

CREDIT AGRICOLE DU MAROC (CAM)

SUMMARY OFFER PROSPECTUS

ISSUANCE OF SUBORDINATED BONDS FOR AN AMOUNT OF 1.000.000.000 DHS

	Tranche A Listed subordinated bonds with an annually adjustable interest rate	Tranche B Listed subordinated bonds with a fixed interest rate	Tranche C Unlisted subordinated bonds with an annually adjustable interest rate	Tranche D Unlisted subordinated bonds with a fixed interest rate
Maximum amount of the tranche	1.000.000.000 Dhs	1.000.000.000 Dhs	1.000.000.000 Dhs	1.000.000.000 Dhs
Maximum number of shares to be issued	10.000	10.000	10.000	10.000
Nominal value / Issue price	100.000 Dhs	100.000 Dhs	100.000 Dhs	100.000 Dhs
Maturity	7 years	7 years	7 years	7 years
Nominal Interest rate	Revisable on annual basis , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as published by Bank Al-Maghrib on September 13, 2017, i.e. 2,37% increased by a risk premium 80 and 100 bps, i.e. between 3,17% et 3,37% for the first year	Fixed , the reference to the nominal rate is the 7 year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on September 13, 2017 i.e. 3,01%, increased by a risk premium ranging between 80 and 100 bps. i.e. between 3,81% et 4,01%	Revisable on annual basis , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as published by Bank Al-Maghrib on September 13, 2017, i.e. 2,37% increased by a risk premium 80 and 100 bps, i.e. between 3,17% et 3,37% for the first year	Fixed , the reference to the nominal rate is the 7 year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on September 13, 2017 i.e. 3,01%, increased by a risk premium ranging between 80 and 100 bps. i.e. between 3,81% et 4,01%
Risk premium	Between 80 and 100 bps	Between 80 and 100 bps	Between 80 and 100 bps	Between 80 and 100 bps
Issue price	100.000 dirhams	100.000 dirhams	100.000 dirhams	100.000 dirhams
Tradability of the bonds	Tradable in the Casablanca Stock Exchange	Tradable in the Casablanca Stock Exchange	Over-the-counter	Over-the-counter
Guarantee of repayment	none	none	none	none
Repayment	In fine	In fine	In fine	In fine
Allocation method	French Auction with priority given to tranches F and H, then to tranches B and D, then to tranches E and G and finally to tranches A and C.			
	Tranche E Listed subordinated bonds with an annually adjustable interest rate	Tranche F Listed subordinated bonds with a fixed interest rate	Tranche G Unlisted subordinated bonds with an annually adjustable interest rate	Tranche H Unlisted subordinated bonds with a fixed interest rate
Maximum amount of the tranche	1.000.000.000 Dhs	1.000.000.000 Dhs	1.000.000.000 Dhs	1.000.000.000 Dhs
Maximum number of shares to be issued	10.000	10.000	10.000	10.000
Nominal value / Issue price	100.000Dhs	100.000Dhs	100.000Dhs	100.000Dhs
Maturity	10 years	10 years	10 years	10 years
Nominal Interest rate	Revisable on annual basis , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as published by Bank Al-Maghrib on September 13, 2017, i.e. 2,37% increased by a risk premium 90 and 110 bps, i.e. between 3,27% et 3,47% for the first year	Fixed , the reference to the nominal rate is the 10 year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on September 13, 2017 i.e. 3,01%, increased by a risk premium ranging between 90 and 110 bps. i.e. 4,22% et 4,42%	Revisable on annual basis , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as published by Bank Al-Maghrib on September 13, 2017, i.e. 2,37% increased by a risk premium 90 and 110 bps, i.e. between 3,27% et 3,47% for the first year	Fixed , the reference to the nominal rate is the 10 year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on September 13, 2017 i.e. 3,01%, increased by a risk premium ranging between 80 and 100 bps. i.e. between 4,22% et 4,42%
Risk premium	Between 90 and 110 bps	Between 90 and 110 bps	Between 90 and 110 bps	Between 90 and 110 bps
Issue price	100.000 dirhams	100.000 dirhams	100.000 dirhams	100.000 dirhams
Tradability of the bonds	Tradable in the Casablanca Stock Exchange	Tradable in the Casablanca Stock Exchange	Over-the-counter	Over-the-counter
Guarantee of repayment	none	none	none	none
Repayment	In fine	In fine	In fine	In fine
Allocation method	French Auction with priority given to tranches F and H, then to tranches B and D, then to tranches E and G and finally to tranches A and C.			

SUBSCRIPTION PERIOD : FROM 28 SEPTEMBER TO 02 OCTOBER 2017 INCLUDED

SUBSCRIPTION RESERVED TO QUALIFIED MOROCCAN INVESTORS UNDER MOROCCAN LAW AS DETAILED IN THE PROSPECTUS

Financial Advisor and Global Coordinator	Financial Co-advisors		
			
Lead underwriting agent and centralizer of subscription orders	Co-lead underwriting agents	Underwriting agent	Body responsible for the recording of the operation & Domiciliation agent providing financial services
	 		

VISA OF THE AMMC

In accordance with the provisions of the circular of the AMMC, delivered in application of Section 14 of the Decree n° 1-93-212 of September 21st, 1993, as amended and extended, the original copy of the present prospectus has been approved by the AMMC on 20 September 2017 under the reference N° VI/EM/027/2017

WARNING

On september, 20th 2017, the *Autorité Marocaine du Marché des Capitaux* (AMMC) approved a Prospectus for a subordinated bond issue by Crédit Agricole du Maroc.

The Prospectus approved by the AMMC is available at any time at Credit Agricole du Maroc Headquarters or at its financial advisors headquarters:

ATLAS CAPITAL FINANCE

88 Rue El Marrakchi, Quartier Hippodrome – Casablanca

Tél : (212) 5 22 23 76 02

CAPITAL TRUST FINANCE

50 Bd Rachidi, Casablanca

Tél : (212) 5 22 46 63 50

VALORIS CORPORATE FINANCE

355, Route d'El Jadida – Casablanca

Tél : (212) 5 22 23 97 60

The Prospectus is made available to the public at the Casablanca Stock Exchange Headquarters and on its website www.casablanca-bourse.com. It is also available on the AMMC website www.ammc.ma.

I. PRESENTATION OF THE OPERATION

I.1. Objectives of the operation

Through this program, Crédit Agricole du Maroc aims to meet the challenges of its Strategic Development Plan while renewing its commitment within the framework of its public service mission. The program aims to achieve the following objectives:

- ✎ The financing and accompaniment of the rural world in general, and more specifically the sector of agriculture and agro-industry ;
- ✎ Strengthening its regulatory capital and therefore improving its prudential ratios (solvency and liquidity) ;

I.2. Structure of the offer

The subordinated bond issuance, purpose of this excerpt, is about a maximum amount of one billion (1,000,000,000) dirhams. It will be issued in eight (8) tranches:

- **A tranche A** at an annually adjustable interest rate and listed on the Casablanca Stock Exchange. This tranche will be reimbursable *in fine* over a period of 7 years and will amount to a maximum of 1,000,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche B** at a fixed interest rate and listed on the Casablanca Stock Exchange. This tranche will be reimbursable *in fine* over a period of 7 years and will amount to a maximum of 1,000,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche C** at an annually adjustable interest rate and tradable over-the-counter (non-listed). This tranche will be reimbursable *in fine* over a period of 7 years and will amount to a maximum of 1,000,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche D** at a fixed interest rate and tradable over-the-counter (non-listed). This tranche will be reimbursable *in fine* over a period of 7 years and will amount to a maximum of 1,000,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche E** at an annually adjustable interest rate and listed on the Casablanca Stock Exchange. This tranche will be reimbursable *in fine* over a period of 10 years and will amount to a maximum of 1,000,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche F** at a fixed interest rate and listed on the Casablanca Stock Exchange. This tranche will be reimbursable *in fine* over a period of 10 years and will amount to a maximum of 1,000,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche G** at an annually adjustable interest rate and tradable over-the-counter (non-listed). This tranche will be reimbursable *in fine* over a period of 10 years and will amount to a maximum of 1,000,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche H** at a fixed interest rate and tradable over-the-counter (non-listed). This tranche will be reimbursable *in fine* over a period of 10 years and will amount to a maximum amount of 1,000,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;

The total amount allocated to these above-mentioned eight tranches may not exceed, in any case, the amount of 1,000,000,000 MAD.

The current issue is reserved for qualified investors under the Moroccan law as stated in the prospectus.

The restriction of the subscription to qualified Moroccan investors is to facilitate the management of the subscriptions on the primary market. It is understood that every investor willing to acquire these bonds will be able to do so on the secondary market.

I.3. Information regarding the securities to be issued

Disclaimer

Subordinated bonds differ from traditional bonds by reason of the contractually defined ranking of claims set forth in the subordination clause. The effect of the subordination clause is to make the repayment of the subordinated bond conditional on the repayment of all outstanding privileged or unsecured debts in the event of the issuer going into liquidation.

Tranche A : Subordinated bonds reimbursable in fine over a period of 7 years listed on the Casablanca Stock Exchange with an annually adjustable interest rate

Nature of the securities	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
Legal Form	Subordinated bonds in bearer form
Maximum amount of the tranche	1,000,000,000 Dhs.
Maximum number of securities to be issued	10,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	7 years.
Subscription period	From 28 September to 02 October 2017 included
Vesting date	11 October 2017
Maturity date	11 October 2024
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 80 and 100 bps.
Nominal interest rate	<p><u>Annually ajustable.</u></p> <p>For the first year, the nominal interest rate is the full 52 week rate (money base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib on September 13, 2017, ie 2.37% increased by a risk premium ranging between 80 and 100 bps, ie between 3.17% and 3.37%. The interest rate will be published in a journal of legal announcements on October 6, 2017.</p> <p>Beyond the first year, the reference rate will be the full 52 week (monetary base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib 5 trading days prior to the anniversary date of the coupon. The reference rate thus obtained will be increased by a risk premium set at the end of the subscription period (risk premium between 80 and 100 basis points) will be communicated to the Casablanca Stock Exchange 5 trading days before the anniversary date and will be published in a legal newspaper AT the same timeframe.</p>
Calculation method	<p>In case the reference rate is not observed directly on the curve of the secondary market benchmark, the determination will be made by the method of linear interpolation using the two points limiting the full 52 weeks maturity. (Monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher 52 weeks maturity actuarial rate in equivalent monetary rates.</p> <p>The calculation formula is: $(((\text{Actuarial rate} + 1) ^ (k / \text{exact number of days} *)) - 1) \times 360 / k;$ where k: maturity of the actuarial rate immediately greater than 52 weeks. * Exact number of days: 365 or 366 days.</p>

Interest	<p>Interest will be paid annually on the anniversary of the security's vesting date i.e 11 October of each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction.</p> <p>Due to annually interest rate adjustment, interests will be calculated on a monetary basis i.e: [nominal unit value x nominal interest rate x (exact number of days / 360 days)].</p>
Allocation method	<p>French auction with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).</p>
Repayment of principal	<p>The CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
Early repayment	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p> <p>In case of cancellation, the issuer must inform the Casablanca Stock Exchange of canceled bonds.</p>
Assimilation	<p>The subordinated bonds of Tranche A are not subject to any assimilation.</p>
Rank/subordination	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
Maintaining ranking	<p>CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.</p>
Repayment guarantee	<p>This issuance is not subject to any particular guarantee.</p>
Rating	<p>This issuance has not been subject to any rating request.</p>
Tradability	<p>The subordinated bonds of tranche A are freely negotiable at the Casablanca Stock Exchange. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche A.</p>

Securities listing	<p>The subordinated bonds of the tranche A will be listed on the Casablanca Stock exchange and will thus be object of a request for admission to the bonds compartment of the Casablanca Stock Exchange. Their listing date is foreseen to be on 06 October 2017 on the bonds compartment, under the ticker OCAMG.</p> <p>To be listed on the Casablanca Stock Exchange, the total amounts allotted to the tranches A, B, E and F must be higher or equal to 20,000,000 MAD. If after the closure of the subscription period, the amount allotted to tranches A, B, E and F is lower than 20,000,000 MAD, the subscriptions relating to these tranches will be cancelled.</p>
Procedure of first listing	<p>The listing of tranche A will be performed by a direct listing in accordance with articles 1.2.6 and 1.2.22 of the General Regulation of the Casablanca Stock Exchange.</p>
Bondholders representation	<p>In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the bondholders for tranches A to H. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.</p>
Applicable law	Moroccan law
Competent Court	Commercial Court of Rabat

Tranche B : Subordinated bonds reimbursable in fine over a period of 7 years listed on the Casablanca Stock Exchange with fixed interest rate

Nature of the securities	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
Legal Form	Subordinated bonds in bearer form
Maximum amount of the tranche	1,000,000,000 Dhs.
Maximum number of securities to be issued	10,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	7 years.
Subscription period	From 28 September to 02 October 2017 included
Vesting date	11 October 2017
Maturity date	11 October 2024
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 80 and 100 bps.
Nominal interest rate	<p>Fixed interest rate referring to the 7 years T-Bond interest rate, calculated following the linear interpolation method on the basis of the secondary yield curve reference rate as published on September 13, 2017, by Bank Al Maghrib, ie 3.01%. This rate is increased by a risk premium ranging between 80 and 100 bps, ie between 3.81% and 4.01%.</p> <p>The determination is made by the method of linear interpolation using the two points limiting the full 7 year maturity (actuarial basis).</p> <p>The nominal interest rate will be published no later than October 6, 2017 by CAM in a journal of legal announcements.</p>
Interest	<p>Interest will be paid annually on the anniversary date of the security's vesting day, i.e 11 October each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction.</p> <p>Interest will be calculated using the following formula [nominal unit value x nominal interest rate]</p>
Allocation method	French auction with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
Repayment of principal	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
Early repayment	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing</p>

	<p>to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p> <p>In case of cancellation, the issuer must inform the Casablanca Stock Exchange of canceled bonds.</p>
Assimilation	The subordinated bonds of Tranche B are not subject to any assimilation.
Rank/subordination	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
Maintaining ranking	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
Repayment guarantee	This issuance is not subject to any particular guarantee.
Rating	This issuance has not been subject to any rating request.
Tradability	<p>The subordinated bonds of tranche B are freely negotiable at the Casablanca Stock Exchange.</p> <p>There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche B.</p>
Securities listing	<p>The subordinated bonds of the tranche B will be listed on the Casablanca Stock exchange and will thus be object of a request for admission to the bonds compartment of the Casablanca Stock Exchange. Their listing date is foreseen to be on 06 October 2017 on the bonds compartment, under the ticker OCAMH.</p> <p>To be listed on the Casablanca Stock Exchange, the total amounts allotted to the tranches A, B, E and F must be higher or equal to 20,000,000 MAD. If after the closure of the subscription period, the amount allotted to tranches A, B, E and F is lower than 20,000,000 MAD, the subscriptions relating to these tranches will be cancelled.</p>
Procedure of first listing	The listing of tranche A will be performed by a direct listing in accordance with articles 1.2.6 and 1.2.22 of the General Regulation of the Casablanca Stock Exchange.
Bondholders representation	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the bondholders for tranches A to H. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
Applicable law	Moroccan law
Competent Court	Commercial Court of Rabat

Tranche C : Unlisted Subordinated bonds reimbursable in fine over a period of 7 years with an annually adjustable interest rate

Nature of securities	Subordinated bond tradable over the counter (unlisted), dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
Legal form	Subordinated bonds in bearer form.
Maximum amount of the tranche	1,000,000,000 Dhs.
Maximum number of securities to be issued	10,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	7 years.
Subscription period	From 28 September to 02 October 2017 included
Vesting date	11 October 2017
Maturity date	11 October 2024
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 80 and 100 bps.
Nominal interest rate	<p><u>Annually adjustable.</u> For the first year, the nominal interest rate is the full 52 week rate (money base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib on September 13, 2017, ie 2.37%. This rate is increased by a risk premium of between 80 and 100 bps, ie between 3.17% and 3.37%.</p> <p>The interest rate will be published in a journal of legal announcements on October 6, 2017.</p> <p>Beyond the first year, the reference rate will be the full 52 week (monetary base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib 5 trading days prior to the anniversary date of the coupon.</p> <p>The reference rate thus obtained will be increased by a risk premium set at the end of the subscription period (risk premium between 80 and 100 basis points) and will be published in a journal of legal announcement 5 trading days before the anniversary date.</p>
Calculation method	<p>In case the reference rate is not observed directly on the curve of the secondary market benchmark, the determination will be made by the method of linear interpolation using the two points limiting the full 52 weeks maturity. (Monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher 52 weeks maturity actuarial rate in equivalent monetary rates.</p> <p>The calculation formula is: $(((\text{Actuarial rate} + 1) ^ {k / \text{exact number of days} *}) - 1) \times 360 / k;$ where k: maturity of the actuarial rate immediately greater than 52 weeks. * Exact number of days: 365 or 366 days.</p>
Interest	<p>Interest will be paid annually on the anniversary of the security's vesting date i.e 11 October of each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>Due to annually interest rate adjustment, interests will be calculated on a monetary basis i.e: $[\text{nominal unit value} \times \text{nominal interest rate} \times (\text{exact number of days} / 360 \text{ days})].$</p>
Allocation method	French auction with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to

	the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
Repayment of principal	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
Early repayment	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p>
Assimilation	The subordinated bonds of Tranche C are not subject to any assimilation.
Rank/subordination	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
Maintaining ranking	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
Repayment guarantee	This issuance is not subject to any particular guarantee.
Rating	This issuance has not been subject to any rating request.
Tradability	Subordinated bonds of tranche C will be traded over the counter. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche C.
Bondholders representation	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the bondholders for tranches A to H. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
Applicable law	Moroccan law
Competent Court	Commercial Court of Rabat

Tranche D : Unlisted Subordinated bonds reimbursable in fine over a period of 7 years with a fixed interest rate

Nature of the securities	Subordinated bonds unlisted, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
Legal Form	Subordinated bonds in bearer form
Maximum amount of the tranche	1,000,000,000 Dhs.
Maximum number of securities to be issued	10,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	7 years.
Subscription period	From 28 September to 02 October 2017 included
Vesting date	11 October 2017
Maturity date	11 October 2024
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 80 and 100 bps.
Nominal interest rate	<p>Fixed interest rate referring to the 7 years T-Bond interest rate, calculated following the linear interpolation method on the basis of the secondary yield curve reference rate as published on September 13, 2017, by Bank Al Maghrib, ie 3.01%. This rate is increased by a risk premium ranging between 80 and 100 bps, ie between 3.81% and 4.01%.</p> <p>The determination is made by the method of linear interpolation using the two points limiting the full 7 years maturity (actuarial basis).</p> <p>The nominal interest rate will be published no later than October 6, 2017 by CAM in a journal of legal announcements.</p>
Interest	<p>Interest will be paid annually on the anniversary date of the security's vesting day, i.e 11 October each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction.</p> <p>Interest will be calculated using the following formula [nominal unit value x nominal interest rate]</p>
Allocation method	French auction with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
Repayment of principal	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
Early repayment	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right to buy back the subordinated bonds on the</p>

	secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.
Assimilation	The subordinated bonds of Tranche D are not subject to any assimilation.
Rank/subordination	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
Maintaining ranking	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
Repayment guarantee	This issuance is not subject to any particular guarantee.
Rating	This issuance has not been subject to any rating request.
Tradability	Subordinated bonds of tranche D will be traded over the counter. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche D.
Bondholders representation	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the bondholders for tranches A to H. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
Applicable law	Moroccan law.
Competent Court	Commercial Court of Rabat.

Tranche E : Subordinated bonds reimbursable in fine over a period of 10 years listed on the Casablanca Stock Exchange with an annually adjustable interest rate

Nature of the securities	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
Legal Form	Subordinated bonds in bearer form
Maximum amount of the tranche	1,000,000,000 Dhs.
Maximum number of securities to be issued	10,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	10 years.
Subscription period	From 28 September to 02 October 2017 included
Vesting date	11 October 2017
Maturity date	11 October 2027
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 90 and 110 bps.
Nominal interest rate	<p><u>Annually adjustable.</u></p> <p>For the first year, the nominal interest rate is the full 52 week rate (money market rate) determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib on September 13, 2017, ie 2.37%. This rate is increased by a risk premium ranging between 90 and 110 bps, ie between 3.27% and 3.47%.</p> <p>The interest rate will be published in a journal of legal announcements on October 6, 2017.</p> <p>Beyond the first year, the reference rate will be the full 52 week (monetary base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib 5 trading days prior to the anniversary date of the coupon.</p> <p>The reference rate thus obtained will be increased by a risk premium set at the end of the subscription period (risk premium between 90 and 110 basis points) will be communicated to the Casablanca Stock Exchange 5 trading days before the anniversary date and will be published in a legal newspaper AT the same timeframe.</p>
Calculation method	<p>In case the reference rate is not observed directly on the curve of the secondary market benchmark, the determination will be made by the method of linear interpolation using the two points limiting the full 52 weeks maturity. (Monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher 52 weeks maturity actuarial rate in equivalent monetary rates.</p> <p>The calculation formula is: $(((\text{Actuarial rate} + 1) ^ (k / \text{exact number of days} *)) - 1) \times 360 / k;$ where k: maturity of the actuarial rate immediately greater than 52 weeks. * Exact number of days: 365 or 366 days.</p>
Interest	<p>Interest will be paid annually on the anniversary of the security's vesting date i.e 11 October of each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>Due to annually interest rate adjustment, interests will be calculated on a monetary basis i.e : [nominal unit value x nominal interest rate x (exact number of days / 360 days)].</p>
Allocation method	French auction with a priority given to tranches F and H (maturity 10 years with

	<p>fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).</p>
	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p>
Repayment of principal	<p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p> <p>In case of cancellation, the issuer must inform the Casablanca Stock Exchange of canceled bonds.</p>
Early repayment	
Assimilation	<p>The subordinated bonds of Tranche E are not subject to any assimilation.</p>
	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p>
Rank/subordination	<p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
	<p>CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.</p>
Maintaining ranking	
Repayment guarantee	<p>This issuance is not subject to any particular guarantee.</p>
Rating	<p>This issuance has not been subject to any rating request.</p>
	<p>The subordinated bonds of tranche E are freely negotiable at the Casablanca Stock Exchange.</p> <p>There is no restriction imposed by the issuance conditions to the free negotiability of the bonds of tranche E.</p>
Tradability	
	<p>The subordinated bonds of the tranche E will be listed on the Casablanca Stock exchange and will thus be object of a request for admission to the bonds compartment of the Casablanca Stock Exchange. Their listing date is foreseen to be on 06 October 2017 on the bonds compartment, under the ticker OCAMI.</p> <p>To be listed on the Casablanca Stock Exchange, the total amounts allotted to the tranches A, B, E and F must be higher or equal to 20,000,000 MAD. If after the closure of the subscription period, the amount allotted to tranches A, B, E and F is lower than 20,000,000 MAD, the subscriptions relating to these tranches will be</p>
Securities listing	

	cancelled.
Procedure of first listing	The listing of tranche A will be performed by a direct listing in accordance with articles 1.2.6 and 1.2.22 of the General Regulation of the Casablanca Stock Exchange.
Bondholders representation	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the bondholders for tranches A to H. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
Applicable law	Moroccan law
Competent Court	Commercial Court of Rabat

Tranche F : Subordinated bonds reimbursable in fine over a period of 10 years listed on the Casablanca Stock Exchange with fixed interest rate

Nature of the securities	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
Legal Form	Subordinated bonds in bearer form
Maximum amount of the tranche	1,000,000,000 Dhs.
Maximum number of securities to be issued	10,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	10 years.
Subscription period	From 28 September to 02 October 2017 included
Vesting date	11 October 2017
Maturity date	11 October 2027
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 90 and 110 bps.
Nominal interest rate	<p>Fixed interest rate referring to the 10 years T-Bond interest rate, calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as published on September 13, 2017 by Bank Al Maghrib , ie 3.32%. This rate is increased by a risk premium ranging between 90 and 110 bps, ie between 4.22% and 4.42%.</p> <p>The determination will be made by the method of linear interpolation using the two points limiting the full 10 years maturity (actuarial basis).</p> <p>The nominal interest rate will be published no later than October 6, 2017 by CAM in a journal of legal announcements.</p>
Interest	<p>Interest will be paid annually on the anniversary date of the security's vesting day, i.e 11 October each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction.</p> <p>Interest will be calculated using the following formula [nominal unit value x nominal interest rate]</p>
Allocation method	French auction with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
Repayment of principal	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
Early repayment	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such</p>

	<p>repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p> <p>In case of cancellation, the issuer must inform the Casablanca Stock Exchange of canceled bonds.</p>
Assimilation	The subordinated bonds of Tranche F are not subject to any assimilation.
Rank/subordination	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors. These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
Maintaining ranking	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
Repayment guarantee	This issuance is not subject to any particular guarantee.
Rating	This issuance has not been subject to any rating request.
Tradability	<p>The subordinated bonds of tranche F are freely negotiable at the Casablanca Stock Exchange.</p> <p>There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche F.</p>
Securities listing	<p>The subordinated bonds of the tranche B will be listed on the Casablanca Stock exchange and will thus be object of a request for admission to the bonds compartment of the Casablanca Stock Exchange. Their listing date is foreseen to be on 6 October 2017 on the bonds compartment, under the ticker OCAMJ.</p> <p>To be listed on the Casablanca Stock Exchange, the total amounts allotted to the tranches A, B, E and F must be higher or equal to 20,000,000 MAD. If after the closure of the subscription period, the amount allotted to tranches A, B, E and F is lower than 20,000,000 MAD, the subscriptions relating to these tranches will be cancelled.</p>
Procedure of first listing	The listing of tranche A will be performed by a direct listing in accordance with articles 1.2.6 and 1.2.22 of the General Regulation of the Casablanca Stock Exchange.
Bondholders representation	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the bondholders for tranches A to H. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
Applicable law	Moroccan law
Competent Court	Commercial Court of Rabat

Tranche G : Unlisted Subordinated bonds reimbursable in fine over a period of 10 years with an annually adjustable interest rate

Nature of securities	Subordinated bond tradable over the counter (unlisted), dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
Legal form	Subordinated bonds in bearer form.
Maximum amount of the tranche	1,000,000,000 Dhs.
Maximum number of securities to be issued	10,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	10 years.
Subscription period	From 28 September to 02 October 2017 included
Vesting date	11 October 2017
Maturity date	11 October 2027
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 90 and 110 bps.
Nominal interest rate	<p><u>Annually adjustable.</u></p> <p>For the first year, the nominal interest rate is the full 52 week rate (money market rate) determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib on September 13, 2017, ie 2.37%. This rate is increased by a risk premium ranging between 90 and 110 bps, ie between 3.27% and 3.47%.</p> <p>The interest rate will be published in a journal of legal announcements on October 6, 2017.</p> <p>Beyond the first year, the reference rate will be the full 52 week (monetary base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib 5 trading days prior to the anniversary date of the coupon.</p> <p>The reference rate thus obtained will be increased by a risk premium set at the end of the subscription period (risk premium between 90 and 110 basis points) and will be published in a journal of legal announcement 5 trading days before the anniversary date.</p>
Calculation method	<p>In case the reference rate is not observed directly on the curve of the secondary market benchmark, the determination will be made by the method of linear interpolation using the two points limiting the full 52 weeks maturity. (Monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher 52 weeks maturity actuarial rate in equivalent monetary rates.</p> <p>The calculation formula is: $(((\text{Actuarial rate} + 1) ^ (k / \text{exact number of days} *)) - 1) \times 360 / k;$ where k: maturity of the actuarial rate immediately greater than 52 weeks. * Exact number of days: 365 or 366 days.</p>
Interest	<p>Interest will be paid annually on the anniversary of the security's vesting date i.e 11 October of each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>Due to annually interest rate adjustment, interests will be calculated on a monetary basis i.e: $[\text{nominal unit value} \times \text{nominal interest rate} \times (\text{exact number of days} / 360 \text{ days})].$</p>

Allocation method	French auction with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
Repayment of principal	CAM subordinated bonds issue will be subject to an in fine repayment of the principal. In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations. In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.
Early repayment	CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds. CAM nevertheless, reserves the right to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.
Assimilation	The subordinated bonds of Tranche G are not subject to any assimilation.
Rank/subordination	The capital and the interests are subject to a subordination clause. The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities. In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.
Maintaining ranking	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
Repayment guarantee	This issuance is not subject to any particular guarantee.
Rating	This issuance has not been subject of any rating request.
Tradability	Subordinated bonds of tranche G will be traded over the counter. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche G.
Bondholders representation	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the bondholders for tranches A to H. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
Applicable law	Moroccan law
Competent Court	Commercial Court of Rabat

Tranche H : Unlisted Subordinated bonds reimbursable in fine over a period of 10 years with a fixed interest rate

Nature of the securities	Subordinated bonds unlisted, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
Legal Form	Subordinated bonds in bearer form
Maximum amount of the tranche	1,000,000,000 Dhs.
Maximum number of securities to be issued	10,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	10 years.
Subscription period	From 28 September to 02 October 2017 included
Vesting date	11 October 2017
Maturity date	11 October 2027
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 90 and 110 bps.
Nominal interest rate	<p>Fixed interest rate referring to the 10 years T-Bond interest rate, calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as published on September 13, 2017 by Bank Al Maghrib , ie3.32%. This rate is increased by a risk premium ranging between 90 and 110 bps, ie between 4.22% and 4.42%.</p> <p>The determination is made by the method of linear interpolation using the two points limiting the full 10 years maturity (actuarial basis).</p> <p>The nominal interest rate will be published no later than October 6, 2017 by CAM in a journal of legal announcements.</p>
Interest	<p>Interest will be paid annually on the anniversary date of the security's vesting day, i.e 11 October each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction.</p> <p>Interest will be calculated using the following formula [nominal unit value x nominal interest rate]</p>
Allocation method	French auction with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
Repayment of principal	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
Early repayment	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such</p>

	repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.
Assimilation	The subordinated bonds of Tranche H are not subject to any assimilation.
Rank/subordination	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
Maintaining ranking	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
Repayment guarantee	This issuance is not subject to any particular guarantee.
Rating	This issuance has not been subject to any rating request.
Tradability	Subordinated bonds of tranche H will be traded over the counter. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche H.
Bondholders representation	<p>In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the bondholders for tranches A to H.</p> <p>This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.</p>
Applicable law	Moroccan law.
Competent Court	Commercial Court of Rabat.

I.4. Stock Exchange listing

Subordinated obligations of bands A, B, E and F issued as part of this loan will be listed on the bond compartment of the Casablanca Stock Exchange.

Date of introduction and stock exchange listing	Octobre 06, 2017
Ticker	Tranche A : OCAMG Tranche B : OCAMH Tranche E : OCAMI Tranche F : OCAMJ
Negotiation round	By setting
first listing procedure	Direct listing
Establishment centralizing subscription orders	Valoris Securities
Establishment in charge of recording the transaction on the Stock Exchange	M.S.IN.

I.5. Issue schedule

Ordre	Etapes	Dates
1	Receipt of the complete file of the operation by the Casablanca Stock Exchange	09/20/2017
2	Issuance by the Casablanca Stock Exchange of the notice of approval of the issue	09/20/2017
3	Receipt by the Casablanca Stock Exchange of the prospectus approved by AMMC	09/20/2017
4	Publication in the official bulletin of the Casablanca Stock Exchange, the " <i>Bulletin de la Cote</i> ", of the notice concerning the operation	09/21/2017
5	Publication of the extract of the prospectus in a news paper carrying legal notice	09/22/2017
6	Opening of the subscription period	09/28/2017
7	Possible early closing of the subscription period	09/29/2017 Before 12 o'clock
8	Receipt of the results of the transaction by the Casablanca Stock Exchange before 12:00, in the case of an early closing	10/02/2017
9	End of the subscription period	10/02/2017
10	Receipt by the Casablanca Stock Exchange of the operation results and the selected nominal interest rate before 12am.	10/04/2017
11	Publication of the selected nominal interest rate in a legal newspaper	10/06/2017
12	Listing of the bonds Recording of the operation in the Stock Exchange Announcement of the results of the operation in the " <i>Bulletin de la Cote</i> " of Casablanca Stock Exchange	10/06/2017
13	Settlement	10/11/2017
14	Publication of the results of the operation in a newspaper carrying legal notices	10/11/2017

I.6. Bodies in charge of the bond issuance and financial intermediaries

Types d'intermédiaires financiers	Nom	Adresse
Financial Advisor and Global Coordinator	Crédit Agricole du Maroc	Place des Alaouites – BP 49 – 10 000 Rabat
Co-Financial Advisors	Atlas Capital Finance	88, Rue El Marrakchi - Quartier Hippodrome – 20100 Casablanca
	Capital Trust Finance	50, Bd. Rachidi – Casablanca
	Valoris Corporate Finance	355 Route d'El Jadida – Casablanca
Lead underwriting agent and centralizer of subscription orders	Valoris Securities	Av. des FAR, Complexe des Habous 5 ^{ème} étage Tour B – Casablanca
Co-lead underwriting agents	Atlas Capital Bourse	88, Rue El Marrakchi - Quartier Hippodrome – 20100 Casablanca
	Capital Trust securities	50, Bd. Rachidi – Casablanca
Underwriting agent	Crédit Agricole du Maroc (CAM)	1 Place Bandong – Casablanca
Body handling the financial service of the issuer, with responsibility for registering the operation with the Stock Exchange	M.S.IN.	Imm. Zénith, Rés. Tawfiq, Sidi Maârouf – Casablanca

II. PRESENTATION OF CREDIT AGRICOLE DU MAROC

II.1. General Information

Corporate Name	Crédit Agricole du Maroc.
Head office	Place des Alaouites –BP 49 – 10 000 RABAT.
Telephone / fax	Phone : 0537 20 82 19 à 26 Fax : 0537 70 78 32
Internet website	www.creditagricole.ma
Legal form	Public Limited company with a Board of Directors and a Supervisory Board.
Date of incorporation	04/12/1961.
Date of transformation into LLC	18 December 2003, following the publication of dahir n°1-03-221 of 16 Ramadan 1424 on Law 15-99 reforming the Crédit Agricole
Lifetime of the company	99 years.
Commercial register	R.C. Rabat 58873.
Financial year	From January 1 st to December 31 st ..
Company purpose	<p>Crédit Agricole du Maroc main mission is the funding of the agriculture and the activities around economic and social development of the rural world with the objectives of:</p> <ul style="list-style-type: none"> • Facilitate the access of the farmers to modern and profitable forms of exploitation; • Mobilize the national savings to the benefit of rural development; • Develop the access to banking systems of farmers and rural people through the offer of appropriate financial services; • Support the creation of farming structures by improving their accessibility to credit; • Promoting advice and expertise to farmers to increase their production ; • Valuing agricultural production through agro-industrial integration and marketing; • Supporting the social economy of production and services on the rural economy. <p>It can also be assigned by the public authorities of any mission of national or regional interest relating to agriculture and rural development.</p> <p>2) Public service mission: The <i>Crédit Agricole du Maroc</i> guarantees, on behalf of the State and in accordance with the government's decisions, the public service duties through the implementation of conventions referred to in article 4 of law 15-99. To this end, the company may sign conventions with the State for the execution of transactions initiated by it, in terms of rural economy funding, specific support or agricultural activities. These conventions will define the sectors, the beneficiaries, the conditions, the modalities as well as the resources and may relate for example to the following operations:</p> <ul style="list-style-type: none"> • The funding of subsidies of small and medium farmers; these subsidies may be extended to the large farmers in regulatory established cases • The required subsidies for debts rescheduling granted to farmers when justified by specific circumstances; • Any operation, aid, premium or subsidy of which the interest rates decided by the State. <p>3) Universal banking transactions : The bank may carry out, in its usual course of activities, any operation likely to be carried out by banks in accordance with the dispositions of Dahir providing law n° 1-93-147 of 15 Moharrem 1414 (6 July 1993), relating to the credit institutions' activities and their monitoring and these articles of association.</p>

	<p>4) Other operations :</p> <p>The bank may, in general, perform any banking, financial, commercial, industrial, securities and real estate operation that may be directly or indirectly related to its object and likely to facilitate the development there of.</p>
Applicable legislation to the company	<p>Through its legal form, the CAM is a Limited Liability Company with a Board of Directors and a Supervisory of Board, regulated by dispositions of law 17/95 on Limited Liability Companies as amended and supplemented by Law 20/05 of 23 May 2008 and 78/12 Act of January 21, 2016 on Public Limited companies.</p> <p>Through its activities, the CAM is governed by:</p> <ul style="list-style-type: none"> • Law 15-99 reforming the Crédit Agricole ; • Dahir n°1-14-193 of 24 December 2014, promulgating law 103-12 relating to loan institutions and similar institutions; <p>By the object of this operation Circular, the CAM is governed by:</p> <ul style="list-style-type: none"> • The Dahir No. 1-93-212 of September, 21st 1993 as amended and supplemented by Act No. 23-01, 36-05 and 44-06; • The General Regulations of the AMMC. • The Dahir No. 1-96-246 of 9 January 1997, enacting Law No. 35-96 on the creation of a central depository and the institution of a general registration regime account of certain values (as amended by Act No. 43-02) • The general regulations of the central depository approved by Order of the Minister of Economy and Finance No. 932-98 of April, 16th 1998 and amended by the Decree of the Minister of Economy, Finance, Privatization and Tourism No. 1961-01 of October,30th 2001, and the decree N° 77/05 published on the official bulletin N°5300 of march 17, 2005; • The Dahir No. 1-93-211 of September,21st 1993 on the Casablanca Stock Exchange, as amended and supplemented by Laws 34-96, 29-00, 52-01, 45-06 and 43-09 and by order No. 1268-08 of July,7th 2008; • The General Regulations of the Casablanca Stock Exchange approved by Order of the Minister of Economy, Finance, Privatization No 1268-1208 of July,7th 2008 amended and supplemented by the decree of the Minister of Economy and Finance No. 30-14 of January,6th 2014 and n°1955-16 of July 04, 2016 • Circular of AMMC. <p>From its deposit certificates issuance program:</p> <ul style="list-style-type: none"> • The 35-94 law on certain negotiable debt securities as amended and supplemented by Law 33-06; • The Order of the Minister of Finance and Foreign Investments No. 2560-95 of October,9th 1995 on certain marketable securities as amended by Decrees 692-00, 1311-01 and 2232-02;
Share capital as of 06/30/2017	4,227,676,500 MAD comprising 42,276,765 shares at nominal value 100 MAD
Legal documents	The legal documents of the company, among which the articles of association, the minutes of the general meetings and the auditors reports may be consulted at the head office of the <i>Credit Agricole du Maroc</i> .
Tax Regime	<i>Credit Agricole du Maroc</i> is subject, as a credit institution, to the corporate tax (37%) and to the VAT (10%).
Competent Court in the event of dispute	Rabat Commercial Court

II.2. Information on the capital of CAM

On August 31th, 2017, CAM's capital is divided as follow :

Shareholders	August 31 th 2017		
	Number of shares held	% of shares held	% right to vote
Moroccan State	31 780 465	75,2%	75,2%
MAMDA	3 134 311	7,4%	7,4%
MCMA	3 134 311	7,4%	7,4%
CDG	4 227 678	10%	10%
Total	42 276 765	100%	100%

Source : CAM

II.3. Structure of CAM equity holdings

The portfolio of equity holdings held by CAM as of 6/30/2017, amounted a total of 35 companies for a net asset value of 516 million dirhams (corresponds to the book value on the balance sheet of CAM).

Company	Activity	Share capital as of 06/30/2017 (MAD 000)	% held by CAM
AGRICULTURE		580 238	
SONACOS	Agro-Industrie	160 000	0,98%
COMAPRA	Agro-Industrie	66 800	0,01%
SNDE	Agriculture	40 965	0,24%
SOGETA	Agriculture	300	0,00%
SUNABEL	Agriculture	190 173	0,38%
Société Laitière Centrale du Nord	Agro-Industrie	50 000	0,39%
FRUMAT	Agro-Industrie	-	0,00%
AGRO-CONCEPT	Service	1 000	32,99%
HALIOPOLIS	Agriculture	71 000	20,00%
BANKS AND FINANCIAL INSTITUTION		7 986 108	
HOLDAGRO	Corporate & Investment Banking	36 376	99,66%
TAMWIL ALFELLAH	finance company	125 000	100,00%
DAR ADDAMANE	Bank	75 000	0,73%
AGRAM INVEST	Investment found	40 060	22,18%
IGRANE	Investment found	54 600	15,87%
Régional Gestion	Asset management	1 000	18,00%
Fond d'investissement de l'oriental	Investment found	150 000	7,17%
FIROGEST	Asset management	2 000	12,50%
TARGA	Investment found	7 500	100,00%
FINEA	Market pledging	120 000	0,28%
SMAEX	Insurance	37 450	0,48%
ASSALAF AL AKHDAR	Consumer credit	50 000	100,00%
CAM GESTION	Asset management	11 600	100,00%
MSIN	Asset management	10 000	80,00%
SGFG	Asset management	58 800	5,88%
AFREXIMBANK	Bank	6 432 900	0,12%
ALTERMED MAGRHEB	Investment found	283 057	11,88%
Bourse de Casablanca	stock exchange	290 764	4,00%
AL AKHDAR BANK	Bank	200 000	0,51
INTERBRANCH			
INTERBANK	Service	11 500	18,00%
MAROCLEAR	Service	20 000	1,80%
SWIFT	Service	0	0,00%
CENTRE MONETIQUE INTERBANCAIRE	Service	98 200	10,18%
OTHERS			
SONADAC	Landscaping	358 245	4,62%
GCAMDOC	Archiving	10 000	100,00%
CASA PATRIMOINE	Service	31 000	16,13%

II.4. Activity of CAM

II.4.1. Evolution of deposit

The structure of the customer deposits of CAM has evolved as follows: (corporate accounts basis)

MDH	2014	2015	Δ%	2016	Δ%	june-17 (P)	Δ%
Due to banks and similar institutions (1)	7 477	8 053	7,71%	6 429	-20,17%	5 907	-8,12%
In % of the final balance	9,01%	9,24%		7,24%		6,64%	
Sight debts to banks and similar	133	382	>100%	388	1,61%	1 381	>100%
Term debts to banks and similar	7 344	7 671	4,46%	6 041	-21,25%	4 526	-25,08%
Customer Deposits (2)	61 194	64 085	4,72%	66 342	3,52%	63 179	-4,77%
In % of the final balance	73,72%	73,55%		74,66%		71,03%	
Accounts payable	25 716	29 347	14,12%	32 406	10,42%	32 768	1,12%
Saving accounts	9 096	9 885	8,67%	10 762	8,87%	10 916	1,43%
Term deposits	24 510	23 467	-4,25%	21 406	-8,78%	18 185	-15,05%
Other accounts payable	1 871	1 386	-25,93%	1 769	27,61%	1 310	-25,92%
Total resources (1) + (2)	68 671	72 139	5,05%	72 771	0,88%	69 086	-5,06%

Source : CAM

II.4.2. Evolution of loans

The structure of the loans of CAM has evolved as follows: (corporate accounts basis)

MDH	2014	2015	Δ%	2016	Δ%	june-17 (P)	Δ%
Debts due from financial institutions and similar (1)	1 123	2 123	89,05%	510	-75,99%	352	-30,99%
In % of the final balance	1,35%	2,44%		0,57%		0,40%	
Sight debts with financial institutions and similar	116	165	42,57%	493	>100%	334	-32,17%
Term deposits with financial institutions and similar	1 008	1 958	94,21%	17	-99,13%	18	3,53%
Amounts due from customers (2)	60 586	62 533	3,21%	65 503	4,75%	64 331	-1,79%
In % of the final balance	72,99%	71,77%		73,72%		72,33%	
Cash and consumer loans	22 614	22 896	1,25%	23 949	4,60%	24 180	0,96%
Investment loans	16 878	17 337	2,72%	18 394	6,10%	18 677	1,54%
Real estate loans	16 081	15 810	-1,69%	15 197	-3,88%	15 901	4,64%
Other loans	5 012	6 490	29,49%	7 963	22,70%	5 573	-30,02%
Total loans (1) + (2)	61 709	64 656	4,78%	66 013	2,10%	64 683	-2,02%

Source : CAM

WARNING

The financial statement on a corporate accounts basis and the consolidated financial statements for the six months ended June 30, 2017, are presented by CAM management and have not yet been subject to a limited review by the auditors.

III. FINANCIAL STATEMENT ON A CORPORATE ACCOUNTS BASIS

III.1. Income statement

In thousand MAD	2014	2015	Δ%	2016	Δ%	june-16	june-17 (P)	Δ%
Interest and similar revenues on transactions with credit loans institutions	27 931	20 282	-27,38%	9 999	-50,70%	6 912	2 166	-68,66%
Interests and similar revenues on transactions with customers	4 024 898	4 189 082	4,08%	3 809 978	-9,05%	1 760 035	1 981 854	12,60%
Similar interest and revenues on issued loan securities	257 593	274 076	6,40%	206 411	-24,69%	134 723	21 930	-83,72%
Revenues on assets lease and tenancy	17 274	9 873	-42,85%	23 407	>100%	21 642	30 025	38,74%
Commissions on services provision	328 486	350 306	6,64%	379 922	8,45%	192 720	203 914	5,81%
Other banking revenues	350 151	246 661	-29,56%	902 006	>100%	486 667	489 692	0,62%
OPERATING BANKING INCOME	5 006 333	5 090 281	1,68%	5 331 723	4,74%	2 602 700	2 729 581	4,87%
Interest and similar costs on transactions with credit loans	302 388	259 772	-14,09%	235 669	-9,28%	115 075	125 587	9,14%
Interests and costs on transactions with customers	1 236 975	1 360 035	9,95%	1 168 081	-14,11%	584 366	422 547	-27,69%
Interest and similar costs on issued loan securities	228 791	215 933	-5,62%	187 882	-12,99%	86 590	108 975	25,85%
Other banking costs	278 091	188 369	-32,26%	290 330	54,13%	109 058	361 135	>100%
BANK OPERATING COSTS	2 046 245	2 024 109	-1,08%	1 881 963	-7,02%	895 089	1 018 244	13,76%
NET BANKING INCOME	2 960 088	3 066 172	3,58%	3 449 760	12,51%	1 707 611	1 711 337	0,22%
Non-banking operating income	574	227 051	>100%	4 481	-98,03%	111	864	>100%
Non-banking operating costs	41 000	52 253	27,45%	74 408	42,40%	47 212	17 246	-63,47%
Staff costs	919 646	975 631	6,09%	1 027 733	5,34%	483 798	491 549	1,60%
Taxes and duties	30 683	30 616	-0,22%	31 043	1,39%	13 669	13 913	1,78%
External costs	362 973	389 868	7,41%	428 213	9,84%	217 098	233 177	7,41%
Other general operating costs	45 302	51 138	12,88%	45 712	-10,61%	21 500	22 422	4,29%
Allocations to depreciations and provisions of tangible and intangible assets	172 020	176 844	2,80%	177 846	0,57%	94 574	94 001	-0,61%
GENERAL OPERATING COSTS	1 530 624	1 624 096	6,11%	1 710 547	5,32%	830 639	855 061	2,94%
Allocations to provisions on debts and pending commitments by signature	984 764	1 089 607	10,65%	1 276 667	17,17%	763 310	470 030	-38,42%
Losses on bad debts	474 312	275 846	-41,84%	1 149 305	>100%	413 745	421 131	1,79%
Other allocations to bad debts	125 073	450 400	>100%	121 000	-73,14%	39 156	102 217	>100%
ALLOCATIONS TO PROVISIONS AND LOSSES ON BAD DEBTS	1 584 149	1 815 853	14,63%	2 546 971	40,26%	1 216 212	993 377	-18,32%
Provisions write-off for debts and pending commitments by signature	807 846	496 610	-38,53%	1 106 827	>100%	333 236	416 454	24,97%
Reversals of depreciated loans	57 740	73 695	27,63%	31 972	-56,62%	16 418	50 605	>100%
Other provisions write-off	114 091	189 247	65,87%	360 224	90,35%	358 268	48 748	-86,39%
PROVISIONS WRITE-OFF AND REVERSAL OF DEPRECIATED LOANS	979 677	759 551	-22,47%	1 499 023	97,36%	707 922	515 806	-27,14%
CURRENT PROFITS	784 566	560 572	-28,55%	621 338	10,84%	321 582	362 322	12,67%
Non-current income	18 567	19 923	7,30%	24 305	22,00%	11 401	15 342	34,57%
Non-current costs	183 283	163 928	-10,56%	166 302	1,45%	53 299	73 902	38,66%
PRE-TAX PROFIT	619 850	416 568	-32,80%	479 342	15,07%	279 684	303 763	8,61%
Profit tax	189 500	80 380	-57,58%	171 321	>100%	97 742	107 422	9,90%
NET PROFIT OF THE YEAR	430 350	336 188	-21,88%	308 021	-8,38%	181 941	196 341	7,91%

Source : CAM

III.2. Balance sheet

ASSETS (In thousand MAD)	2014	2015	Δ%	2016	Δ%	juin-17 (P)	Δ%
Central bank, Public Treasury, services of postal checks	1 914 156	2 355 323	23,05%	2 013 090	-14,53%	2 080 437	3,35%
Loans due on credit and similar institutions	1 123 228	2 123 017	89,01%	509 632	-75,99%	351 719	-30,99%
. Current	115 619	165 380	43,04%	492 694	>100%	334 183	-32,17%
. Long term	1 007 609	1 957 637	94,29%	16 938	-99,13%	17 536	3,53%
Customer debts	60 585 976	62 532 632	3,21%	65 503 226	4,75%	64 330 865	-1,79%
. Cash and consumer loans	22 614 266	22 895 889	1,25%	23 949 464	4,60%	24 180 450	0,96%
. Equipment loans	16 878 287	17 336 598	2,72%	18 393 711	6,10%	18 676 692	1,54%
. Mortgage loans	16 081 121	15 810 017	-1,69%	15 196 640	-3,88%	15 901 028	4,64%
. Other loans	5 012 302	6 490 127	29,48%	7 963 411	22,70%	5 572 695	-30,02%
Transaction and investment securities	7 636 735	7 013 526	-8,16%	12 976 826	85,03%	13 926 849	7,32%
. Treasury bills and similar securities	196 904	1 170 013	>100%	1 008 955	-13,77%	3 590 650	>100%
. Other loan securities	101 385	202 444	99,68%	314 185	55,20%	673 928	>100%
. Equities	7 338 447	5 641 068	-23,13%	11 653 686	>100%	9 662 270	-17,09%
Other assets	2 353 919	3 944 192	67,56%	3 338 867	-15,35%	3 659 418	9,60%
Investment securities	6 378 980	6 322 573	-0,88%	-	-100,00%	-	-
. Treasury bills and similar securities	6 378 980	6 322 573	-0,88%	-	-100,00%	-	-
. Other loan securities	-	-	-	-	-	-	-
Equity securities and similar uses	357 943	375 957	5,03%	414 924	10,36%	516 250	24,42%
Subordinated debts	1 400	1 400	-	1 400	-	1 400	-
Assets under lease and tenancy	-	-	-	-	-	-	-
Intangible assets	387 012	373 214	-3,57%	366 659	-1,76%	366 163	-0,14%
Tangible assets	2 270 715	2 089 340	-7,99%	3 730 043	78,53%	3 711 122	-0,51%
TOTAL ASSETS	83 010 063	87 131 174	4,96%	88 854 665	1,98%	88 944 222	0,10%

LIABILITIES (In thousand MAD)	2014	2015	Δ%	2016	Δ%	juin-17 (P)	Δ%
Central bank, Public Treasury, services of postal checks	-	-	-	-	-	-	-
Loans due on credit and similar institutions	7 477 039	8 053 452	7,71%	6 429 106	-20,17%	5 907 127	-8,12%
. Current	132 872	381 993	>100%	388 154	1,61%	1 380 979	>100%
. Long term	7 344 166	7 671 459	4,46%	6 040 953	-21,25%	4 526 148	-25,08%
Customer debts	61 193 799	64 085 301	4,73%	66 342 161	3,52%	63 178 642	-4,77%
. Cash and consumer loans	25 716 189	29 347 113	14,12%	32 405 879	10,42%	32 768 349	1,12%
. Equipment loans	9 096 226	9 885 022	8,67%	10 761 961	8,87%	10 915 560	1,43%
. Mortgage loans	24 510 287	23 467 271	-4,26%	21 405 803	-8,78%	18 184 682	-15,05%
. Other loans	1 871 097	1 385 895	-25,93%	1 768 518	27,61%	1 310 051	-25,92%
Transaction and investment securities	6 041 511	5 349 675	-11,45%	6 076 374	13,58%	7 451 931	22,64%
. Treasury bills and similar securities	6 041 511	5 349 675	-11,45%	6 076 374	13,58%	7 451 931	22,64%
. Other loan securities	-	-	-	-	-	-	-
. Equities	-	-	-	-	-	-	-
Other liabilities	971 188	1 075 917	10,78%	1 188 619	10,47%	3 375 732	>100%
Reserves for risks and costs	656 774	912 384	38,92%	635 677	-30,33%	672 014	5,72%
Regulated reserves	-	-	-	-	-	-	-
Subsidies, restricted public funds and special funds of guarantee	7 157	7 157	-	7 157	-	7 157	-
Subordinated debts	924 079	1 526 221	65,16%	1 830 531	19,94%	1 870 238	2,17%
Revaluation differences	409 428	-	-	-	-	-	-
Reserves and capital related premiums	1 443 120	1 455 506	0,86%	1 809 343	24,31%	2 057 364	13,71%
Capital	3 818 248	4 227 677	10,72%	4 227 677	-	4 227 677	-
Shareholders, unpaid capital (-)	-180 000	-	-	-	-	-	-
Opening balance (+/-)	-588 192	101 696	-	-	-100,00%	-	-
Net income pending allocation (+/-)	405 562	-	-	-	-	-	-
Net income of the year(+/-)	430 350	336 188	-21,88%	308 021	-8,38%	196 341	-36,26%
TOTAL LIABILITIES	83 010 063	87 131 174	4,96%	88 854 665	1,98%	88 944 222	0,10%

Source : CAM

IV. CONSOLIDATED FINANCIAL STATEMENTS

IV.1. Consolidation perimeter

Consolidation's perimeter as of June 30, 2017

Title	Sector	% of control	% of interest	Consolidation method
CREDIT AGRICOLE DU MAROC	Banking	100,00%	100,00%	Mère
HOLDAGRO	Agricultural industry	99,66%	99,66%	IG
TAMWIL ALFELLAH	Agriculture	100%	100%	IG
TARGA	Investment fund	100%	100%	IG
ASSALAF ALAKHDAR	Consumer credit	100%	100%	IG
CAM GESTION	Brokerage company	100%	100%	IG
ARDI	Banking	100%	-	IG
M.S.IN	Asset management	80%	80%	IG
MAROGEST	Asset management	80%	80%	IG

IV.2. Consolidated income statement

(In thousand MAD)	2 014	2 015	Δ%	2 016	Δ%	juin-16	june-17 (P)	Δ%
Interest and similar income	4 409 698	4 626 008	4,91%	4 195 183	-9,31%	1 983 325	2 094 596	5,61%
Interests and similar costs	1 777 551	1 865 835	4,97%	1 624 832	-12,92%	802 978	672 743	-16,22%
INTEREST MARGIN	2 632 147	2 760 173	4,86%	2 570 351	-6,88%	1 180 346	1 421 853	20,46%
Commissions receivables	337 068	364 672	8,19%	415 089	13,83%	203 959	232 882	14,18%
Commissions payments	85	910	>100%	13 121	>100%	1414	4 480	>100%
COMMISSIONS MARGIN	336 983	363 762	7,95%	401 968	10,50%	202 545	228 402	12,77%
Net gains and losses on financial instruments at the fair value through profit or loss	34 369	47 447	38,05%	62 657	32,06%	24 109	36 209	50,19%
Net gains or losses on financial assets held for sale	244 263	144 498	-40,84%	803 801	>100%	466 743	175 180	-62,47%
RESULT OF TRADING ACTIVITIES	209 894	191 946	-8,55%	866 458	>100%	490 852	211 389	-56,93%
Income of other activities	39 830	39 302	-1,33%	22 482	-42,80%	1 188	40 708	>100%
Costs of other activities	167 761	123 782	-26,22%	166 817	34,77%	63 517	86 283	35,84%
NET BANKING INCOME	3 051 093	3 231 401	5,91%	3 694 442	14,33%	1 811 415	1 816 068	0,26%
General operating costs	1 449 370	1 551 423	7,04%	1 649 657	6,33%	792 364	818 785	3,33%
Allocation to amortizations and depreciations of tangible and intangible	257 244	257 803	0,22%	288 550	11,93%	166 235	145 877	-12,25%
GROSS OPERATING INCOME	1 344 479	1 422 176	5,78%	1 756 234	23,49%	852 816	851 407	-0,17%
Risk cost	553 081	621 280	12,33%	903 410	45,41%	406 545	270 872	-33,37%
OPERATING INCOME	791 399	800 896	1,20%	852 614	6,46%	446 272	580 535	30,09%
Income share of equity-consolidated companies	265	7 933	>100%		-100, %			
Net gains or losses on other assets	86 255	2 277	-97,36%	57 455	>100%	31 058	39 312	26,58%
Change in goodwill of purchase value				227				
PRE-TAX INCOME	705 408	790 687	12,09%	795 143	0,56%	477 329	541 222	13,39%
Income Taxes	183 778	244 118	32,83%	253 137	3,69%	134 318	183 170	36,37%
NET INCOME	521 630	546 569	4,78%	542 006	-0,83%	343 012	358 052	4,38%
External Income	8 614	6 010	-30,23%	16 799	>100%	16 262	10 293	-36,70%
NET GROUP INCOME SHARE	513 016	540 559	5,37%	525 206	-2,84%	326 749	347 758	6,43%
Earnings per share (In MAD)	13	13	-1,64%	12	-4,44%	8,11	8,23	
Diluted earnings per share (In MAD)								

Source : CAM

IV.3. Consolidated balance sheet

ASSETS (In thousand MAD)	2 014	2 015	Δ%	2 016	Δ%	June-17 (P)	Δ%
Central banks, Public Treasury, services of postal checks	1 914 829	2 356 670	23,07%	2 015 655	-14,47%	2 083 843	3,38%
Financial assets at fair value through profit or loss	19 441	25 163	29,43%	7 183 537	>100%	6 522 155	-9,21%
Hedging derivatives							
Financial assets held for sale	7 724 959	7 138 551	-7,59%	5 988 478	-16,11%	7 710 839	28,76%
Loans and receivables to credit and similar institutions	1 131 828	2 137 242	88,83%	629 030	-70,57%	289 515	-53,97%
Customer loans and receivables	61 557 837	63 920 009	3,84%	67 379 907	5,41%	66 451 976	-1,38%
Fair value revaluation of interest hedged portfolios							
Investments held until their maturity date	6 433 002	6 359 088	-1,15%		-100,00%		
Current tax assets	41 781	191 355	>100+%	84 108	-56,05%	98 721	17,37%
Deferred tax assets	135 053	182 133	34,86%	221 425	21,57%	228 235	3,08%
Accruals and deferred income and other assets	1 111 194	1 362 032	22,57%	1 427 178	4,78%	1 126 606	-21,06%
Non-current assets held for transfer							
Investments in equity-consolidated companies	13 207						
Property investments	1 098 249	2 297 969	>100%	1 920 197	-16,44%	2 363 109	23,07%
Tangible assets	2 903 398	2 971 062	2,33%	4 043 909	36,11%	4 018 139	-0,64%
Intangible assets	91 380	81 191	-11,15%	75 903	-6,51%	76 227	0,43%
Change in goodwill of purchase value	302 522	305 135	0,86%	306 908	0,58%	306 908	
TOTAL ASSETS IFRS	84 478 680	89 327 599	5,74%	91 276 236	2,18%	91 276 273	0,00004%

LIABILITIES (In thousand MAD)	2 014	2 015	Δ%	2 016	Δ%	June-17 (P)	Δ%
Central banks, Public Treasury, services of postal checks							
Financial liabilities at fair value through profit or loss	130 006	25 548	-80,35%	11 351	-55,57%	3 711	-67,30%
Hedging derivatives							
Loans and receivables to credit and similar institutions	8 429 219	9 366 275	11,12%	7 299 945	-22,06%	6 761 312	-7,38%
Customer loans and receivables	61 179 716	64 084 707	4,75%	66 273 923	3,42%	63 154 871	-4,71%
Debt securities	6 041 511	5 349 675	-11,45%	6 076 374	13,58%		-100%
Issued loan securities	6 041 511	5 349 675	-11,45%	6 076 374	13,58%	7 451 931	22,64%
The fair value revaluation of interest hedged liability portfolios							
Current tax liabilities	198 546	354	-99,82%	178 764	>100%	108 005	-39,58%
Deferred tax liabilities	504 624	696 840	38,09%	802 016	15,09%	883 249	10,13%
Accruals and deferred income and other liabilities	597 694	1195642	>100%	1 301 982	8,89%	3 290 149	>100%
Liabilities association to non-current assets held for sale							
Technical provisions of insurance agreements							
Provisions for risks and costs	312 705	359 778	15,05%	313 841	-12,77%	327 379	4,31%
Subsidies, restricted public funds and special funds of guarantee	15 488	47 593	>100%	45 532	-4,33%	44 530	-2,20%
Subordinated debts	995 703	1 628 989	63,60%	1 933 299	18,68%	1 972 951	2,05%
Capital and associated reserves	5 479 816	5 675 853	3,58%	6 019 265	6,05%	6 267 286	4,12%
Consolidated reserves	51 101	335 913	>100%	486 677	44,88%	650 087	33,58%
- Group share	-22 049	253 751	NS	397 138	56,51%	544 479	37,10%
- Minority share	73 151	82 162	12,32%	89 539	8,98%	105 608	17,95%
Latent or deferred gains or losses, on group share	20 920	13 865	-33,73%	-8 739	<-100%	2 760	NA
Net Income	521 630	546 569	4,78%	542 006	-0,83%	358 051	-33,94%
- Group share	513 016	540 559	5,37%	525 206	-2,84%	347 758	-33,79%
- Minority share	8 614	6 010	-30,23%	16 799	>100%	10 293	-38,73%
TOTAL LIABILITIES IFRS	84 478 680	89 327 599	5,74%	91 276 236	2,18%	91 276 273	0,00004%

Source : CAM

V. RISK FACTORS

A. Credit Risk

Credit risk is the risk of inherent loss in the default of a borrower in relation to the repayment of its debts.

General policy on credit risk

The general policy on credit risk, put into place at the group level after validation by administrative bodies, defines the set of rules of conduct governing the processes of taking, managing, monitoring and controlling credit risk. It makes it possible to set up a secure intervention framework allowing the controlled development of the bank's activities in compliance with several principles:

- Respect of strategic orientations in terms of sector positioning and public service mission:
 - ✓ Maintaining the leading role in the agricultural sector;
 - ✓ Granting an important role in financing small-scale agriculture;
 - ✓ Balanced financing of the various components of the agricultural value chain (upstream agriculture, pure agriculture, downstream agriculture);
 - ✓ Establishment of balanced territorial strategies through the financing of agriculture in all the regions in Morocco.
- Respect for the fundamental management principles and credit risk monitoring:
 - ✓ Securing upstream credit activities through a rigorous selection of clients and projects to be financed;
 - ✓ Risk diversification;
 - ✓ Notation of counterparties;
 - ✓ Collegiality of the decision resulting in the establishment of committees at all levels of the sector;
 - ✓ Separation between the production and assessment functions and that of risk control;
 - ✓ Periodic monitoring of the commitment portfolio;
 - ✓ Early detection of quality degradation risks of counterparties;
 - ✓ Response time in the follow-up of clients in difficulty and in the recovery of outstanding debts;
 - ✓ Sharing responsibilities for the control, measurement and supervision of credit risk between operational entities, the credit risk sector, internal control and governance.

The implementation of the general credit risk policy is based on:

- An organizational, governance and structured control system;
- A management strategy of the risks adapted to the specificities of the bank;
- A monitoring, assessment and controlled measurement strategy;
- Clearly defined internal rules and procedures;

Credit risk strategy

The Group's strategy for credit risk now enables it to move from a corrective approach to a preventive risk approach through a proactive and dynamic management system based on:

- A strategy of sector, customer and geographic diversification, enabling it to diversify risks and systematically leading to mitigation of concentration risk;
- A system of internal limits and delegations determining the initiative margin available to the bodies and the operational units within the general objectives of the credit policy;
- An award process based on a good selection of borrowers;
- Appropriate pricing and taking into account guarantees for any commitment enabling enhanced transaction security for the bank;
- A continuous and close monitoring process of commitments through monitoring and warning indicators so that adverse developments can be detected quickly so that appropriate measures can be adopted;
- A collection process reducing the impact of the cost of the risk and improving profitability;

The bank's risk strategy is also based on an overall credit risk control and supervision system, which is the essential complement to good management in order to better understand the performance of the loan portfolio and that of the credit risk management policy.

Decision process

All credit applications are submitted to the appropriate division for decision-making based on a delegation diagram based on the following principles:

- Segregation of tasks between business entities and those responsible for risk assessment to ensure the quality of risk assessment and objectivity in decision-making.
- Collegiality of decisions through the accountability of committees of different skill levels Management of skills is done through a delegated scheme.
- Risk prevention through the analysis by several stakeholders of the credit application file.
- Initial analysis of the files by the business entities initiating the applications and then a second risk analysis made by the risk entities at the level of the GGR according to the risk incurred.

This system of delegation designating the levels of authority is expressed according to several parameters (total owed by the individual client / group, nature of the application, type of credit, customer typology, type of point of sale, sector of activity, etc.) and ensures that the largest or riskiest commitments are handled at the highest level, ensuring appropriate involvement of management in the taking of credit risk.

Measurement, evaluation and monitoring of risks

The CAM has set up risk analysis and measurement systems adapted to the nature and volume of operations, enabling it to understand the various types of risks to which these operations expose them.

The monitoring of the risk management system is based on:

- Monitoring the portfolio commitments: assessing the quality of the bank's commitments and its development (by customer or client group, nature of credit, sector of activity, and by risk class, etc.);
- Monitoring credit production quality: measuring the quality of the bank's approval process and its development by using several lines of action (by type of approvals committee, network, type of credit, geographical area, economic sector, risk class, etc.);
- Monitoring portfolio concentration risk: individual (customer or interest group), sectoral or geographical, etc.
- Monitoring portfolio quality (rate or number of delinquency, sensitive debts, outstanding debts, etc.)

The consolidated and cross-border monitoring of commitments is managed by the Credit Risk Management Division, which performs the necessary analyses and makes the elements for assessing and monitoring the commitment portfolio available to the bank's decision-making bodies.

Stress test simulation

Stress test simulations, an essential risk management practice, aim to quantify the potential impact of shocks on the credit portfolio and assess the bank's ability to withstand same.

Given the risk policy, the bank performs two types of crisis test simulations:

- A crisis test simulation to assess credit portfolio vulnerability in the event of economic downturn or deterioration in the quality of counterparties.
- A crisis test simulation for the major forms of credit concentration risk with an analysis of their impacts on earnings and equity.

The results of these stress test simulations are analysed to identify the risks of possible changes in market conditions and economic conditions which could have a negative impact on equity and earnings and to assess the ability to cope with such situations. Several types of measurements may be taken by the bank after analysing the results particularly:

- Adjusting internal limits;
- Reducing sector exposure or certain counterparties;
- Allocating additional internal equity.

Collection mechanism

Collection is of crucial importance in corrective credit risk management insofar as it enables the Bank to recover its receivables from the defaulting counterparties and thus reduce the impact on risk costs.

The collection mechanism is based on the following principles:

- Focus on resolving legal proceedings amicably;
- Promote cost recovery;
- Involve the sales representatives in the preventive risk management and in the collection of receivables as soon as the counterparty shows the first signs of being in difficulty;
- First accountability of the sales point on its commitment portfolio on the entire credit chain.
- Focus on large claims and automate the collection process for retail banking, particularly for claims requiring mass processing.

The collection process is standardized by internal notes and procedures that define the terms and conditions and the monitoring and control structures.

B. Market Risk

Market risk is the risk that changes in market risk factors, such as exchange rates, interest rates, share prices, UCITS and commodity prices, may weigh on the GCAM's revenues or reduce the value of its portfolios.

The purpose of market risk management at the GCAM is to manage and control market risk exposure to optimise the risk/return phenomenon while conserving a consistent market profile in line with Bank's status as a first class financial institution in agricultural and rural financing.

Matching is the basic concept used in the processing of transactions at the trading floor level to protect against risk and ensure a consolidation of the bank's balance sheet.

Market risk strategy

The market risk management strategy is integrated into the GCAM general risk policy, which in turn forms part of a prudent and rigorous supervision management policy. The general market risk policy is approved by the Management Board and the Supervisory Board.

Market risk management is based on the following principles:

- Securing the development of market activities;
- Compliance with BAM regulations in the area of prudential risk management and procedures, circulars and internal notes;
- Increased monitoring of the trading strategy;
- Setting limits (clients, bank, securities portfolio, intraday transactions for its own account, etc.) ;
- The definition of roles and accountability in the area of identification, measurement, supervision and control of market risk;
- The adoption of the best practices for a market risk management plan for all sub-funds.

These guiding principles have been translated by the introduction of a market risk policy and are defined by a well-organized mechanism.

Policies and procedures

Market activities are driven by a comprehensive governance, security, risk management and limits management system. This is based on It is based on a standardized documentary repository, an efficient information system and regular reporting.

This policy is broken down through circulars and arrangements governing market activities, in particular:

- Procedures for all market activity operations;
- An operational limiting mechanism;
- Monitoring and reporting tools;
- Information on risk measurement methodologies and validation of valuation models.

It is in this sense that the governing bodies are embodied by competent committees, namely:

- The BFI committee is responsible mainly for validating the Bank's money market, interbank and private debt market financing strategy, as well as the investment strategy for all financial instruments. It is also responsible for ruling on the principal risks associated with the different completed transactions and on any strategic choice associated with BFI activities.
- the Limits Clients Change Committee, empowered to decide on the access of customers to the Marketplace, the limits granted to each customer and the type of transaction to be processed (spot, term, domiciled transactions, non-domiciled transactions);
- The treasury committee and ALM which meets the need for optimal short-term cash management and, more generally, for the Bank's financial risk management.

Market risk monitoring and management system

In order to supervise and monitor the risks on the various market activities, the Crédit Agricole Group in Morocco has a system organised around the following points:

- A delegation of powers system defining the application, limit validation and overdraft approval process;
- Compliance with the operational and organisational separation of tasks and front, middle and back office divisions;
- A set of market risk monitoring and management tools;
- Enhancing the internal control system using ongoing control tools;
- Enhancing the allocation and authorisation control system.

Main limits:

In addition to regulatory limits applicable to all market activities, particularly limits by position, other internal limits are established for the trading and investment portfolio and for currency activities. Below is a list of these limits:

- The maximum size limit for forward exchange positions and trading and investment portfolio;
- Term and sensitivity limits for the trading and bond portfolio;
- The exchange position short limit.

Limits management is fully under control. Indeed, the limits are:

- Analysed and approved by the competent committees;
- Configured on the information which ensures the audit trail;
- Controlled via this same system which blocks any unauthorized overdraft;
- Reviews based on customer needs and market context.

Indicator monitoring system:

Market risks are monitored on a daily basis by the Central Market Risk Department. The Committee ensures, through semi-annual reporting, levels of exposure, performance, market risk, compliance with regulatory requirements and compliance with limiting provisions.

The GCAM performs market activity market risk stress test simulations for all sub-funds based on the methodological requirements of the BAM reporting framework and also trading portfolio simulations in extreme cases taking into account the portfolio and market condition structure and the related risks:

- A periodic regulatory reporting system to the supervisor and supervisory authorities;
- Internal management reporting system on the risk supervision process.

Market risk monitoring and management tools

The GCAM adopted a market risk monitoring and management structure that includes the use of the VaR (Value at Risk) methodology and sensitivity analyses for its entire trading and investment portfolio.

Value at Risk (VaR)

The VaR is the maximum losses (change in valuation) within N days and with a 'p' probability of accuracy; ie a confidence interval of 1-0.

The method used by the bank to calculate the VaR is that of a model based on historical yields. This method consists of measuring the possible change in the portfolio's value by simulating market condition changes similar to what happened in the past.

The Crédit Agricole du Maroc retains a 95% confidence level and for a period of one day. This indicator displays for the currency activity a possible loss of 0.22% on total currency position.

Although VaR is a market risk management tool and a widely used risk indicator in market finance, it has its limitations.

Aware of the limitations of the VaR model, the GCAM uses other market risk management means, particularly, change simulations of the yield curve and the exchange rates.

Main scenarios used

- A rate fluctuation of +/-5bps, +/-10bps, +/-25bps and +/-50bps (overall indicators and by maturity tranche);
- An exchange rate fluctuation of +/-1% and 0.5% taking into account the composition of the MAD basket and the correlation between the EUR and the USD.

C. ALM RISKS

The assessment of the bank's position in relation to the occurrence of interest rate and liquidity risks involves the calculation of a set of indicators based on the data and information used by the ALM managers.

The monitoring of the ALM risks consists, on the one hand, of analysing the outlook for liquidity and the short-term, medium-term and long-term interest rate position of our institution and, on the other hand, studying the reaction of the main indicators in exceptional circumstances (liquidity crisis, change in interest rates, etc.) through the stress test simulation programme developed in-house.

Rate risk management

Interest rate risk is defined as the negative impact of adverse changes in interest rates on the financial position of the institution as a result of all balance sheet and off-balance sheet transactions, excluding hedging transactions.

Rate risk monitoring is done through:

- The analysis of the change in the balance sheet structure through the distinction between fixed and variable rates;
- The measurement of interest rate GAPS/impasses: Based on the balance sheet contractual elements timetables and on the assumptions of static disposal previously validated by the Treasury Committee and ALM

for for unaudited balance sheet items, the ALM managers measures the importance of the GAPS for each maturity to identify the Bank's risk profile.

- The performance of stress tests: The ALM managers measure the impact of a parallel movement of the rates of 100 Pbs, 200 Pbs (regulatory) and 300 Pbs, on the GNP and the Regulatory Own Funds of the Bank. These impacts are then compared to the internal limits set up. This analysis is further elaborated by a breakdown of this impact by type of activity (commercial / financial).

At 31 December 2016, the one-year impact of an unfavourable variation of 200 Pbs on net banking income and regulatory capital was -1% and -0.6%, respectively, below the internal limits.

Liquidity risk management

Liquidity risk is the risk that the bank will suffer a loss if it does not have the cash at the appropriate time to meet its financial obligations.

This risk may arise from the balance sheet structure due to the mismatches between the actual maturities of assets and liabilities, financing requirements for future operations, customer behaviour, potential market disruption or the economic context.

At the Crédit Agricole du Maroc, the liquidity risk is regularly monitored by the ALM structure in direct collaboration with the different stakeholders (Market Room; Market Risk Management; Commercial Bank; etc.). The system in use allows the bank to refinance under the best conditions and in line with its strategic plan while respecting the regulatory and internal limits governing this function.

Indeed, the preparation of the financing plan involves the dynamic estimation of future cash balances, taking into account the main forecasted inflows and outflows generated by the commercial and financial activities of the bank. This exercise is performed using three scenarios which differ according to their severity levels. The assumptions used integrate mainly the business objectives and the ability of the bank to lever funds on the money market. In addition to the regulatory system, the Crédit Agricole du Maroc developed a set of tools (liquidity impediments, specific stress tests; concentration ratios, etc.) covering the short and medium terms and which are the subject of an in-depth analysis to define, in the event of cash requirements, the appropriate hedging measures to be adopted by the ALM Treasury Committee.

Following the implementation of the short-term liquidity ratio (LCR), the bank has introduced new actions, which are based on the strengthening of its liquid and realizable assets and the improvement of its balance sheet while preserving its profitability level. Thus, during 2015, the LCR of the CAM was established at a higher level than the minimum regulatory requirements.

D. Operational Risks

Operational risks are defined as 'the risk of losses due to inadequacy or failure of procedures, personnel, internal systems or external events'.

Risks strategy

Operational risk is characterised as a disseminated risk with a very wide scope of risk, it concerns virtually all of the bank's processes. For this reason, operational risk management is a major issue that must impact and mobilize all the bank's actors.

The Operational Risk Management System implemented at the bank level ensures a reliable monitoring and knowledge of the operational risks incurred and the implementation of corrective measures to mitigate and manage these risks, implementation of risk mapping and the gradual introduction of risk monitoring indicators.

This system is based on the implementation of sound operational risk management practices that are:

- A clear operational risk management chart distributed to all stakeholders involved in the process;
- A strong culture of operational risk within the company;
- Internal reporting.
- In order to control its operational risks, the GCAM put into place an operational risk management policy which is part of the continuous improvement system:
- Collect the data on the (potential) risks and/or (proven) incidents;
- Analyse the (potential) risks and/or the (proven) incidents and assess their financial consequences;
- Warn the main managers affected by these incidents;
- Have control tools and indicators for all the stakeholders to send the data on the (potential) risks and/or (proven) incidents and to assess the exposure to operational risks;
- Take preventive and corrective actions that are necessary to reduce the impacts, the likelihood of occurrence of incidents while ensuring regular monitoring.

GCAM Policy in terms of Operational Risks

The policies and procedures for the management and monitoring of operational risks are formalised taking into account the entities involved in the monitoring and risk control evaluation process.

Given the nature of operational risks, internal regulatory provisions include a significant number of players involved in:

- Identifying and evaluating risks;
- Collecting and controlling incidents;
- Raising awareness and organising the operational risk division;
- Mapping risks as part of the audit and control activities.

Thus, the major internal circulars which govern operational risks are the following:

- The group operational risk management chart: it defines the general operational risk management policy for the GCAM Group in terms of:

Representative and risk assessment model (definition of concepts, description of benchmarks, description of standards)

Representative model of risk monitoring indicators and risk hedging mechanisms

Incident collection model

Description of the organization of the 'Operational Risk' division (stakeholders, roles and responsibilities, etc.)

Description of Operational Risk Management Procedures

Organization of the operational risk division

The organization of the operational risk division at the group level revolves around:

- Central operations at the headquarters level, which is responsible for designing and managing methodological and IT tools, ensuring that an effective, comprehensive and homogeneous risk control system is in place for the GCAM;
- Operational risk relays at the network, subsidiary and central operations levels as part of the process of collecting events, incidents and losses. These relays are responsible for identifying operational events, incidents and losses and inventorying them in the risk management tool. They are involved in the updating of the operational risk mapping and ensure the implementation of action plans, actions to strengthen the risk management system.
- Operational risk correspondents (internal control or other entities) at the headquarters and network level responsible for identifying incidents and risks related to the activities, procedures and system of the controlled entities.

In terms of a general management approach, the organization of the Operational Risk Division relies on two levels of management:

- The first level: the measurement and control of the operational risks are the responsibility of the Operational Risks entity.
- In particular, it is responsible for providing businesses with information on their level of operational risk so that they are informed about their decisions regarding actions to hedge these risks.
- The second level: the implementation of risk hedging actions and the detection and collection of incidents are the responsibility of the business lines and the entities responsible for control.

Primary operational risk management tools

The main methodological tools are operational risk mapping and the incident collection process.

Operational risk mapping

The operational risk management system uses an approach that identifies and prioritizes risks, and then implements strategies to mitigate them. This approach includes both the prevention of potential problems (events) and the early detection of current problems (incidents).

Two approaches have been adopted by the OR function for risk identification and assessment:

- Approach based on meeting with operational staff to express their views on the risks involved in their activity by comparing them with the controls put in place (sample surveys, on-site team missions, remote control, etc.)
- Approach based on an increase in events and incidents via different sources (Network and Headquarters Continuous Monitoring, Operational Risk Relay, General Control, etc.).
- During 2015, a semi-annual update of risk mapping was performed and the achievements concerned mainly the following actions:
 - Updating the list of key processes and macro processes by linking them to identified risks;
 - Review and validation of the qualitative assessment, ranking and rating of risks performed by the bank in terms of probability of occurrence and loss incurred;
 - Review and update of the action plans;
 - Amending the existing operational risk mapping by the new risks;
 - Updating the operational risk framework;
 - Has the risk classification according to the control system installed.

Process for collecting events, incidents and losses

This process is based on two collection levels:

- The incidents are captured in real time as soon as they are detected by the Operational Relay using the dedicated form. A control of reported incidents is carried out, in real time, by the Operational Risk Managers, who verify their completeness, consistency and relevance. They find the corresponding risk situation in the risk mapping (if it exists) and can, if necessary, enrich them.
- The detection of incidents via internal control procedures via daily remote checks and / or through in situ missions to detect incident and loss events, which go back via validation work flow to feed databases and to monitor the regularisation of the detected anomalies.

The process of escalating events, incidents and losses related to operational risk can be broken down into five steps:

- Stage 1: The identification of events, incidents and losses
- Stage 2: Data entry level
- Stage 3: The control of collected data
- Stage 4: Information and closure of the event or incident sheet
- Stage 5: Consolidation and Monitoring Report of the events, incidents and losses.

Disclaimer

The information above is only a part of the information given in the prospectus approved by the Autorité Marocaine du Marché des Capitaux (AMMC) under reference number VI/EM/027/2017 on September 20, 2017.
AMMC recommends that the prospectus made available to the public in French must be read in its entirety.