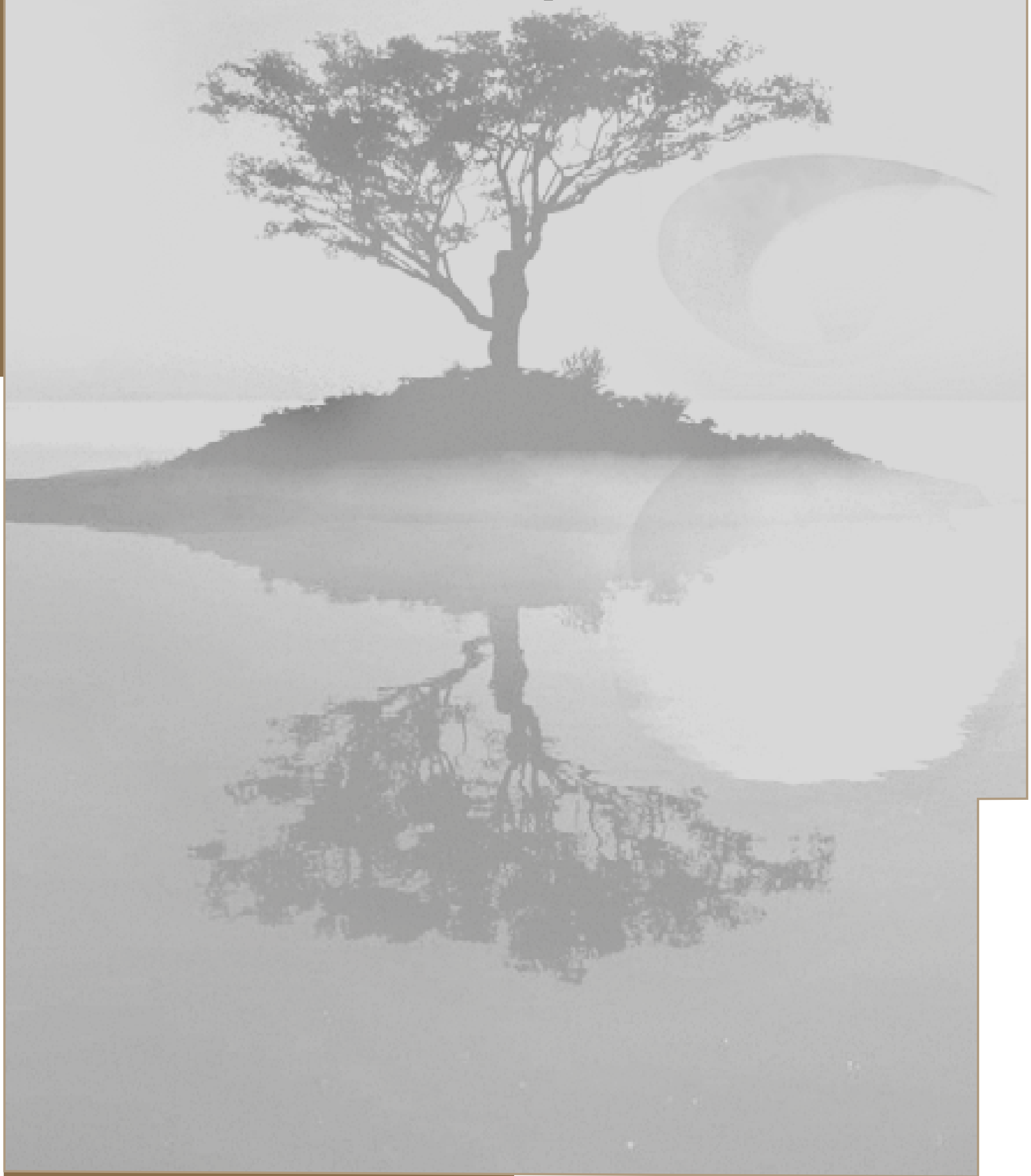
(In thousand MAD)

CASH-FLOW	2016	2015
+ Net earnings for the year	998 851	836 397
+ Allowances for depreciation and provisions for intangible and tangible fixed assets	351 812	338 176
+ Allowances for provisions for equity investments depreciation	6 800	-
+ Allowances for provisions for general risks	58 900	65 205
+ Allowances for regulated provisions	-	-
+ Non-current allowances	-	-
- Provisions write-backs	144 232	211 636
- Capital gains on disposals of intangible and tangible fixed assets	25 691	63 644
+ Capital losses on disposals of intangible and tangible fixed assets	-	-
- Capital gains on disposals of equity investments	67	-
+ Capital losses on disposals of equity investments	19 321	1 455
- Write-backs of investment subsidies received	-	-
± Financing capacity	1 265 694	965 953
- Dividends distributed	-	-
+ Cash-flow	1 265 694	965 953

(In thousand MAD)

BMCE Bank International Network

BMCE Bank Group Subsidiaries



BMCE Bank Branch Network, Representative Offices and Desks Abroad

FRANCE

Asnières
43 Rue Pierre Brossolette
92600 - Asnières Sur Seine
Tel. : +33 1 46 13 43 40
Fax : +33 1 46 13 43 44

Bordeaux
35 Avenue Charles de Gaulle
33200 - Bordeaux
Tel. : +33 5 56 02 62 60
Fax : +33 5 56 17 09 52

Dijon
64 bis Avenue du drapeau
21000 - DIJON
Tel. : +33 3 80 60 59 00
Fax : +33 3 80 60 59 01

Lille
48 Boulevard de la liberté
59800 - LILLE
Tel. : +33 3 20 40 12 00
Fax : +33 3 20 12 98 08

Lyon
1 Rue Carry
69003 - LYON
Tel. : +33 4 72 34 38 07
Fax : +33 4 78 54 24 04

Mantes-la-jolie
34 Boulevard du Marechal Juin
78200 - MANTES LA JOLIE
Tel. : +33 1 39 29 25 30
Fax : +33 1 39 29 25 44

Marseille
20 Boulevard Dugommier
13001 - MARSEILLE
Tel. : 33 4 91 64 04 31
Fax : 33 4 91 64 88 47

Montpellier
59 Cours Gambetta
34000 - MONTPELLIER
Tel. : +33 4 67 58 06 18
Fax : +33 4 67 58 58 06

Orléans
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45100 - ORLEANS La Source
Tel. : +33 2 38 25 31 90
Fax : +33 2 38 25 31 99

Paris
175 bis Avenue de Clichy
75017 - PARIS
Tel. : +33 1 44 69 96 77
Fax : +33 1 42 93 90 98

Strasbourg
13 Avenue du Général de Gaulle 67000 - STRASBOURG
Tel. : +33 3 88 61 00 18
Fax : +33 3 88 61 45 73

Toulouse
64 bis Avenue Jean Rieux
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Tel. : +33 5 61 20 08 79
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SPAIN

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176, 04007 - Almería
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08015 - Barcelona
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Crevillent
Carrer Virgen Del Pilar Núm. 10-Bajo A
03330 Crevillent
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Lorca
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Fax : +34 915 64 59 11

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Fax : +34 968 29 12 63

Tarragona
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43001 - Tarragona
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Fax : +34 977 21 37 32

Valence
Calle Jorge Comin N°12,
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Fax : +34 963 94 24 39

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Viale Pietro Pietramellara, 35
40121 - Bologna
Tel. : +39 5 12 49 824
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Fax : +39 2 89 69 16 28

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Fax : +39 4 97 80 61 94

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10152 - TORINO
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Fax : +39 1 14 36 75 18

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3Bp - London
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Eller Strasse 104
40227 - DUSSELDORF
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60329 - FRANKFURT
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Fax : +49 6 92 74 03 44

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30 Boulevard Maurice Lemonnier
1000 - Bruxelles
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Fax : +32 22 13 19 99

Bruxelles Molenbeek
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BMCE Bank Group Subsidiaries

BMCE CAPITAL
CHAIRMAN OF THE EXECUTIVE BOARD
M. Khalid NASR
BUSINESS PURPOSE
Investment bank
HEAD OFFICE
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20 039 Casablanca
TEL : 0522 49 89 78
FAX : 0522 22 47 41/48
WEBSITE
www.bmcecapital.com

SECRETARY GENERAL
M. Mohamed IDRISSI
TEL : 0522 46 20 01
FAX : 0522 22 47 48

BMCE CAPITAL MARKETS
M. Abdelmalek BENABDELJALIL
TEL : 0522 49 82 04
FAX : 0522 43 01 34

BMCE CAPITAL BOURSE
MANAGING DIRECTOR
M. Anas MIKOU
BUSINESS PURPOSE
Securities broker
HEAD OFFICE
Tour BMCE, rond point Hassan II,
20 039 Casablanca
TEL : 0522 49 81 01
FAX : 0522 48 10 07
WEBSITE
www.bmcecapital.com

BMCE CAPITAL GESTION
MANAGING DIRECTOR
M. Amine AMOR
BUSINESS PURPOSE
Asset management
HEAD OFFICE
Tour BMCE, rond point Hassan II,
20 039 Casablanca
TEL : 0520 36 43 00
FAX : 0522 47 10 97
WEBSITE
www.bmcecapital.com

BMCE CAPITAL GESTION PRIVÉE
MANAGING DIRECTOR
Mme. Meryem BOUAZZAOUI
BUSINESS PURPOSE
Portfolio management
HEAD OFFICE
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20 039 Casablanca
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FAX : 0522 48 13 77
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BMCE CAPITAL CONSEIL
CHAIRMAN OF THE EXECUTIVE BOARD
M. Mehdi Jalil DRAFATE
BUSINESS PURPOSE
Corporate finance
TEL : 0522 42 91 00
FAX : 0522 43 00 21
WEBSITE
www.bmcecapital.com

BMCE EUROSERVICES
MANAGING DIRECTOR
M. Adil MESBAHI
BUSINESS PURPOSE
Banking for Moroccans living abroad
HEAD OFFICE
6, Rue Cambacérès, 75008
TEL : 01 42 66 60 70
FAX : 01 42 66 60 50

BMCE BANK INTERNATIONAL UK/FRANCE
MANAGING DIRECTOR
M. Mohammed AFRINE
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Mayfair
London W1K 7QE United Kingdom
Tel.: 00 44 207 429 55 50
Fax : 00 4 207 248 85 95
HEAD OFFICE/France
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Tel : 00 33 1 70 36 94 00
Fax : 00 33 1 70 36 94 37
WEBSITE
www.bmce-intl.co.uk

BMCE INTERNATIONAL MADRID
MANAGING DIRECTOR
M. Radi HAMUDEH
HEAD OFFICE
Celle Serrano, N°59 28 006 Madrid - Espagne
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Fax : 00 34 914 31 63 10
WEBSITE
www.bmce-intl.com

BANK OF AFRICA
DIRECTOR AND CHIEF EXECUTIVE OFFICER
M. Amine BOUABID
BUSINESS PURPOSE
Bank
HEAD OFFICE
Agora Mali Bureau de Représentation
de Dakar - Sénégal 3, place de l'indépendance, Immeuble
Tel. : 00 2213 38 89 55 00
00 2213 38 23 41 96
Fax : 00 3491 431 63 10

LA CONGOLAISE DE BANQUE
MANAGING DIRECTOR
M. Mohamed TAHRI
HEAD OFFICE
Avenue Amilcar Cabral
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Fax : 00 242 222 81 09 77/222 81 10 30
WEBSITE
www.lacongolaisedebanque.com

BANQUE DE DEVELOPPEMENT DU MALI
MANAGING DIRECTOR
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BP 94 Bamako Mali
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FAX : +223 20 22 50 85/20 22 42 50
WEBSITE
www.bdm-sa.com

BMCE CAPITAL TUNISIE
MANAGING DIRECTOR
Abdelmalek BENABDELJALIL
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Investment banking
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Tunisie
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+216 25 901 901
FAX : +216 71 904 522

MAGHREBAIL
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
M. Azeddine GUESSOUS
BUSINESS PURPOSE
Leasing
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45, Bd Moulay Youssef,
20 000 Casablanca
TEL : 0522 48 65 00
FAX : 0522 27 44 18
WEBSITE
www.maghrebail.co.ma

RM EXPERTS
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
M. Mamoun BELGHITI
BUSINESS PURPOSE
Loan recovery
HEAD OFFICE
Lotissement Zénith Millenium - Immeuble 2 bis
3ème étage - Sidi Maârouf
Casablanca
TEL : 05 22 20 42 91 78 / 79
FAX : 05 22 58 09 87

SALAFIN
CHAIRMAN OF THE EXECUTIVE BOARD
M. Aziz CHERKAOUI
BUSINESS PURPOSE
Consumer credit
HEAD OFFICE
Zenith Millenium
Immeuble 8, Sidi Maârouf
Casablanca
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FAX : 0522 97 44 77
WEBSITE
www.salafin.com

MAROC FACTORING
CHAIRMAN OF THE EXECUTIVE BOARD
M. Youssef HAMIRIFOU
BUSINESS PURPOSE
Factoring
HEAD OFFICE
Bd. Moulay Youssef, n° 63,
résidence Adriana, 1er étage
TEL : 0520 42 76 32/37
FAX : 0522 20 62 77
WEBSITE
www.maroc-factoring.co.ma

History

2016

- Contributed to Morocco's alliance with China, assuming the role of investor and banker as part of the Cité Mohammed VI Tanger-Tech project, presided over by His Majesty the King, following the signing of a partnership agreement with HAITE Group, a Chinese group and the region of Tangier Tétouan-Al Hoceima;
- Participated in the official launch of 'Principles for positive impact finance', organised by Europlace and UNEP FI; this is a common global framework to help the finance community assess the sustainability of their assets;
- 'Let's Dream of a New World', an advertising film, won the award for Best Film in the Corporate category at the US International Film & Video Festival, Gold Camera awards for Cinematography and Direction and a Silver Screen award for Music;
- More recognition for 'Let's Dream of a New World', the advertising film, at the Mobius Awards for Advertising in Los Angeles in the 'Visual Effects' and 'Art Direction' categories. It was also nominated in the Best Film category at the American Advertising Festival.
- 'Top Performer, CSR Morocco', awarded by Vigeo-Eiris, a non-financial ratings agency, for the 4th consecutive year in the 'Environment' category
- BMCE Bank of Africa became the first Moroccan bank to issue green bonds by public offering to help finance eco-responsible projects at home and abroad and support private and public sector initiatives aimed at preserving natural resources.
- First Moroccan bank to sign up to the United Nations Global Compact, underlining its commitment and support for the ten principles relating to human rights, labour standards, environmental protection and anti-corruption.
- Signed up to the 'Mainstreaming Climate Action within Financial Institutions' initiative in conjunction with the EIB, the AfDB, the EBRD, HSBC, Yes Bank and others financial institutions.
- BMCE Bank Of Africa included in the Eiris- Vigeo Emerging 70 Index specialising in emerging countries in recognition of best practice in CSR
- BMCE Capital Gestion Privée became the first financial institution in Morocco to obtain ISO 9001:2008 certification for its private portfolio management operations;
- BMCE Capital Gestion obtained Service Commitments and ISO 9001: 2015 certifications in May 2016;
- BMCE Bank Of Africa an award winner for the 3rd consecutive year at the CSR Arabia Awards 2016
- First bank in the MENA region to obtain ISO 50001 certification for its Energy Management System
- First Moroccan bank and the second in Africa to be awarded HEQ certification from Cerway International Certification for the new BMCE Bank Of Africa Academy head office – design and implementation phases
- MOU signed with the AfDB and the EIB for Africa's first ever credit facility totalling EUR 20 million for financing Climate Change Adaptation.

2015

- BMCE Bank OF AFRICA' adopted as the group's new corporate name, emphasising its African profile
- Celebrating the 55th anniversary since the Bank was founded and the 20th anniversary since BMCE Bank Foundation was founded
- Stake raised in boa group to 75%, in banque de développement du mali to 32.4% and in la congolaise de banque to 37%
- BANK OF AFRICA expands into Rwanda in November 2015, through the acquisition of agaseke bank
- Mandarin chinese introduced into the BMCE Bank Foundation's Medersat.Com schools network
- Expansion of the Medersat.Com network with a new school opened in Béni Chiguer in Nador, thereby strengthening the Foundation's schools network within the region
- Inaugural african entrepreneurship award sees BMCE Bank award prizes to 10 winners in Africa in recognition of their best ideas for entrepreneurial projects
- BMCE Bank named "Bank Socially Responsible Bank of the Year " at the 9th edition of the African Banker Awards
- «Top Performer CSR» awarded by Vigeo for the 2nd time
- CSR Arabia Awards 2015 - Category Financial Services – the only company listed on the Casablanca Stock Exchange to obtain the highest scores in 7 Social Responsibility topics
- ISAE 3402 Type II Certification of BMCE Capital Gestion assigned by PWC and this for the second time in dedication to safe work environment
- Issue of a subordinated note of 2 billion MAD

2014

- Representative office opened in Canada
- Two BMCE Euroservices branches opened in the Netherlands
- Organization of the first edition of the China Africa Investment Meetings in coopertion with the China Africa Joint Chamber of Commerce and Industry
- Launching of BOA Capital with the CFC status in partnership with BMCE Capital
- Issue of a subordinated note of 2 billion MAD
- Launch of the African Entrepreneurship Award, a 1 million dollard distinction for young african entrepreneurs

2013

- Strengthening the participation of BMCE Bank in the capital of the Pan African Group Bank of Africa from 65% to 72.6% in 2013
- Restructuring BMCE International Holding now combining the two European subsidiaries BBI London and Madrid, in the service of Africa
- Creating BMCE Euroservices subsidiary which offers to MLA a diverse range of products & services
- Successful Issue of the first Moroccan Corporate Eurobond, subscribed by sixty foreign investors for the amount of $ 300 million.

2012

- Capital increase of 1.5 billion dirhams for the benefit of shareholders in November 2012
- BMCE Bank acquired additional capital in Bank of Africa Group to 65%
- Obtaining for the second consecutive year, the label «BMCE Bank- No Tobacco Company » Gold Level, awarded by the Lalla Salma Association against Cancer
- BMCE Bank awarded «Best Trade Finance Bank in Morocco» by the magazine Global Trade Review and «Socially Responsible Bank of the Year» by The African Awards
- « Top Performers CSR Morocco » awarded by Vigeo for the environmental strategy of BMCE Bank and its social commitment in January 2012
- Issue of a subordinated debt of 1 billion MAD in the local market

2011

- Increase of the bank's equity stake in BOA to 59,39%
- Reinforcement of the bank's holding in Maghrebail and Locasom to 51% and 89,5%, respectively
- BMCE Bank named for the second time "Best Bank in Morocco" by the British Magazine EMEA Finance
- First bank in Morocco and the MENA Region to be ISO 14001 certified for the environment

2010

- Aquisition by CDG Group of a 8% equity stake in BMCE Bank
- Capital increase of 2.5 billion MAD, issue premium included, reserved to Credit Mutuel - CIC, through its Holding BFCM
- Launch of the first tranche of capital increase of 500 mMAD, issue premiuim included, reserved to BMCE Bank employees
- Takeover of Bank of Africa , following the increase of BMCE Bank's stake to 55.8%
- Increase of BMCE Bank's stake in Maghrébail from 35.9% to 51%

2009
- Reinforcement of CIC Group's equity stake in the capital of BMCE Bank, through its holding company, BFCM, from 15.05% to 19.94%
- Issue of a MAD 1 billion perpetual subordinated debt on the local market

2008
- Acquisition of an additional equity stake of 5% by CIC in BMCE Bank, bringing it to 15,04%.
- Issue of a 70 million Euros perpetual subordinated debt to International Financial Corporation (IFC)
- Issue of a 50 million Euros Subordinated debt to Proparco
- Issue of a MAD 1 billion Perpetual Subordinated debt
- BMCE Bank's stock split, bringing the nominal value of shares from MAD 100 to MAD 10
- Increase of the Group's equity stake in Bank of Africa from 35 % to 42.5%
- Transfer of CIC's equity stake in BMCE Bank through its holding, La Banque Fédérative du Crédit Mutuel

2007
- Acquisition of a 5% stake in the Bank's capital by Caja Mediterraneo following a strategic partnership agreement
- Alliance between BMCE Bank and AFH/Bank of Africa ; BMCE Bank being the reference shareholder in the capital of Bank of Africa with an equity stake of 35%
- Start of the business activities of MediCapital Bank, the London based affiliate of BMCE Bank Group
- Award of the first prize in Human Resources for BMCE Bank by «HR Management and Training Association» (AGEF).
- Winning for the second time in a row of the first prize in financial communication, awarded by the Moroccan Financial Analysts Association to BMCE Bank as the first ranked bank and listed company, all categories combined.

2006
- Obtaining of the « Investment Grade » rating on Banking deposits denominated in dirhams, awarded by the international rating agency Moody's
- ISO 9001 Certification for project Finance & Recovery activities
- «Bank of the year-Morocco» granted for th 5th time since 2000 and the 3rd consecutive time, by the Banker Magazine
- Inauguration of Axis Capital, the Tunisian Investment Bank
- Obtaining by BMCE Bank Foundation of the « Excellence » prize for the sustained Development, granted by the Morocco-Switzerland Founation

2005
- BMCE Bank creating a new visual identity on the occasion of its 10th anniversary celebrations since privatisation
- Launch of a branch opening programme with 50 branch to be opened each year
- Signing of an agreement with the BEI for the establishment of a 30 million euros credit line without sovereign guarantee
- Launch of BMCE Bank Group of its 2nd stock employee programme
- Issue of the second tranche of a MAD 500 million subordinated bond
- BMCE Bank awarded the title of «Bank of the Year - Morocco» by «The Banker» magazine

2004
- Acqusiition of CIC of a 10% stake in BMCE Bank
- 1st non-European bank to receive a social responsibility rating in Morocco
- BMCE Bank awarded «Bank of the Year - Morocco» by the magazine «The Banker»

2003
- Launch of the CAP CLIENT interprise project
- Issue od a stock employee programme of 4.72% of the Bank's share capital
- Isssue of MAD 500 million subordinated debt
- Inauguration of BMCE Capital Dakar

2002
- Implementation of a new customer-oriented organisation
- ISO 9001 certification for all activities related to custody
- Change of status of the Tangier Free Zone Branch, becoming an offshore bank
- Stock repurchase Programme of 1.5 million BMCE shares, representing 9.45% of the Bank's share capital

2001
- Opening of the Barcelona Representative Office
- ISO 9001 certification for the quality management system introduced for foreign activity and electronic banking.
- BMCE Bank awarded the title of «Bank of the Year - Morocco» by «The Banker» magazine

2000
- Opening of Representative Offices in London and Beijing
- Creation of the holding company FinanceCom
- BMCE Bank awarded the title of «Bank of the Year - Morocco» by «The Banker» magazine

1999
- Equity investment in AL WATANIYA, giving birth to a leading insurance company
- Equity investment of 20% in the first private telecoms operator MEDI TELECOM

1998
- Creation of BMCE CAPITAL, the Group's investment bank

1997
- Creation of SALAFIN, a consumer credit company

1996
- Launching of a 60 million dollar issue of GDR shares, the first of its kind, in international financial markets

1995
- Privatisation of the Bank

1994
- Creation of BMCE Bank's first capital market companies : MIT and MARFIN

1989
- Opening of BMCE Internacional in Madrid

1988
- Creation of a factoring company, MAROC FACTORING

1975
- Listing on the Stock Exchange

1972
- BMCE becomes the first Moroccan bank to establish an overseas presence by opening a branch in Paris

1965
- Opening of the Tangier Free Zone Branch

1959
- Creation of BMCE Bank by the Public Authorities

BMCE BANK

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Tel : 05 22 20 04 92 / 96
Fax : 05 22 20 05 12
Capital : 1 794 633 900 dirhams
Swift : bmce ma mc
Telex : 21.931 - 24.004
Trade register : casa 27.129
PO checking account : Rabat 1030
Social security : 10.2808.5
Fiscal ID N° : 01085112
Trading license : 35502790

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BMCE BANK OF AFRICA