

PROSPECTUS SUMMARY



CAPITAL INCREASE RESERVED TO STAFF MEMBERS OF CREDIT POPULAIRE DU MAROC

NUMBER OF OFFERED SHARES	9 112 733
SHARE PRICE	MAD 184
SUBSCRIPTION PERIOD	from December 7th to December 11th 2015 inclusive
SET AMOUNT	1 676 742 872 MAD

GLOBAL AMOUNT OF THE OPERATION: MAD 1 676 742 872

Financial Advisor and Global Coordinator



Investment bodies

Investment bodies		Body in charge of the operation's registration
Banque Centrale Populaire	Banques Populaires Régionales	Upline Securities
		

VISA OF CDVM

In appliance with the provisions of CDVM circular effective as of April 1st, 2012, as amended and supplemented, taken under article 14 of Dahir providing Law No 1-93-212 dated September 21st, 1993, pertaining to the CDVM and the information required from corporate entities making public offerings as amended and supplemented, the original of the present prospectus was issued by CDVM on November 25th, 2015 under Reference No VI/EM/034/2015.

WARNING

The CDVM issued on November 25th, 2015 a prospectus regarding the capital increase reserved to staff members of Credit Populaire du Maroc.

The prospectus issued by CDVM is available at anytime at BCP Headquarters and its financial advisor. It is also available within 48 hours maximum at the collector's subscription orders.

The prospectus is available to the public at the Headquarters of Casablanca Stock Exchange and on its website www.casablanca-bourse.com. It is also available on CDVM website www.cdvm.gov.ma.

I. PRESENTATION OF THE OPERATION

I.1. OBJECTIVES OF THE OPERATION

Banque Centrale Populaire (BCP) maintains the implementation of its development strategy, as part of a sustained growth momentum and with the aim to strengthen its positioning in the banking landscape.

The offer reserved to CPM employees to invest in BCP capital falls mainly within the scope of staff motivation and competitiveness improvement through the engagement of the employees in the Bank's development project and also their interest in the Bank's results.

The offer also involves the promotion of the bank's social image among its staff by the means of the possibility offered to obtain the status of a shareholder and also by financing share acquisition on favorable terms.

Therefore, the objectives of this capital increase operation consist mainly of:

- staff motivation by involving its members in BCP's growth and results;
- reinforcing the loyalty of CPM staff members ;
- promoting BCP's social image among CPM staff through the possibility offered to its members to obtain the status of shareholders by ensuring financing arrangements on preferential terms regarding BCP shares' acquisition;
- encouraging CPM employees to shareholding;
- and reinforcing BCP and CPM shareholders' equity.

I.2. CHARACTERISTICS OF THE OPERATION

Type of securities	BCP shares.
Number of securities	9.112.733 shares.
Nominal value	MAD 10 per share.
Form of securities	Registered share.
Issue price	The issue price of new BCP shares reserved to CPM staff is set at MAD 184 per share.
Issue premium	The issue premium of new BCP shares issued is MAD 174 per share.
Amount	The amount of the operation is MAD 1 676 742 872.
Dematerialization of securities	BCP shares shall be entirely dematerialized and registered in an account at Maroclear Central Depository.
Settlement of securities	The issued actions shall be entirely paid up upon subscription.
Settlement date	January 1 st , 2015 ^(*) .
Preferential subscription rights	The Extraordinary General Meeting (EGM) held on October 13 th , 2015, ruling on the capital increase, agreed that there shall be no preferential subscription right in order to reserve the capital increase exclusively to CPM staff.
Rights attached	<ul style="list-style-type: none"> ▪ Right to vote at the General Meetings of shareholders: CPM staff shall have the right to vote at General Meetings without restrictions, and no shares have double voting rights. ▪ Rights to the distribution of benefits: CPM staff shall be entitled to dividends, subject to the loan conditions in case of a debt financing concerning CPM staff, provided that the distribution of dividends emanates from the sovereign decision of BCP's Ordinary General Meeting. ▪ Right to the distribution of liquidating dividends: All shares shall have equal rights as to liquidating dividends.
Negotiability of shares	The purchased shares are inalienable for a period of 3 years, as from the date of the delivery of securities, with the possibility to sell 50% after 2 years, 25% after the 3 rd year and the remainder after the 4 th year. In the case of a debt financing, the sale of shares shall comply with the conditions mentioned in chapter XII.4 of the prospectus concerning the capital increase reserved to staff members.
Listing line	The shares issued from the present capital increase shall be listed in the 1 st line along with the old shares listed in Casablanca Stock Exchange.
Type of securities	BCP shares.
Number of securities	9.112.733 shares.

(*) New shares are entitled to dividends of the fiscal year 2015, available for distribution in 2016.

Determination of subscription price

The offered price within the framework of the present operation is set at MAD 184 per share, corresponding to a 15% discount in comparison to the reference cost, being MAD 216 and representing the weighted average cost over a period of one year, from July 31st, 2014 to July 27th, 2015. This issue price is fixed, upon the proposal of BCP's Board of Directors dated July 28th, 2015, by BCP's Extraordinary General Meeting held on October 13th, 2015.

Reference price	216
Discount	15%
Offered price	184

Induced multiples

BCP's share valuation multiples, calculated on the basis of the financial and accounting data of the certified consolidated financial statements related to the fiscal year 2014 as well the estimated fiscal year 2015, and on the basis of a price amounting to MAD 184 per share, are set up as follows:

	2014	2015e
Group share of net income (MAD million)	2 195	2 457
Group share of return on equity (MAD million)	24 167	27 179 (*)
Number of shares	173 141 923	182 254 656 (*)
Earnings per share (MAD million)	12,7	13,5
Shareholders' equity per share (MAD million)	139,6	149,1

(*) Post-capital increase reserved to CPM staff

Source: BCP and UCF

On the basis of MAD 184 as a price per share, the BCP security is valued 13.7 times the estimated consolidated results of 2015 and 1.2 time the estimated consolidated shareholders' equity of 2015.

	2014	2015e
Price Earning - P/E (Offered price/earnings per share)	14.5	13.7
Price to Book - P/B (Offered price /shareholders' equity per share)	1.3	1.2

Source : UCF

I.3. SCHEDULE OF THE OPERATION

Order	Steps	Date
1	Reception of the entire operation file by Casablanca Stock Exchange	November 17 th , 2015
2	Emission by Casablanca Stock Exchange of the approval notice related the capital increase and operation schedule	November 25 th , 2015
3	Reception by Casablanca Stock Exchange of the prospectus issued by CDVM	November 25 th , 2015
4	Publication in the Official Journal of the note related to the operation	November 30 th , 2015
5	Publication of the prospectus summary by BCP	November 30 th , 2015
6	Opening of subscription period	December 7 th , 2015
7	Closing of subscription period	December 11 th , 2015
8	Reception of subscriptions by the stock exchange before 12:00 am	December 14 th , 2015
9	Allocation of securities and transfer of the operation's results to BCP by Casablanca Stock Exchange	December 16 th , 2015
10	Ascertainment of the capital increase by the Board of Directors	December 16 th , 2015
11	- Reception by Casablanca Stock Exchange of BCP Board of Directors' minutes ascertaining the capital increase and Maroclear's accounting letter	December 17 th , 2015

12	Delivery of the new shares	December 22 nd , 2015
	- Admission of the new shares	
13	- Recording of the operation in the Stock Exchange	December 28 th , 2015
	- Announcement of the operation's results in the Official Journal	

II. INFORMATION ABOUT THE ISSUER

II.1. OVERALL PRESENTATION

Banque Centrale Populaire (BCP) is an agency affiliated to Crédit Populaire du Maroc - CPM. This latter, established by virtue of Dahir No 1-60-232 dated February 2nd, 1961, is governed by Law No 12-96 on CPM reform as amended and supplemented by Law No 42-07 dated October 20th, 2008, Law No 44-08 dated August 24th, 2010 and Law No 77-14. by Law No 42-07 dated October 20th, 2008 and Law No 44-08 dated August 24th, 2010.

CPM is defined as a consortium of banks, composed of the Banque Centrale Populaire on the one hand, and ten (10) Banques Populaires Régionales on the other. Its mission consists of promoting the activity and development of any small or medium-sized enterprise, operating in the sectors of craft, industry and service by the distribution of credits. It contributes to the mobilization of savings, their usage in the regions where they are collected and the promotion of banking activities at the regional level.

Corporate name	Banque Centrale Populaire – BCP
Registered office	101, Boulevard Zerktouni- P.B : 20100, Casablanca
Phone number	(212) 522 20 25 33 / 522 22 41 11 / 522 22 25 89
Fax number	(212) 522 22 26 99 / 522 20 93 40
Website	www.gbp.ma
Legal form	BCP is a Limited Company (Ltd.) with a Board of Directors, governed by the provisions of Law No 20-05 ¹ .
Creation date	Banque Centrale Populaire was created by virtue of Dahir No 1-60-232 dated February 2 nd , 1961 as a Variable Capital Cooperative Company.
Lifetime	99 years
Commercial Registry Number	R.C. Casablanca No 28173
Corporate fiscal year	From January 1 st to December 31 st
Corporate objectives	<p>Article 5 of the bylaws of the Banque Centrale Populaire stipulates the following :</p> <p>1- Bank operations</p> <ul style="list-style-type: none"> ▪ The company is intended to carry out, as a usual vocation, all operations that are likely to be practiced by banks under the provisions of Law No 103-12 governing credit institutions and similar bodies and by any text amending or supplementing this Law. ▪ The company carries out its banking activities under the supervision as well as the financial and technical administrative control of the Steering Committee of Crédit Populaire du Maroc. <p>2- Central banking body of Banques Populaires Régionales</p> <ul style="list-style-type: none"> ▪ The company is the central banking body of Banques Populaires Régionales governed by the aforementioned Law No 12/96.

¹ BCP was converted from a variable capital cooperative company into a limited company (Ltd) pursuant to Article 16 of Law No 16-96 as amended and supplemented.

- As such, the bank is in charge of the following:
- setting off of mutual claims and debts of the bodies affiliated to Crédit Populaire du Maroc;
- reinforcement of Banques Populaires Régionales, within the conditions established by the Steering Committee;
- centralization of subscriptions of public or private transferable securities collected by the bodies of Crédit Populaire du Maroc ;
- consolidation of the accounts of Popular Credit of Morocco bodies and their subsidiaries. For the establishment of its consolidated financial statements, the consolidating entity is composed of the bodies affiliated to Crédit Populaire du Maroc;
- management, as set by the Steering Committee, of the following:
 - cash surplus of the Banques Populaires Régionales;
 - services of common interest to the bodies of Crédit Populaire du Maroc;
 - Support funds of Crédit Populaire du Maroc which the company establishes the regulations thereof and submits them to the Steering Committee for approval;
 - centralization of declarations of any kind with respect to Bank Al-Maghrib, the Administration and the Professional bodies ;
- of any mission assigned to it by the Steering Committee, pursuant to the provisions of Article 11 of Law No 12-96.

Under the provisions of Article 55 of Law No 12- 96, Banque Centrale Populaire provides Regional Banques Populaires, on a transitional basis, with the executive staff necessary for their proper functioning.

3- Activities on behalf of the Steering committee

- Banque Centrale Populaire serves as the secretariat for the Steering Committee of Crédit Populaire du Maroc pursuant to the provisions of Article 14 of Law No 12-96.
- The Steering Committee can, in accordance with Article 11 of the said Law, assign to the Banque Centrale Populaire the implementation of its decisions under the powers vested therein by law.
- The decisions of the said Committee are obligatory to Banque Centrale Populaire.

4- Functional, investments and share acquisition operations - subsidiaries

- Subject to compliance with standards, procedures and financing conditions of the budgets set by the Steering Committee of Crédit Populaire du Maroc, the company can conduct the following operations:

4.1- Functional activities :

- The company can perform all functional expenses required for its activity.

4.2- Investments :

- The company can carry out all movable or immovable investments necessary for the exercise of its activity, the safeguard of its interests and the housing of its staff.

4.3- Share acquisition in BPR's capital

The Steering Committee determines the level of the participation of Banque Centrale Populaire in the capital of Banques Populaires Régionales, notwithstanding the provisions of Article 23 of Law No 12-96.

4.4- Other share acquisitions and subsidiaries

- Share acquisitions by Banque Centrale Populaire in one or more other bodies of the Crédit populaire du Maroc are subject to the prior approval of the Steering Committee who shall determine the level and terms.
- The company can, subject to compliance with the provisions of Law No 103-12 relating to credit institutions and similar bodies, the regulation in force, and subject to the Steering Committee authorization:
 - Take the existing or new shares of all companies or enterprises while giving priority to those enclosing a regional or local interest.
 - Create or delete any subsidiary, in Morocco or abroad, in charge of managing or exploiting common activities to the Group of Banques Populaires.
- However, the company cannot intervene directly in territorial constituencies where Banques Populaires Régionales operate only in agreement with the concerned Banque Populaire Régionale. In case of conflict, the Director shall decide.
- And more generally, the company can conduct all banking, financial, commercial, industrial, movable or immovable operations, related directly or indirectly to its corporate objectives.

Current share capital

- At June 30th, MAD 1 731 419 230 divided into 173 141

	923 shares.
Legal documents	<ul style="list-style-type: none"> ▪ Legal documents, including the bylaws, minutes of shareholders' meetings, auditors' reports and management reports are available at Banque Centrale Populaire Headquarters.
Applicable laws and regulations	<ul style="list-style-type: none"> ▪ Due to its legal form, BCP is governed by the Moroccan law and Law No 17-95 dated August 30th, 1996 on Limited Companies, as amended and supplemented by Law No 20-05; ▪ Due to its affiliation to Crédit Populaire du Maroc, BCP is governed by Law No 12-96, as amended and supplemented by Law No 42-07, Law No 44-08 and Law No 77-14, regarding CPM ; ▪ Due to its business activity, BCP is governed by Dahir No 1-05-178 dated Moharrem 15th, 1427 (February 14th, 2006) promulgating Law No 103-12 on the exercise of the activity of credit institutions and similar bodies (Banking Law); ▪ Due to its listing in the stock exchange, BCP is governed by all statutory and regulatory provisions relating to the financial market including: <ul style="list-style-type: none"> ▪ Dahir providing Law No 1-93-211 dated September 21st, on Stock Exchange, amended and supplemented by Laws 34-96, 29-00, 52-01 et 45-06 ; ▪ General Regulations of the Stock Exchange approved by the Decree of the Minister of Economy and Finance No 1268-08 dated July 7th, 2008, as amended and supplemented by the Decree of the Minister of Economy and Finance No 30 -14 dated January 6th, 2014; ▪ Dahir providing No 1-93-212 dated September 21st, 1993 on the CDVM and on the information required for a public offering, as amended and supplemented by Laws 23-01, 36-05, 44-06 et 43-09; ▪ Dahir providing Law No 35-96 on the creation of the Central Depository and the establishment of a general system of registration of certain securities, amended and supplemented by Law No 43-02; ▪ General Regulation of the Central Depository approved by the Decree of the Minister of Economy and Finance No 932-98 dated April 16th, 1998, and amended by the Decree of the Minister of Privatization and Tourism No 1961-1901 dated October 30th, 2001; ▪ Dahir No 1-04-21 dated avril 21st, 2004 promulgating Law No 26-03 on public offerings in the stock Exchange, as amended and supplemented by Law No 46-06 ; ▪ General Regulation of the CDVM approved by the Decree of the Minister of Economy and Finance No 822-08 dated April 14th, 2008 ; ▪ CDVM circular.
Tax system	<ul style="list-style-type: none"> ▪ Being a credit institution, BCP is subject to corporate taxation (37%) and to VTA (10%).
Competent court in case of	<ul style="list-style-type: none"> ▪ Commercial Court of Casablanca.

litigation	
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II.2. SHAREHOLDING

At June 30th, 2015, BCP shareholdings are listed as follows:

Shareholders	Number of shares and voting rights	Holding percentage
BANQUES POPULAIRES REGIONALES	90 149 952	52.07%
<i>MEKNES BP</i>	<i>9 860 901</i>	<i>5.70%</i>
<i>AGADIR BP</i>	<i>9 873 320</i>	<i>5.70%</i>
<i>EL JADIDA BP</i>	<i>6 241 193</i>	<i>3.60%</i>
<i>FEZ BP</i>	<i>9 859 629</i>	<i>5.69%</i>
<i>LAAYOUNE BP</i>	<i>4 937 490</i>	<i>2.85%</i>
<i>TANGIER BP</i>	<i>9 862 410</i>	<i>5.70%</i>
<i>MARRAKECH BP</i>	<i>9 862 016</i>	<i>5.70%</i>
<i>RABAT BP</i>	<i>9 862 190</i>	<i>5.70%</i>
<i>NADOR BP</i>	<i>9 892 243</i>	<i>5.71%</i>
<i>OUJDA BP</i>	<i>9 898 560</i>	<i>5.72%</i>
STAFF	2 597 633	1.50%
OCP SA	7 289 626	4.21%
BPCE Morocco	8 224 241	4.75%
SFI Group	8 657 096	5.00%
CIMR	9 749 116	5.63%
MAMDA	304 480	0.18%
MCMA	6 473 583	3.74%
SAHAM-ASSURANCE	397 342	0.23%
CMR	5 192 882	3.00%
WAFA ASSURANCE	2 176 640	1.26%
RCAR	11 092 510	6.41%
OTHERS	20 836 821	12.03%
Total	173 141 923	100%

Source : BCP

II.3. BOARD OF DIRECTORS

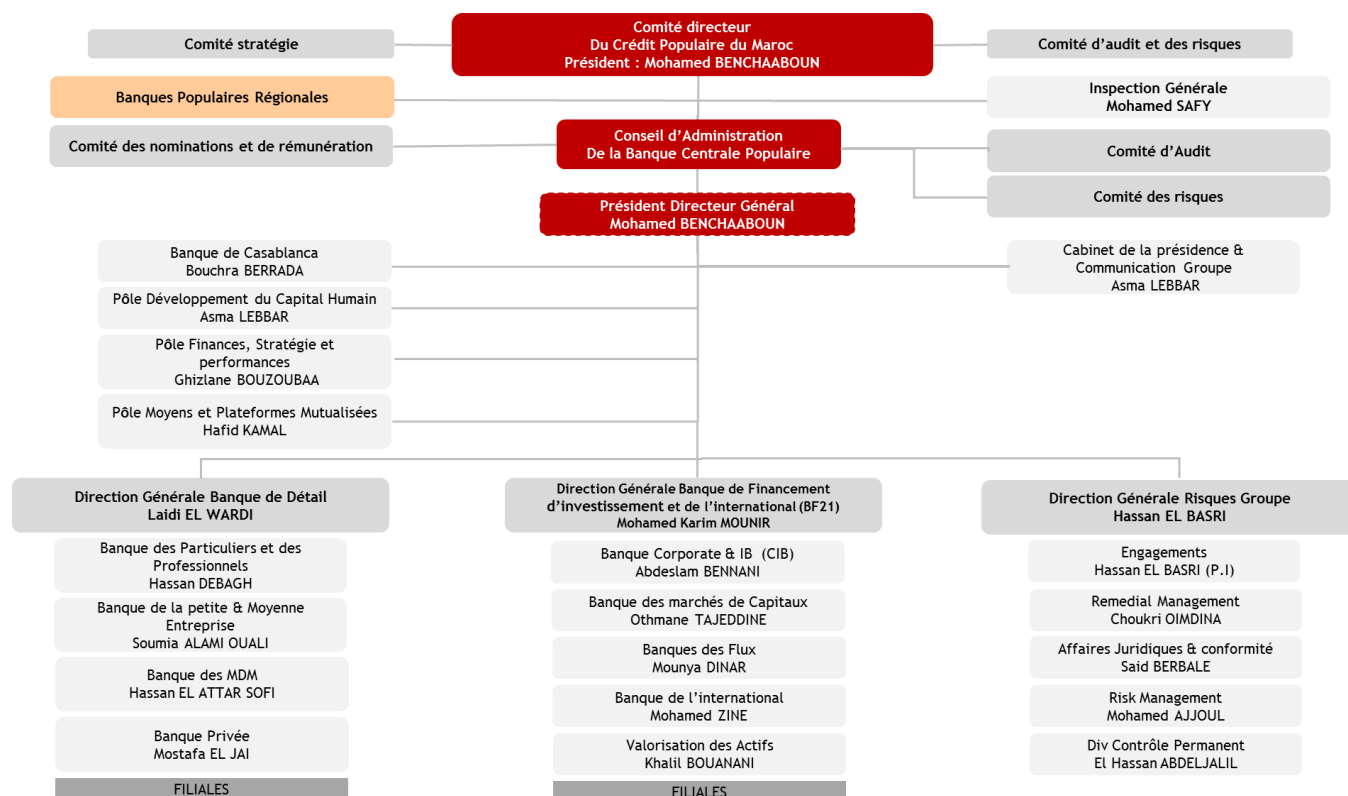
At the end of June 2015, BCP's Board of Directors is composed of the following members:

Name	Title	Appointment or co-optation date	Reappointment date	Appointment expiry date
Mr. Mohamed Benchaaboun	Chairman of the Board and Chief Executive Officer	General Meeting dated 05/23/2008	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
Mr. Mohamed Belghazi	Independent Administrator	Co-optation by the Board of Directors dated 03/25/2010	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
OCP SA (Ltd.)	Represented by Mr. Mostafa Terrab, Chairman of the Board and Chief Executive Officer	Co-optation by the Board of Directors dated 03/18/2009	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
Mr. Aziz Alouane	Chief of the banking and financial stability division at the treasury and External Finances department – Ministry of Economic Affairs and Finance	Co-optation by the Board of Directors dated 09/08/2015	--	General Meeting ruling on the accounts of the fiscal year ending 2016
Banque Populaire Rabat-Kenitra	Represented by its Management Board Chairman, Mr. Jalil Sebti	General Meeting dated 05/25/2005	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
Banque Populaire Marrakech-Béni Mellal	Represented by its Management Board Chairman, Mr. Abdelkhalek Bendriss	Board of Directors dated 09/25/2009	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
Banque Populaire Tangier-Teouan	Represented by its Management Board Chairman, Mr. Noureddine Belmahjoubi	General Meeting dated 05/24/2011	-	General Meeting ruling on the accounts of the fiscal year ending 2016
Banque Populaire El Jadida-Safi	Represented by its Management Board Chairman, Mr. Mohamed Adib	General Meeting dated 05/24/2011	-	General Meeting ruling on the accounts of the fiscal year ending 2016
BPCE MOROCCO	Represented by Mr. François Perol, Management Board Chairman of Banque Populaire et Caisse d'Épargne (BPCE)	Board of Directors dated 09/04/2012	General Meeting dated 05/24/2013	General Meeting ruling on the accounts of the fiscal year ending 2016
Mr. Adriano Arietti	Independent Administrator	General Meeting dated 05/24/2013	-	General Meeting ruling on the accounts of the fiscal year ending 2016
MCMA (Mutuelle Centrale Marocaine d'Assurances)	Represented by Mr. Hicham Belmrah	General Meeting dated 05/24/2013	-	General Meeting ruling on the accounts of the fiscal year ending 2016

Source : BCP

II.4. LEGAL ORGANIZATION STRUCTURE

At October 30th, 2015, BCP's legal organization is structured as follows:



II.5. BCP'S SHAREHOLDING STRUCTURE

Banque Centrale Populaire controls several subsidiaries. At June 30th, 2015, BCP's subsidiaries are listed as follows:

Subsidiaries	Field of activity	Holding percentage	Voting rights percentage
Maroc Leasing	Leasing	53.11%	53.11%
Vivalis (formerly known as Assalaf Chaabi)	Consumer credit	64.02%	64.02%
Upline Group	Merchant bank	74.87%	74.87%
Maroc Assistance Internationale	Assistance	77.43%	77.43%
Bank Al Amal	Banking	24.05%*	34.92%
Chaabi Bank Europe (ex-BCDM)	Banking	100.00%	100.00%
BPMG	Banking	77.25%	77.25%
BPMC	Banking	62.50%	62.50%
Chaabi International Bank offshore	Offshore banking	70.00%	70.00%
Chaabi LLD	Long-term loan	73.62%	73.62%
BP Shore Immo	Real estate	51.00%	51.00%
BP Outsourcing Process	Holding	52.00%	52.00%
Médiafinance	Capital market	60.00%	89.95%
Fonds Moussahama II	General-purpose investment funds	60.00%	60.00%
Chaâbi Capital Investissement	Investment funds	49.00%**	49.00%
Atlantic Microfinance For Africa	Holding	100.00%	100.00%
Atlantic Business International	Holding	74.60%***	74.60%
IMC	Investment funds	49.30%	49.30%

Source : BCP

II.6. BCP ACTIVITIES

Evolution of credits

The net outstanding receivables balance of customer credits by credit type is distributed as follows :

(in MAD million)	2012	2013	2014	06/30/2015	Var 13/12	Var 14/13	Var 14/06-2015
Cash and consumer credits	33 543	32 086	33 748	33 391	-4.34%	5.18%	-1.06%
Investment credits	19 287	21 850	18 166	21 143	13.29%	-16.86%	16.39%
Real estate credits	20 172	21 830	24 025	23 817	8.22%	10.05%	-0.87%
Other credits	5 643	8 696	10 679	10 122	54.10%	22.80%	-5.22%
outstanding receivables balance of customer credits	78 645	84 461	86 619	88 473	7.40%	2.56%	2.14%

Source: BCP-Corporate accounts

At the end of December 2014, the net outstanding receivables increased by approximately 3% in comparison to the end of 2013 (86.6 Vs. MAD 84.5 billion). Major increases emanated from real estate credits and other credits that went from MAD 21.8 billion to MAD 24.0 billion and from MAD 8.7 billion to MAD 10.7 billion, respectively. These increases were offset by the decrease of investment credits that fell from MAD 21.9 billion to MAD 18.2 billion between the end of December 2013 and the end of December 2014.

At the end of June, the net outstanding receivables of customer credits rose in comparison to the end of 2014 to reach MAD 88.5 billion. This increase is attributed mainly to the increase of investment credits (+16%) to reach MAD 21.1 billion.

Evolution of customer deposits

Customer deposits by product type are distributed as follows:

(in MAD million)	2012	Part	2013	Part	2014	Part	June 30 th , 2015	Part
Accounts payable	30 595	61.74%	30 228	59.15%	31 674	58.11%	35 828	63.45%
Saving accounts	3 647	7.36%	4 040	7.91%	4 504	8.26%	4 735	8.39%
Term deposits	12 186	24.59%	14 651	28.67%	16 129	29.59%	14 224	25.19%
Other accounts payable	3 127	6.31%	2 282	4.47%	2 203	4.04%	1 681	2.98%
Customer deposits	49 555	100.00%	51 202	100.00%	54 510	100,00%	56 468	100.00%
Growth percentage			3.12%		6.67%		3.59%	

Source : BCP – Corporate accounts

At the end of December 2014, customer deposits amounted to MAD 54.5 billion, i.e. an increase of 6% in comparison to the end of 2013. This evolution is attributed mainly to the increase of term deposits that rose from MAD 14.6 billion by the end 2013, to reach MAD 16.1 billion by the end 2014, and also to the increase of the accounts payable that rose from MAD 30.2 billion by the end of 2013, to MAD 31.6 billion by the end of 2014.

At the end of June, customer deposits amounted to MAD 56.5 billion, i.e. an increase of 4% in comparison to the end of 2014. This is mainly attributed to the increase of the accounts payable that rose from MAD 31.7 billion in 2014 to MAD 35.8 billion by the end of June 2015 to make up 63.45% of customer deposits.

III. RISK FACTORS

III.1. CREDIT AND COUNTERPARTY RISKS

A credit risk is the risk of loss stemming from a borrower's failure to repay its debts (bonds, bank loans, commercial loans, etc.). This risk is broken down into a default risk which arises in the case where the borrower fails to repay or delays the repayment of the principle and/or interest on their debt, a risk on recovery rate in the event of default, and a risk of deterioration of the credit portfolio's quality.

The guiding principles of this policy are conveyed by internal regulatory texts by means of circulars, circular letters and standards that determine the scope and conditions for exercising risk control and monitoring activities.

For companies and professionals, CPM has developed a rating system that meets Basel II requirements and norms. This rating system lies at the core of the credit risk management tool. In fact, rating is a major element in risk assessment and credit approval.

Monitoring of risk exposures is ensured through rated portfolio analysis. To this end, periodic reports are drawn up by the Risk Management unit at the level of BCP and BPR, and are intended for distribution on the different Committees in charge of risk monitoring.

Current rating of individual customers covers real estate loans and consumer credits. Additionally, the bank has launched a project to cover the needs of its Retail Rating System (individuals, professionals and micro-enterprises) which will serve as the basis for the second tranche that is still required to qualify for the internal ratings-based approach.

The bank has also a thorough monitoring system to the risk of individual and sectoral concentration in order to abide by the prudential rules imposed by the requirements of the risk division on the one hand, and to ensure the diversification of counterparties required to spread the risks on the other hand. Likewise, our institution has implemented a review process of the first 100 risks of large groups (approximately 5 counterparties) to dilute the risk of individual concentration. The said process is duplicated at the level BPRs, each in its scope.

This monitoring is accompanied by a special attention that is given to commitments once their amount exceeds 5% of shareholders' equity.

Disbursement Credit	In % of productive employment CPM
CPM first 100 risks	46%
Eligible counterparties under BAM Statement	24%

As for the management of sectoral concentration risks, CPM has a monitoring process that relies on periodic reporting, sectoral studies and monitoring records.

III.2. MARKET RISKS

With the aim of controlling and ensuring better control of market risks, Groupe Banque Populaire has set up a risk management system that comply with the principles of Basel II and the best practices in the business. This system is based on clear guidelines and on internal policies and procedures in line with the performance objectives, risk-tolerance levels and shareholder's equity.

Thus, the Group has adopted a market risk management and oversight structure, including the use of VaR methodology and sensitivity analysis for its entire negotiation portfolio.

Evolution of risk indicators

The overall VaR (1-day at 99%) of the portfolio at the end of June 2015 is MAD 34.3 million, i.e. 0.15% of the portfolio market value.

The VaR off correlation amounts to MAD 44.8 million, i.e. a diversification effect of 10.5 millions on the overall portfolio is distributed on the different instruments. The VaR is primarily concentrated on the bond portfolio, forward exchange transaction and treasury currency operations, and secondarily on ownership deeds as well as shale and purchasing agreements.

This is attributed to the size of the portfolios, the high volatility of risk factors inherent thereto and the weight thereof in comparison to the other negotiation portfolio factors.

Following are the Bank's portfolio structure (including investment securities and cash flows) and the contribution per risk factor.

- Foreign exchange fund

The foreign exchange forward and Swaps portfolios both registered fluctuations between MAD 0.3 billion and MAD 2.1 billion throughout the first semester of 2015.

The net foreign exchange position registered a slight increase throughout the first semester of 2015 to reach MAD 4.26 billion at the end of June.

The net foreign currency position has remained balanced in spite of the change in the composition of the MAD basket that fell from (80% EUR, 20% USD) to (60% EUR, 40% USD). Therefore, regulatory limitations for overall exposure and by foreign currency were respected during 2015, in relation to stakeholder's equity.

	Net Foreign Currency Exposure in C/V MAD Million	% of shareholder's equity
September 2014	2.1	8%
December 2014	4.3	15%
March 2015	4.2	15%
June 2015	4.2	15%

- Bond fund

During 2015, bond limits were reviewed and validated by administrative and management bodies. Thus, the limits of duration and sensitivity were enhanced due to new debt outstanding characteristics of the Treasury in 2015 in terms of duration on the one hand, and to the increased volatility in the yield curve Treasury bill rates on the long term on the other hand.

The VaR for bond activities rose to MAD 34.4 million at the end of June.

- UCTIS and equity sub-fund

The outstanding amounts of this portfolio have remained practically stable at around MAD 6.6 billion throughout the first semester of 2015.

III.3. ALM RISKS

The assessment and control process of general overall interest risk is performed as follows:

- Once per quarter upon issuance of Bank summary statements;
- Twice per year, supported by the planning process (phase of strategic guidelines and planning and phase of the mid-term financial plan) as a system of final validation of the MTP.

- When important changes are made to the tariff schedules so as to assess their impact.

This surveillance tool is based on the following:

- An assessment methodology based on the approach of gaps (dead-ends).
- A quarterly reporting system to the attention of the Risk Management Committee on the levels of exposure, the stress tests in terms of the impact on GNP, as well as shareholders' equity and projected developments of prudential ratios;
- Complementary scenarios are applied in parallel on the entire balance sheet in order to measure the impact of major shocks on rates.

The assessment and control process of general overall interest risk is performed as follows:

- Once per quarter upon issuance of Bank summary statements;
- Twice per year, supported by the planning process (phase of strategic guidelines and planning and phase of the mid-term financial plan) as a system of final validation of the MTP.
- When important changes are made to the tariff schedules so as to assess their impact.

This surveillance tool is based on the following:

- An assessment methodology based on the approach of gaps (dead-ends).
- A quarterly reporting system to the attention of the Risk Management Committee on the levels of exposure, the stress tests in terms of the impact on GNP, as well as shareholders' equity and projected developments of prudential ratios;
- A limitation system in terms of the impact of risks on GNP and shareholders' equity as defined by the Risk Management Committee and validated by the Board of Directors.

Through this system, the overall rate risk management aims to optimize the impact of rates on income and shareholders' equity using the static and dynamic Gap calculation based on the above-defined frequencies.

Evolution of risk indicators

At June 30th, 2015, the profile of current assets and liabilities is more or less the same as that of assets and liabilities at the end of December 2014. The main changes having an impact on the rate risk are as follows:

- the decrease in duration of liquidity loans
- the increase of guarantee commitments whose residual duration is less than 12 months, in addition to a faster flow (3-6 months) in June 2015 as compared to (6-12 months) in December 2014.
- a decrease in real estate credits at variant rates (MAD -682 million)

These operations have resulted in a decrease of current assets (-0.8%) and an increase in current liabilities (6.9%). Therefore, in the case of an increase of 100 basis points in rates, the earnings vary from MAD -65 million as compared to MAD 56 million in December 2014. The sensitivity of earnings to interest rate changes remains way below the limits of the Group's risk objectives.

Liquidity risk:

The liquidity risk management involves maintaining a minimum level of liquid securities, as well as stable and diversified sources of funding. The securities portfolio consists mainly of Treasury Bills as well as positions on liquid shares and shares issued by UCITS.

Evolution of risk indicators

The bank's total assets amounted to MAD 276 billion at the end of June 2015 in comparison to MAD 266 billion in December 2014, i.e. an increase of 3.8 %. In June 2015, and in comparison to December 2014, resources to be refinanced in cash represented MAD 8.3 billion.

These were mainly related to credits amounting to MAD 3.6 billion and to the securities portfolio amounting to MAD 4.3 billion. These amounts, along with the decrease of term deposits (MAD -2.3 billion) were financed by the following:

- an increase of customer sight deposits (amounting to MAD 4.7 billion) and saving accounts (amounting to MAD 1.3 billion),
- financial loans in foreign currency (approximately MAD 1.2 billion),
- a decrease of financial loans (amounting to MAD 1.9 billion).
- an increase in shareholders' equity assigned particularly to provisions for risks and expenses (amounting to MAD 1.2 billion)

The slowdown in credit growth observed in 2013 and 2014 continued throughout the first semester of 2015. The situation of sub-liquidity was significantly improved and remains without major impact on the bank which still has greater leeway in view of:

- the preponderance of non-remunerated deposits;
- the - still limited - recourse to the capital market (in comparison to the banking sector)
- the recourse to the funds of foreign bodies on favorable terms

Therefore, the Group's resources collected from customers rose by 2%, increasing from MAD 206.6 billion in December 2014 to MAD 210.6 billion at the end of June 2015.

This increase has concerned sight deposits (+6.7%) and saving accounts (+72.2%) while the refinancing obtained from the money market has declined. After having declined during the first quarter of 2015, corporate term deposits have resumed in the second quarter. Thus, the share of paid resources in relation to the overall structure of resources has slightly increased between 2014 and June 2015.

The bank's transformation ratio settled at 90.3% in June 2015 as compared to 91% six months earlier, given the slightly more important development of customer deposits in compression to credit activities. This was followed by a liquidity relief that led to a decrease of the recourse to the advances of BAM pension.

III.4. OPERATIONAL RISKS

The system of operational risks management is applied to all entities affiliated to the Group and is based mainly on the identification and assessment of risks through the implementation of risk cartography; the monitoring and the update of reported risks; the reporting of proven losses and incidents; the recommendations aiming at the improvement of procedures and the optimizations of controls; and the implementation of a plan for the continuity of the activity (PCA).

The three main methodological tools are: operational risk cartography, incident collection process and risk control policy.

Operational risk cartography

The cartography is based on a thorough analysis of the bank's processes (operational and support activities) with a prioritization of the most critical processes. The procedure involves several phases:

- Phase 1 : Identification of risks emanating from the bank's operational activities,
- Phase 2 : Measurement and assessment of risk events,
- Phase 3 : Assessment of risk monitoring and coverage means

Incident collection

In accordance with the regulations, a system to collect losses and operational incidents was implemented, based on a declaratory mechanism.

The correspondents in charge of the collection of the different incidents enter the input directly into a dedicated computer tool. A workflow is being designed in order to enable managers to control the relevance of the information provided by co-workers and to inform them in real time of events taking place within their scope, with aim to implement corrective measures.

Risk control policy

The risk hedging and mitigation policy is based on the implementation of three types of action plans:

- effective preventive measures identified during cartographies and implemented directly by the operational staff through their med-term plans (MTP) ;
- remedial plans for the continuity of the activity (PCA), aiming to ensure the functioning of the bank's essential activities and to limit losses in the event of serious disturbances of activity;
- possibilities to transfer certain major risks through the implementation of an adapted insurance policy;
- an annual monitoring of risks related to outsourced activities.

IV. BCP IFRS CONSOLIDATED FINANCIAL STATEMENTS - SUMMARY REPORT

IV.1. IFRS BALANCE SHEET

Assets

In MAD million	2012	2013	2014	06/30/2015
Values deposited, Central Banks, Public Treasury, Postal Check Service	7 448	6 798	7 707	8 077
Financial assets at fair value through profit or loss	17 486	21 862	22 299	28 981
Available-for-sale financial assets	17 274	16 422	28 390	26 128
Loans and receivables on credit banks and similar institutions	12 893	11 537	11 689	12 858
Loans and receivables on customers	184 200	199 827	206 082	208 515
Held-to-maturity investments	17 974	19 841	17 402	16 866
Payable tax assets	736	586	818	1 322
Deferred tax assets	302	294	288	714
Accruals and other assets	4 475	3 874	4 834	5 213
Investments in equity affiliates	23	73	54	45
Tangible fixed assets	7 148	7 647	8 503	8 636
Intangible fixed assets	442	498	538	593
Goodwill	1 035	1 040	1 025	1 258
TOTAL IFRS ASSETS	271 435	290 299	309 630	319 206

Liabilities

In MAD million	2012	2013	2014	06/30/2015
Central Banks, Public Treasury, Postal Check Service	204	101	70	152
Financial liabilities at fair value through profit or loss	-	-	53	283
Derivative hedging instruments	-	48	-	-
Debts to credit banks and similar institutions	25 489	28 877	32 414	32 006
Amounts owed to customers	201 913	209 991	229 821	236 226
Debts represented by securities	-	-	-	-
Debt securities issued	4 852	8 095	270	244
Current tax liabilities	540	887	1 127	1 965
Deferred tax liabilities	1 028	1 032	996	661
Accruals and other liabilities	3 081	3 510	5 643	6 156
Technical provisions for insurance contracts	84	107	126	984
Provisions for risks and expenses	1 673	1 596	1 748	1 870
Subsidies, assigned public funds and special guarantee funds	2 805	2 576	2 719	2 886
Subordinated debts	1 590	1 590	2 637	2 656
Related capital and reserves	16 031	16 545	17 344	18 099
Consolidated reserves	8 158	11 111	10 101	11 930
- Group share	2 715	3 294	3 294	3 524
- RBP share	3 518	5 758	5 001	5 812
- Minority share	1 926	2 059	1 806	2 594
Unrealized or deferred gains and losses	778	1 028	1 304	1 385
- Group share	819	1 021	1 333	1 191
- RBP share	-45	7	-40	-33
- Minority share	3	0	10	228
Fiscal year net income	3 209	3 206	3 256	1 703
- Group share	1 877	1 952	2 195	1 237
- RBP share	1 107	1 031	676	301
- Minority share	225	223	384	166
TOTAL IFRS LIABILITIES	271 435	290 299	309 630	319 206

IV.2. IFRS PROFIT AND LOSS ACCOUNT

In MAD million	2012	2013	2014	06/30/2014	06/30/2015
Interest and similar income	12 690	13 872	14 785	7 217	7 635
Interest and similar expenses	-4 098	-4 493	-	-2 384	-2 358
INTEREST MARGIN	8 591	9 379	14 785	4 833	5 278
Commissions received	1 423	2 101	-	1 080	1 002
Commissions served	-92	-205	-	-104	-98
MARGIN ON COMMISSION	1 331	1 896	1 917	977	904
Net gains or losses on financial instruments at fair value through profit or loss	696	1 369	2 158	1 220	681
Net gains or losses on available-for-sale financial assets	461	275	233	246	561
RESULT OF MARKET ACTIVITIES	1 157	1 644	2 391	1 466	1 241
Income from other activities	543	547	715	330	557
Expenses for other activities	-117	-284	-289	-147	-270
NET BANKING INCOME	11 505	13 181	14 747	7 459	7 710
General operating expenses	-4 774	-5 750	-6 065	-2 944	-3 347
Allocations to amortizations and impairment of tangible and intangible fixed assets	-588	-744	-804	-384	-436
GROSS OPERATING INCOME	6 144	6 688	7 877	4 131	3 927
Cost of risk	-1 273	-1 970	-3 027	-1 801	-1 530
OPERATING INCOME	4 871	4 718	4 850	2 329	2 398
Net income of equity affiliates	-1	5	-2	1	-7
Net gains or losses on other assets	14	98	16	43	100
Variations in values of goodwill	-	-	-	-	-
PRETAX INCOME	4 884	4 821	4 864	2 373	2 492
Income tax	-1 675	-1 615	-1 608	-679	-788
NET INCOME	3 209	3 206	3 256	1 694	1 703
INCOME - BPR share	1 107	1 031	676	336	301
Income outside the group	225	223	384	227	166
NET INCOME (BCP GROUP SHARE)	1 877	1 952	2 195	1 131	1 237

WARNING

The aforementioned information constitute only a part of the prospectus issued by the CDVM under Reference No VI/EM/034/2015 dated November 25th, 2015. Therefore, CDVM recommends the reading of the complete version of the prospectus made available to the public in the French language.