

CREDIT AGRICOLE DU MAROC (CAM)

SUMMARY OFFER PROSPECTUS

ISSUANCE OF SUBORDINATED BONDS FOR AN AMOUNT OF 600.000.000 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	600.000.000 Dhs	600.000.000 Dhs	600.000.000 Dhs	600.000.000 Dhs
Maximum number of shares to be issued	6.000	6.000	6.000	6.000
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	Annually adjustable interest rate referring to the full 52 - week money rate determined in reference to the Treasury bond secondary yield curve reference rate as it will be published by Bank Al Maghrib on September 21, 2016 curve increased by a risk premium ranging between 90 and 110 bps.	Fixed interest rate referring to the 7 years T-Bond interest rate, calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as it will be published on September 21, 2016 by Bank Al Maghrib , increased by a risk premium ranging between 90 and 110 bps.	Annually adjustable interest rate referring to the full 52 - week money rate determined in reference to the Treasury bond secondary yield curve reference rate as it will be published by Bank Al Maghrib on September 21, 2016 curve increased by a risk premium ranging between 90 and 110 bps.	Fixed interest rate referring to the 7 years T-Bond interest rate, calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as it will be published on September 21, 2016 by Bank Al Maghrib , increased by a risk premium ranging between 90 and 110 bps.
Risk premium	Between 90 and 110 bps	Between 90 and 110 bps	Between 90 and 110 bps	Between 90 and 110 bps
Tradability of the shares	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	600.000.000Dhs	600.000.000Dhs	600.000.000Dhs	600.000.000Dhs
Maximum number of shares to be issued	6.000	6.000	6.000	6.000
Nominal value / Issue price	100.000Dhs	100.000Dhs	100.000Dhs	100.000Dhs
Maturity	10 years	10 years	10 years	10 years
Nominal Interest rate	Annually adjustable interest rate referring to the full 52 - week money rate determined in reference to the Treasury bond secondary yield curve reference rate as it will be published by Bank Al Maghrib on September 21, 2016 curve increased by a risk premium ranging between 100 and 120 bps.	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 it will be published on September 21, 2016 by Bank Al Maghrib , increased by a risk premium ranging between 100 and 120 bps.	Annually adjustable interest rate referring to the full 52 - week money rate determined in reference to the Treasury bond secondary yield curve reference rate as it will be published by Bank Al Maghrib on September 21, 2016 curve increased by a risk premium ranging between 100 and 120 bps.	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 it will be published on September 21, 2016 by Bank Al Maghrib , increased by a risk premium ranging between 100 and 120 bps.
Risk premium	Between 100 and 120 bps	Between 100 and 120 bps	Between 100 and 120 bps	Between 100 and 120 bps
Tradability of the shares	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 TO 30 SEPTEMBER 2016 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
			

SIGN-OFF OF THE CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES (MOROCCAN FINANCIAL MARKETS AUTHORITY)

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 16 September 2016 under the reference VI/EM/021/2016

WARNING

On 16/09/2016, 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

In 2012, the shareholders general meeting authorized the bank to carry out a subordinated bond issue to an overall ceiling of 1.5 billion dirhams. Having been granted a delegation of authority allowing it to decide on the implementing rules of this operation, the CAM's Executive Board decided to launch that program in two parts:

- ✔ Part 1: 900 million dirhams (conducted in November 2015);
- ✔ Part 2: 600 million dirhams (Decided by the Executive Bord on September 06, 2016).

The program aims to achieve the following objectives:

- ✔ The coverage of the bank's cash requirements in anticipation of subordinated debt repayments (ex CNCA Bills) maturing:
 - ✔ Initial amount: 1.5 billion MAD;
 - ✔ overdue amount: 880 million MAD , to replace the first 900 MDH operation;
 - ✔ Amount to be refinanced is 600 million MAD and will be replaced by the second operation for a global amount of 600 MDH.
- ✔ Strengthening its regulatory capital and therefore improving its prudential ratios (solvency and liquidity);
- ✔ Improving the backing of its balance sheet by increasing the duration of its resources.

I.2. Structure of the offer

The subordinated bond issuance, purpose of this excerpt, is about a maximum amount of six hundred million (600,000,000) 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 600,000,000 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 600,000,000 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 600,000,000 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 600,000,000 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 600,000,000 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 600,000,000 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 600,000,000 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 600,000,000 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 600,000,000 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	600,000,000 Dhs.
Maximum number of securities to be issued	6,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	7 years.
Subscription period	From 28 to 30 September 2016 included
Vesting date	12 October 2016
Maturity date	12 October 2023
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 90 and 110 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 it will be published by Bank Al Maghrib on September 21, 2016 increased by a risk premium ranging between 90 and 110 bps.</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. This rate will be increased by the risk premium set during the submission.</p> <p>The reference rate will be published in a journal of legal announcements on September 22, 2016.</p> <p>The nominal interest rate will be published no later than October 7, 2016 by CAM in a journal of legal announcements.</p> <p>The adjusted rate shall be communicated by CAM to the Casablanca Stock Exchange 5 trading days prior to the bond anniversary date and will be published in the Official Bulletin of the Casablanca Stock Exchange.</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>
Interest	<p>Interest will be paid annually on the anniversary of the security's vesting date i.e 12 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 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>The 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.</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	The subordinated bonds of Tranche A 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	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.
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 07 October 2016 on the bonds compartment, under the code 990200 and the ticker OCAMC.</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 Ex-change.
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

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 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	600,000,000 Dhs.
Maximum number of securities to be issued	6,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	7 years.
Subscription period	From 28 to 30 September 2016 included
Vesting date	12 October 2016
Maturity date	12 October 2023
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 90 and 110 bps.
Nominal interest rate	Fixed interest rate referring to the 7 years T-Bond interest rate, observed or calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as it will be published on September 21, 2016 by Bank Al Maghrib , increased by a risk premium ranging between 90 and 110 bps. The reference rate will be published in a journal of legal announcements on September 22, 2016. The nominal interest rate will be published no later than October 7, 2016 by CAM in a journal of legal announcements.
Calculation method	Fixed interest rate in reference in reference to the 7 years T-bills observed or calculated following the linear interpolation method on the basis of the secondary reference yield curve rate as it will be published by Bank Al Maghrib on September 21, 2016 increased by a risk premium ranging from 90 to 110 bps.
Interest	Interest will be paid annually on the anniversary date of the security's vesting day, i.e 12 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. Interest will be calculated using the following formula [nominal unit value x nominal interest rate]
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	<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	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 07 October 2016 on the bonds compartment, under the code 990201 and the ticker OCAMD.</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

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 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	600,000,000 Dhs.
Maximum number of securities to be issued	6,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	7 years.
Subscription period	From 28 to 30 September 2016 included
Vesting date	12 October 2016
Maturity date	12 October 2023
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 base) rate determined in reference to the treasury bond secondary yield curve as it will be published by Bank Al Maghrib on September 21, 2016 increased by the risk premium set during the submission.</p> <p>The reference rate will be published in a journal of legal announcements on September 22, 2016.</p> <p>The nominal interest rate will be published no later than October 7, 2016 by CAM in a journal of legal announcements.</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. This rate will be increased by a risk premium ranging from 90 to 110 bps.</p> <p>The adjusted interest rate will be published by CAM a legal journal.</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>
Interest	Interest will be paid annually on the anniversary of the security's vesting date i.e 12

	<p>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	<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>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	<p>The subordinated bonds of Tranche C 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>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.</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</p>

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

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 D : Unlisted Subordinated bonds reimbursable in fine over a period of 7 years with a 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	600,000,000 Dhs.
Maximum number of securities to be issued	6,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	7 years.
Subscription period	From 28 to 30 September 2016 included
Vesting date	12 October 2016
Maturity date	12 October 2023
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 90 and 110 bps.
Nominal interest rate	Fixed interest rate referring to the 7 years T-Bond interest rate, observed or calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as it will be published on September 21, 2016 by Bank Al Maghrib , increased by a risk premium ranging between 90 and 110 bps. The reference rate will be published in a journal of legal announcements on September 22, 2016. The nominal interest rate will be published no later than October 7, 2016 by CAM in a journal of legal announcements.
Calculation method	Fixed interest rate in reference in reference to the 7 years T-bills observed or calculated following the linear interpolation method on the basis of the secondary reference yield curve rate as it will be published by Bank Al Maghrib on September 21, 2016 increased by a risk premium ranging from 90 to 110 bps.
Interest	Interest will be paid annually on the anniversary date of the security's vesting day, i.e 12 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. Interest will be calculated using the following formula [nominal unit value x nominal interest rate]
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 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.

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 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	600,000,000 Dhs.
Maximum number of securities to be issued	6,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	10 years.
Subscription period	From 28 to 30 September 2016 included
Vesting date	12 October 2016
Maturity date	12 October 2026
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 100 and 120 bps.
Nominal interest rate	<p><u>Annually asjustable.</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 it will be published by Bank Al Maghrib on September 21, 2016 increased by a risk premium ranging between 100 and 120 bps.</p> <p>Beyond the first year, the reference rate will be the full 52 week (money 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. This rate will be increased by the risk premium set during the submission.</p> <p>The reference rate will be published in a journal of legal announcements on September 22, 2016.</p> <p>The nominal interest rate will be published no later than October 7, 2016 by CAM in a journal of legal announcements.</p> <p>The adjusted rate shall be communicated by CAM to the Casablanca Stock Exchange 5 trading days prior to the bond anniversary date and will be published in the Official Bulletin of the Casablanca Stock Exchange.</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>
Interest	<p>Interest will be paid annually on the anniversary of the security's vesting date i.e 12 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 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>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>
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 E 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 E are freely negotiable at the Casablanca Stock Exchange.</p> <p>There is no restriction imposed by the issuance conditions to the free nego-tiability of the bonds of tranche E.</p>
Securities listing	<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 07 October 2016 on the bonds compartment, under the code 990202 and the ticker OCAME.</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 Ex-change.</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</p>

	subscription period.
Applicable law	Moroccan law
Competent Court	Commercial Court of Rabat

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 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	600,000,000 Dhs.
Maximum number of securities to be issued	6,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	10 years.
Subscription period	From 28 to 30 September 2016 included
Vesting date	12 October 2016
Maturity date	12 October 2026
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 100 and 120 bps.
Nominal interest rate	Fixed interest rate referring to the 10 years T-Bond interest rate, observed or calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as it will be published on September 21, 2016 by Bank Al Maghrib , increased by a risk premium ranging between 100 and 120 bps. The reference rate will be published in a journal of legal announcements on September 22, 2016. The nominal interest rate will be published no later than October 7, 2016 by CAM in a journal of legal announcements.
Calculation method	Fixed interest rate in reference in reference to the 10 years T-bills observed or calculated following the linear interpolation method on the basis of the secondary reference yield curve rate as it will be published by Bank Al Maghrib on September 21, 2016 increased by a risk premium ranging from 100 to 120 bps.
Interest	Interest will be paid annually on the anniversary date of the security's vesting day, i.e the 12 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. Interest will be calculated using the following formula [nominal unit value x nominal interest rate]
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.

	<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 F 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 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 07 October 2016 on the bonds compartment, under the code 990203 and the ticker OCAMF.</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

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 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	600,000,000 Dhs.
Maximum number of securities to be issued	6,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	10 years.
Subscription period	From 28 to 30 September 2016 included
Vesting date	12 October 2016
Maturity date	12 October 2026
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 100 and 120 bps.
Nominal interest rate	<p>Annually adjustable.</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 it will be published by Bank Al Maghrib on September 21, 2016 increased by a risk premium ranging between 100 and 120 bps.</p> <p>Beyond the first year, the reference rate will be the full 52 week (money 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. This rate will be increased by the risk premium set during the submission.</p> <p>The reference rate will be published in a journal of legal announcements on September 22, 2016.</p> <p>The nominal interest rate will be published no later than October 7, 2016 by CAM in a journal of legal announcements.</p> <p>The adjusted interest rate will be published by CAM a legal journal.</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>
Interest	<p>Interest will be paid annually on the anniversary of the security's vesting date i.e 12 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:</p> <p>[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 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

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 H : Unlisted Subordinated bonds reimbursable in fine over a period of 10 years with a 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	600,000,000 Dhs.
Maximum number of securities to be issued	6,000 subordinated bonds.
Nominal unit value	100,000 Dhs.
Maturity	10 years.
Subscription period	From 28 to 30 September 2016 included
Vesting date	12 October 2016
Maturity date	12 October 2026
Issue price	At par, i.e 100.000 Dhs.
Risk premium	Between 100 and 120 bps.
Nominal interest rate	Fixed interest rate referring to the 10 years T-Bond interest rate, observed or calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as it will be published on September 21, 2016 by Bank Al Maghrib , increased by a risk premium ranging between 100 and 120 bps. The reference rate will be published in a journal of legal announcements on September 22, 2016. The nominal interest rate will be published no later than October 7, 2016 by CAM in a journal of legal announcements.
Calculation method	Fixed interest rate in reference in reference to the 10 years T-bills observed or calculated following the linear interpolation method on the basis of the secondary reference yield curve rate as it will be published by Bank Al Maghrib on September 21, 2016 increased by a risk premium ranging from 100 to 120 bps.
Interest	Interest will be paid annually on the anniversary date of the security's vesting day, i.e 12 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. Interest will be calculated using the following formula [nominal unit value x nominal interest rate]
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	<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 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	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.

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 07, 2016
Code	Tranche A : 990200 Tranche B : 990201 Tranche E : 990202 Tranche F : 990203
Ticker	Tranche A : OCAMC Tranche B : OCAMD Tranche E : OCAME Tranche F : OCAMF
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	Etapas	Date
1	Receipt of the complete file of the operation by the Casablanca Stock Exchange	15/09/2016
2	Issuance by the Casablanca Stock Exchange of the notice of approval of the issue	16/09/2016
3	Receipt by the Casablanca Stock Exchange of the prospectus approved by AMMC	16/09/2016
4	Publication in the official bulletin of the Casablanca Stock Exchange, the " <i>Bulletin de la Cote</i> ", of the notice concerning the introduction of the listed bonds in tranche A, B, E and F	19/09/2016
5	Publication of the extract of the prospectus in a news paper carrying legal notice	20/09/2016
6	Bank Al-Maghrib interest rate monitoring	21/09/2016
7	Publishing the reference rate on a journal of legal announcement	22/09/2016
8	Opening of the subscription period	28/09/2016
9	End of the subscription period	30/09/2016
10	Receipt by the Casablanca Stock Exchange of the operation results and the selected nominal interest rate before 10am.	05/10/2016
11	Publication of the selected nominal interest rate in a legal newspaper	07/10/2016
12	Listing of the bonds Recording of the operation in the Stock Exchange Announcement of the results of the operation in the official journal of Casablanca Stock Exchange	07/10/2016
13	Settlement	12/10/2016
14	Publication of the results of the operation in a newspaper carrying legal notices	12/10/2016

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 thereof.</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 30 December 2015 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. 1961-1901 of October,30th 2001; • 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 and 45-06 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 31/12/2015	4,227,677 KMAD 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 June 30, 2016, CAM's capital is divided as follow :

Shareholders	June 2016		
	Nb of shares held		Nb of shares held
Moroccan State	31,780,365	75%	75%
MAMDA	3,134,311	7%	7%
MCMA	3,134,311	7%	7%
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 12/31/2015, amounted a total of 30 companies for a net asset value of 376 million dirhams (corresponds to the book value on the balance sheet of CAM).

Company	Activity	Share capital as of 31/12/2015 (MAD 000)	% held by CAM
AGRICULTURE			
HALIOPOLIS	Agriculture	71 000	20,00%
SNDE	Agriculture	40965	0,24%
SOGETA	Agriculture	300	0,00%
SUNABEL	Agriculture	190 173	0,38%
COMAPRA	Agro-Industrie	66 800	0,01%
SOCIETE LAITIERE CENTRALE DU NORD	Agro-Industrie	50 000	0,39%
SONACOS	Agro-Industrie	160 000	0,98%
AGRO-CONCEPT	Service	1 000	9,89%
BANKS AND FINANCIAL INSTITUTION			
SMAEX	Insurance	37 450	0,48%
AFREXIMBANK	Bank	7 429 275	0,12%
DAR ADDAMANE	Bank	75 000	0,73%
ASSALAF AL AKHDAR	Consumer credit	50 000	100,00%
AGRAM INVEST	Investment found	40 000	22,18%
ALTERMED MAGRHEB	Investment found	272 139	11,88%
FOND D'INVESTISSEMENT DE L'ORIENTAL	Investment found	150 000	7,17%
IGRANE	Investment found	54 600	15,87%
TARGA	Investment found	7 500	99,99%
HOLDAGRO	Corporate & Investment Banking	36 376	99,66%
TAMWIL EL FELLAH	Agriculture	125 000	100,00%
CAM GESTION	Asset management	11 600	100,00%
SGFG	Asset management	1 000	5,88%
FINEA	Market pledging	120 000	0,28%
MSIN	Asset management	10 000	60,00%
MAROGEST	Asset management	1 000	60,00%
FIROGEST	Asset management	2 000	12,50%
REGIONAL GESTION	Asset management	1 000	18,00%
INTERBRANCH			
INTERBANK	Service	11 500	18,00%
MAROCLEAR	Service	100 000	1,80%
CMI	Service	98 200	10,18%
OTHERS			
SONADAC	Landscaping	589 904	2,81%
GCAMDOC	Archiving	10 000	100,00%

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)

In KDH	2013	2014	Δ%	2015	Δ%
Due to banks and similar institutions (1)	9 014 520	7 477 039	-17,06%	8 053 452	7,71%
In % of the final balance	11,53%	9,01%		9,24%	
Sight debts to banks and similar	218180	132872	-39,10%	381993	>100%
Term debts to banks and similar	8 796 341	7 344 166	-16,51%	7 671 459	4,46%
Customer Deposits (2)	54 430 954	61 193 799	12,42%	64 085 301	4,73%
In % of the final balance	69,62%	73,72%		73,55%	-0,23%
Accounts payable	26 195 266	25 716 189	-1,83%	29 347 113	14,12%
Saving accounts	8 048 508	9 096 226	13,02%	9 885 022	8,67%
Term deposits	17 605 321	24 510 287	39,22%	23 467 271	-4,26%
Other accounts payable	2 581 859	1 871 097	-27,53%	1 385 895	-25,93%
Total resources (1) + (2)	63 445 474	68 670 838	8,24%	72 138 753	5,05%

Source : CAM

II.4.2. Evolution of loans

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

In KDH	2013	2014	Δ%	2015	Δ%
Debts due from financial institutions and similar (1)	1 800 573	1 123 228	-37,62%	2 123 017	89,01%
In % of the final balance	2,30%	1,35%		2,44%	
<i>Sight debts with financial institutions and similar</i>	402 832	115 619	-71,30%	165 380	43,04%
<i>Term deposits with financial institutions and similar</i>	1 397 741	1 007 609	-27,91%	1 957 637	94,29%
Amounts due from customers (2)	57 096 241	60 585 976	6,11%	62 532 632	3,21%
In % of the final balance	73,03%	72,99%		71,77%	
<i>Cash and consumer loans</i>	21 578 663	22 614 266	4,80%	22 895 889	1,25%
<i>Investment loans</i>	15 806 502	16 878 287	6,78%	17 336 598	2,72%
<i>Real estate loans</i>	15 032 804	16 081 121	6,97%	15 810 017	-1,69%
<i>Other loans</i>	4 678 273	5 012 302	7,14%	6 490 127	29,48%
Total loans (1) + (2)	58 896 814	61 709 204	4,78%	64 655 649	4,77%

Source : CAM

III. FINANCIAL STATEMENT ON ACORPORATE ACCOUNTS BASIS

III.1. Income statement

In thousand MAD	2013	2014	Δ%	2015	Δ%
Interest and similar revenues on transactions with credit loans institutions	31 230	27 931	-10,57%	20 282	-27,38%
Interests and similar revenues on transactions with customers	3 931 437	4 024 898	2,38%	4 189 082	4,08%
Similar interest and revenues on issued loan securities	284 909	257 593	-9,59%	274 076	6,40%
Revenues on assets lease and tenancy	18 701	17 274	-7,63%	9 873	-42,85%
Commissions on services provision	285 248	328 486	15,16%	350 306	6,64%
Other banking revenues	178 616	350 151	96,04%	246 661	-29,56%
OPERATING BANKING INCOME	4 730 140	5 006 333	5,84%	5 090 281	1,68%
Interest and similar costs on transactions with credit loans	374 367	302 388	-19,23%	259 772	-14,09%
Interests and costs on transactions with customers	1 143 376	1 236 975	8,19%	1 360 035	9,95%
Interest and similar costs on issued loan securities	233 874	228 791	-2,17%	215 933	-5,62%
Other banking costs	133 667	278 091	108,05%	188 369	-32,26%
BANK OPERATING COSTS	1 885 285	2 046 245	8,54%	2 024 109	-1,08%
NET BANKING INCOME	2 844 856	2 960 088	4,05%	3 066 172	3,58%
Non-banking operating income	238 322	574	-99,76%	227 051	>100%
Non-banking operating costs	23 343	41 000	75,64%	52 253	27,45%
Staff costs	874 607	919 646	5,15%	975 631	6,09%
Taxes and duties	28 702	30 683	6,90%	30 616	-0,22%
External costs	347 646	362 973	4,41%	389 868	7,41%
Other general operating costs	33 727	45 302	34,32%	51 138	12,88%
Allocations to depreciations and provisions of tangible and intangible assets	176 836	172 020	-2,72%	176 844	2,80%
GENERAL OPERATING COSTS	1 461 517	1 530 624	4,73%	1 624 096	6,11%
Allocations to provisions on debts and pending commitments by signature	670 916	984 764	46,78%	1 089 607	10,65%
Losses on bad debts	217 337	474 312	118,24%	275 846	-41,84%
Other allocations to bad debts	389 167	125 073	-67,86%	450 400	>100%
ALLOCATIONS TO PROVISIONS AND LOSSES ON BAD DEBTS	1 277 420	1 584 149	24,01%	1 815 853	14,63%
Provisions write-off for debts and pending commitments by signature	350 021	807 846	130,80%	496 610	-38,53%
Reversals of depreciated loans	100 099	57 740	-42,32%	73 695	27,63%
Other provisions write-off	129 347	114 091	-11,80%	189 247	65,87%
PROVISIONS WRITE-OFF AND REVERSAL OF DEPRECIATED LOANS	579 468	979 677	69,06%	759 551	-22,47%
CURRENT PROFITS	900 365	784 566	-12,86%	560 572	-28,55%
Non-current income	12 540	18 567	48,07%	19 923	7,30%
Non-current costs	471 381	183 283	-61,12%	163 928	-10,56%
PRE-TAX PROFIT	441 523	619 850	40,39%	416 568	-32,80%
Profit tax	35 961	189 500	426,96%	80 380	-57,58%
NET PROFIT OF THE YEAR	405 563	430 350	6,11%	336 188	-21,88%

Source : CAM

III.2. Balance sheet

ASSETS (In thousand MAD)	2013	2014	Δ%	2015	Δ%
Central bank, Public Treasury, services of postal checks	1 995 112	1 914 156	-4,06%	2 355 323	23,05%
Loans due on credit and similar institutions	1 800 573	1 123 228	-37,62%	2 123 017	89,01%
. Current	402 832	115 619	-71,30%	165 380	43,04%
. Long term	1 397 741	1 007 609	-27,91%	1 957 637	94,29%
Customer debts	57 096 241	60 585 976	6,11%	62 532 632	3,21%
. Cash and consumer loans	21 578 663	22 614 266	4,80%	22 895 889	1,25%
. Equipment loans	15 806 502	16 878 287	6,78%	17 336 598	2,72%
. Mortgage loans	15 032 804	16 081 121	6,97%	15 810 017	-1,69%
. Other loans	4 678 273	5 012 302	7,14%	6 490 127	29,48%
Transaction and investment securities	5 077 337	7 636 735	50,41%	7 013 526	-8,16%
. Treasury bills and similar securities	1 349 170	196 904	-85,41%	1 170 013	>100%
. Other loan securities	73 096	101 385	38,70%	202 444	99,68%
. Equities	3 655 071	7 338 447	>100%	5 641 068	-23,13%
Other assets	3 135 070	2 353 919	-24,92%	3 944 192	67,56%
Investment securities	6 435 388	6 378 980	-0,88%	6 322 573	-0,88%
. Treasury bills and similar securities	6 435 388	6 378 980	-0,88%	6 322 573	-0,88%
. Other loan securities				0	
Equity securities and similar uses	297 544	357 943	20,30%	375 957	5,03%
Subordinated debts		1 400		1 400	
Assets under lease and tenancy					
Intangible assets	410 557	387 012	-5,74%	373 214	-3,57%
Tangible assets	1 931 113	2 270 715	17,59%	2 089 340	-7,99%
TOTAL ASSETS	78 178 935	83 010 063	6,18%	87 131 174	4,96%

LIABILITIES (In thousand MAD)	2013	2014	Δ%	2015	Δ%
Central banks, Public Treasury, services of postal checks					
Debts owed to credit and similar institutions	9 014 520	7 477 039	-17,06%	8 053 452	7,71%
. Current	218 180	132 872	-39,10%	381 993	>100%
. Long term	8 796 341	7 344 166	-16,51%	7 671 459	4,46%
Customer's deposits	54 430 954	61 193 799	12,42%	64 085 301	4,73%
. Creditor's current accounts	26 195 266	25 716 189	-1,83%	29 347 113	14,12%
. Savings accounts	8 048 508	9 096 226	13,02%	9 885 022	8,67%
. Time deposits	17 605 321	24 510 287	39,22%	23 467 271	-4,26%
. Other creditor's accounts	2 581 859	1 871 097	-27,53%	1 385 895	-25,93%
Issued loan securities	6 372 961	6 041 511	-5,20%	5 349 675	-11,45%
. Issued tradable loan securities	6 372 961	6 041 511	-5,20%	5 349 675	-11,45%
. Issued debenture loans					
. Other issued debt securities					
Other liabilities	1 242 789	971 188	-21,85%	1 075 917	10,78%
Reserves for risks and costs	688 147	656 774	-4,56%	912 384	38,92%
Regulated reserves					
Subsidies, restricted public funds and special funds of guarantee	7 157	7 157		7 157	
Subordinated debts	1 226 238	924 079	-24,64%	1 526 221	65,16%
Revaluation differences	409 428	409 428			
Reserves and capital related premiums	1 443 120	1 443 120		1 455 506	0,86%
Capital	3 818 248	3 818 248		4 227 677	10,72%
Shareholders, unpaid capital (-)	-292 000	-180 000			
Opening balance (+/-)	-588 192	-588 192		101 696	
Net income pending allocation (+/-)		405 562			
Net income of the year(+/-)	405 562	430 350	6,11%	336 188	-21,88%
TOTAL LIABILITIES	78 178 935	83 010 063	6,18%	87 131 174	4,96%

Source : CAM

IV. CONSOLIDATED FINANCIAL STATEMENTS

IV.1. Consolidation perimeter

Consolidation's perimeter as of 31 December 2016

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	60%	60%	IG
MAROGEST	Asset management	60%	60%	IG

IV.2. Consolidated income statement

(In thousand MAD)	2 013	2 014	Δ%	2 015	Δ%
Interest and similar income	4 351 679	4 409 698	1,33%	4 626 008	4,91%
Interests and similar costs	1 777 846	1 777 551	-0,02%	1 865 835	4,97%
INTEREST MARGIN	2 573 833	2 632 147	2,27%	2 760 173	4,86%
Commissions receivables	293 058	337 068	15,02%	364 672	8,19%
Commissions payments	645	85	-86,82%	910	>100%
COMMISSIONS MARGIN	292 413	336 983	15,24%	363 762	7,95%
Net gains and losses on financial instruments at the fair value through profit or loss	111 129	34 369	-69,07%	47 447	38,05%
Net gains or losses on financial assets held for sale	11 602	244 263	>100%	144 498	-40,84%
RESULT OF TRADING ACTIVITIES	122 731	209 894	71,02%	191 946	-8,55%
Income of other activities	1 075	39 830	>100%	39 302	-1,33%
Costs of other activities	64 630	167 761	>100%	123 782	-26,22%
NET BANKING INCOME	2 925 422	3 051 093	4,30%	3 231 401	5,91%
General operating costs	1 372 277	1 449 370	5,62%	1 551 423	7,04%
Allocation to amortizations and depreciations of tangible and intangible	188 520	257 244	36,45%	257 803	0,22%
GROSS OPERATING INCOME	1 364 625	1 344 479	-1,48%	1 422 176	5,78%
Risk cost	441 616	553 081	25,24%	621 280	12,33%
OPERATING INCOME	923 009	791 399	-14,26%	800 896	1,20%
Income share of equity-consolidated companies	197	265	34,52%	7 933	>100%
Net gains or losses on other assets	388 630	86 255	-77,81%	2 277	-97,36%
Change in goodwill of purchase value					
PRE-TAX INCOME	534 182	705 408	32,05%	790 687	12,09%
Income Taxes	110 477	183 778	66,35%	244 118	32,83%
NET INCOME	423 704	521 630	23,11%	546 569	4,78%
External Income	13 500	8 614	-36,19%	6 010	-30,23%
NET GROUP INCOME SHARE	410 204	513 016	25,06%	540 559	5,37%
Earnings per share (In MAD)	11	13	18,18%	13	-1,64%
Diluted earnings per share (In MAD)					

Source : CAM

IV.3. Consolidated balance sheet

ASSETS (In thousand MAD)	2 013	2 014	Δ%	2 015	Δ%
Central banks, Public Treasury, services of postal checks	2 005 924	1 914 829	-4,54%	2 356 670	23,07%
Financial assets at fair value through profit or loss	31 073	19 441	-37,44%	25 163	29,43%
Hedging derivatives					
Financial assets held for sale	5 191 663	7 724 959	48,80%	7 138 551	-7,59%
Loans and receivables to credit and similar institutions	1 658 914	1 131 828	-31,77%	2 137 242	88,83%
Customer loans and receivables	57 770 167	61 557 837	6,56%	63 920 009	3,84%
Fair value revaluation of interest hedged portfolios					
Investments held until their maturity date	6 463 182	6 433 002	-0,47%	6 359 088	-1,15%
Current tax assets	100 666	41 781	-58,50%	191 355	>100+%
Deferred tax assets	106 996	135 053	26,22%	182 133	34,86%
Accruals and deferred income and other assets	1 919 525	1 111 194	-42,11%	1 362 032	22,57%
Non-current assets held for transfer					
Investments in equity-consolidated companies	9 421	13 207	40,19%		
Property investments	984 422	1 098 249	11,56%	2 297 969	>100%
Tangible assets	2 588 138	2 903 398	12,18%	2 971 062	2,33%
Intangible assets	110 270	91 380	-17,13%	81 191	-11,15%
Change in goodwill of purchase value	302 522	302 522	-	305 135	0,86%
TOTAL ASSETS IFRS	79 242 885	84 478 680	6,61%	89 327 599	5,74%

LIABILITIES (In thousand MAD)	2 013	2 014	Δ%	2 015	Δ%
Central banks, Public Treasury, services of postal checks					
Financial liabilities at fair value through profit or loss	6 177	130 006	>100%	25 548	-80,35%
Hedging derivatives					
Loans and receivables to credit and similar institutions	9 739 195	8 429 219	-13,45%	9 366 275	11,12%
Customer loans and receivables	54 425 980	61 179 716	12,41%	64 084 707	4,75%
Debt securities	6 372 961	6 041 511	-5,20%	5 349 675	-11,45%
Issued loan securities	6 372 961	6 041 511	-5,20%	5 349 675	-11,45%
The fair value revaluation of interest hedged liability portfolios					
Current tax liabilities	36 051	198 546	>100%	354	-99,82%
Deferred tax liabilities	487 199	504 624	3,58%	696 840	38,09%
Accruals and deferred income and other liabilities	1 387 181	597 694	-56,91%	1 195 642	>100%
Liabilities association to non-current assets held for sale					
Technical provisions of insurance agreements					
Provisions for risks and costs	265 743	312 705	17,67%	359 778	15,05%
Subsidies, restricted public funds and special funds of guarantee	19 382	15 488	-20,09%	47 593	>100%
Subordinated debts	1 226 238	995 703	-18,80%	1 628 989	63,60%
Capital and associated reserves	5 367 816	5 479 816	2,09%	5 675 853	3,58%
Consolidated reserves	525 842	51 101	NS	335 913	>100%
- Group share	585 486	22 049	NS	253 751	NS
- Minority share	59 643	73 151	22,65%	82 162	12,32%
Latent or deferred gains or losses, on group share	11 099	20 920	88,49%	13 865	-33,73%
Net Income	423 704	521 630	23,11%	546 569	4,78%
- Group share	410 204	513 016	25,06%	540 559	5,37%
- Minority share	13 500	8 614	-36,19%	6 010	-30,23%
TOTAL LIABILITIES IFRS	79 242 885	84 478 680	6,61%	89 327 599	5,74%

Source : CAM

V. RISK FACTORS

V.1. Credit Risk

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

General policy of credit risk

The general policy of credit risk, set up at group level after approval by the administrative, defines the set of rules of conduct governing the making process, management, monitoring and credit risk control. It allows to create a secure framework for intervention by the controlled development of the bank's activities in compliance with several principles:

- Compliance with strategic guidelines of sector positioning and public service mission:
 - Maintain the role of leader in the field of agriculture;
 - Granting an important role in financing small-scale agriculture;
 - Balanced Funding of the various components of the agricultural value chain (upstream agricultural, pure agriculture, agricultural downstream);
 - Establishment of balanced territorial strategies through the funding of agriculture in all regions of Morocco;
- Respect the basic principles of management and monitoring of credit risk:
 - Upstream Securing credit activities through careful selection of clients and projects to finance;
 - Risk diversification;
 - Scoring counterparties;
 - Collegiality of the decision resulting in the establishment of committees at all levels of the industry;
 - Separation of the functions of production and appreciation and that of risk control;
 - Periodic monitoring of the commitment portfolio;
 - Early detection of risks of deterioration in the quality of counterparties;
 - Reactivity in monitoring customers in difficulty and in the collection of overdue receivables;
 - Division of responsibilities for control, measurement and supervision of credit risk from operating entities, the risk sector credit, internal control and governance bodies.

The implementation of the credit risk policy is based on:

- An organizational system, governance and structured control;
- A risk management strategy tailored to the specificities of the bank;
- A strategy for monitoring, assessment and measurement mastered;
- Clearly defined internal rules and procedures;

credit risk strategy

The strategy of the credit risk-related group allows him today the transition from a corrective approach to a preventive approach to risk through a proactive and dynamic management system based on:

- A sectoral diversification strategy, customer and geographic, allowing it to diversify risk and systematically inducing mitigating concentration risk;
- A system of internal limits and delegations of determining the margin of initiative may have the bodies

and business units within the overall goals of the credit policy;

- A licensing process based on good selection of borrowers;
- Appropriate pricing and taking into account guarantees for any commitment to strengthening the security of the operation for the bank;
- Ongoing monitoring process and close commitments with monitoring indicators and warning, so that the adverse developments can be detected quickly to allow the adoption of appropriate measures;
- A recovery process reducing the impact of the cost of risk and improving profitability;

The risk strategy of the bank is also based on a control system and comprehensive monitoring of credit risk which is the essential complement to good management to better understand the performance of the loan portfolio and the risk management policy credit.

Device for decision

All credit granting Applications are submitted for decision to the competent body in a delegation system based on the following principles:

- Segregation of duties between commercial entities and those responsible for risk assessment in order to ensure the quality of risk assessment and objectivity in decision making.
- Collegiality decisions through accountability committees of different levels of skills management is done through a delegation scheme
- Preventing the risk through analysis by several actors of credit application files;
- First analysis of records by business entities initiating requests then a second analysis the risk by risk entities at the GGR depending on the risk involved.

This delegation system designating levels of authority is expressed according to several parameters (total outstanding individual client / group nature of the request, nature of credit, type of customer, type of outlet, the industry, etc. .) and ensures that the most important or the most risky undertakings are treated at the highest level, ensuring appropriate management involvement in credit risk.

Measuring device, assessment and risk monitoring

CAM has implemented systems analysis and risk measurement appropriate to the nature and volume of operations to apprehend the risks of various kinds which such transactions expose.

The monitoring of risk control system is based on:

- Monitoring of portfolio commitments: commitments assess the quality of the bank and its evolution (by class of customer or group of customers, credit nature, industry, and by risk class, etc.);
- Monitoring the credit quality of the production: measuring the quality of the provision of the bank and its evolution retaining several axes (by type of awarding committee, Network, loan type, geographical area, economic sector , risk class, etc.
- Monitoring the risk of portfolio concentration: single (client or interest group), sector or geographical, etc.
- Monitoring the portfolio quality (rate or number of outstanding, sensitive accounts, outstanding debts, etc.)

The consolidated and transverse commitment monitoring is managed by the Credit Risk Management Unit. It analyzes and provides actionable bodies of the bank criteria for assessing and monitoring the commitment portfolio.

Simulation of crisis situations (stress test)

Stress testing, essential practice of risk management, are intended to quantify the potential impact of shocks on credit portfolio and assess the bank's resilience.

Taking into account the political risk, two types of stress tests are carried out by the bank:

- A stress testing to assess the credit portfolio vulnerability to rollover conditions or deterioration in the quality of the counterparties.
- A stress testing for main forms of credit risk concentration with an analysis of their impact on results and equity.

The results of these stress tests are analyzed to identify the risk of possible changes in market conditions and the conditions that could have a negative impact on equity, results and appreciate the ability to deal with such situations. Several types of actions can be taken by the bank following the analysis of the results include:

- Revision of internal limits;
- Reduction of sector exposures or certain counterparties;
- Allocation of additional own internal funds.

A recovery

The recovery is crucial in remedial management of credit risk to the extent that it allows the Bank to recover its claim on the defaulting counterparties and reduce the impact on the cost of risk.

The collection system is based on the following principles:

- Prioritize solutions amicable settlement to legal proceedings;
- Promote cost recovery;
- Involve business in preventive risk management and debt recovery from the first signs of difficulty of the counterparty;
- Responsibility of the first point of sale on its commitment portfolio over the entire credit chain.
- Focus on important receivables and industrialize the collection process for retail banking, including claims requiring mass treatment.

The recovery process is standardized by notes of services and procedures for the modalities, and monitoring and control structures.

- **V.2. Market risk**

Market risk is the risk that changes in market risk factors, such as exchange rates, interest rates, stock prices, mutual funds and commodities, may weigh on revenue or GCAM decrease the value of its portfolios.

The management of market risks in the GCAM aims to manage and control exposures to market risk in order to optimize the risk / return ratio, while maintaining a consistent market profile with the Bank's status as leading financial institution in the financing of agriculture and the rural world.

The backing is the basic concept used in the processing of transactions at the trading room to immunize themselves against risk and to ensure consolidation of the balance sheet.

Strategy of market risk:

The strategy of managing market risk is part of the general risk policy GCAM, the latter entering turn in prudential supervision and rigorous management.

The general policy of market risks is approved by the Management Board and the Supervisory Board.

The management of market risks is based on the following principles:

- ♣ The development security market activities;
- ♣ The compliance BAM in prudential risk management and device procedures, circulars and internal memoranda;
- ♣ Increased surveillance of the trading strategy;
- ♣ The setting limits (clients, banking, securities portfolio, intraday trading on own account);
- ♣ The definition of roles and responsibilities with regard to identification, measurement, monitoring and control market risks;
- ♣ The adoption of best practices in terms of risk management market for all compartments.

These guidelines have been translated by the establishment of a market risk policy and are presented by a well-organized system.

Policies and procedures:

Market activities are controlled by a comprehensive system for governance, security, risk management and management limitations. This is based on a standardized document collection, an efficient information system and regular reporting.

This policy is implemented through circulars and mechanisms governing market activities include:

- ♣ procedures for all activities of market operations;
- ♣ An operational limit device;
- ♣ The monitoring and reporting tools;
- ♣ Information relating to risk measurement methodologies and validation of valuation models.

It is in this sense that the governing bodies are realized by the relevant committees, namely:

- ♣ Committee on Capital Market and International responsible for the validation of the funding and investment strategy, international relations, management lines and counterparty limits as well as capital market activities and international control ;
- ♣ the Committee Limits Change Clients empowered to rule on the client access to the Market Hall, the limits granted to each customer and the type of operation to treat (spot, term, domiciled operations not domiciled operations);
- ♣ the Treasury and ALM Committee, which meets the need for optimal management of short-term cash, and more generally financial risk management of the Bank.

Device management and monitoring of market risk:

In order to manage risks on the various market activities and monitor them, CAM Group has a system organized around the following:

- ♣ a system of delegation of powers defining the application process, validation of limits and authorization of overruns;
- ♣ the principle of functional and organizational separation of duties and entities Front, Middle and Back Office;
- ♣ a set of management tools and control market risks;
- ♣ strengthening the internal control system through continuous monitoring tools;
- ♣ strengthening the allocator and control clearances.

Main limitations:

Beyond the regulatory limits for all market activities, including limits by position, other internal limits are introduced for the trading book and investment and exchange activities. These include the following limitations:

- ♣ the maximum size limit of foreign exchange position and trading and investment;
- ♣ the limits of duration and sensitivity for the trading and bond investment portfolio;
- ♣ the short limit exchange position.

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

- ♣ analyzed and granted by the relevant committees;
- ♣ parameterized on the information system that ensures the audit trail;
- ♣ controlled via the same system that blocks unauthorized overrun;
- ♣ reviewed based on customer need and market context.

tracking system indicators:

The monitoring of market risk is carried out daily by the Central Risk Market. The Committee ensures via a biannual reporting of exposure levels, performance, risk leveraged to market activities, compliance with regulatory requirements and compliance with limit devices.

The GCAM performs stress test simulations under the market risk of all segments of market activities according to the methodology of requirements listed on the BAM reporting framework and also simulated the extreme cases in the trading book into account the portfolio structure and market conditions and risks relating there to.

- ♣ periodic regulatory reporting system to the supervisor and the supervisory authorities;
- ♣ an internal management reporting system, the risk monitoring process.

monitoring tools and management of market risks:

The GCAM adopted a management and monitoring of market risk structure that includes the use of the methodology VAR (Value At Risk) and analysis of sensitivities to its entire portfolio of trading and investment.

} Value At Risk (VAR)

VaR is the maximum loss (valuation changes) to an N-day horizon, and with probability "p" to be wrong; either a 1-percent confidence interval.

The method used by the bank for the calculation of VaR is that of a model based on historical yields. This method involves measuring the possible evolution of the portfolio value by simulating changes in market conditions similar to what they were in the past. The bank holds a 99% confidence level and a time horizon of one day and a historical depth of 2 years. This allows monitoring, daily, market risks taken by the bank.

Although VaR is a management support tool for market risk and a risk indicator widely used in financial markets, it has limitations.

Aware of the limitations of the VAR model GCAM uses other means of managing market risks, including simulations of transformation of the yield curve and exchange rates.

The selected scenarios principles are:

- ♣ a rate of change of +/- 5bps +/- 10bps, 25bps and +/- +/- 50bps (global indicators and by maturity);
- ♣ a +/- price change 1% and 0.5% taking into account composition of the basket MAD and the correlation between EUR and USD.

V.3. ALM risks

The evaluation of the position of the bank facing the occurrence of interest rate risk and liquidity through the calculation of a set of indicators based on data and information used by ALM managers.

The monitoring of ALM risks is firstly, to analyze perspectives on developments liquidity and the interest rate position by taking our short-establishment, medium and long term, and secondly, to study the reaction of the main indicators in exceptional circumstances (liquidity crisis, rates of change ...) and through the stress testing program developed internally.

Referring to the assessment of specific CAM, ALM managers must find adequate resources to enable the bank to maintain its level of profitability and to meet its current and future financial obligations both in normal circumstances and in situations crisis.

Management of interest rate risk

The interest rate risk is defined as the negative impact that could have an adverse changes in interest rates on the financial position of the institution, the fact of all on- and off-balance sheet excluding transactions that are hedged.

Interest rate risk monitoring is done through:

- Analysis of the evolution of the balance sheet structure through the distinction between fixed and variable rates;
- The measure impasses / rate gaps: Based on the schedules of balance sheet contractual elements and static flow assumptions previously validated by the ALM committee for non-due balance sheet of the ALM managers measure the importance of GAP's for each maturity in order to identify the risk profile of the Bank.

- The implementation of stress test: The ALM Manager measure the impact of a parallel movement of the rate of 100 PBS 200 PBS (regulatory) and 300 PBS, GNP and the Fund Bank's economic Clean. These impacts are then compared to internal limits in place. The analysis was deepened by a breakdown of this impact by types of activities (commercial / financial)

At December 31, 2015, the impact of an unfavorable change in interest rates of 200 PBS on net banking income and regulatory capital are respectively -3.35% and - 1.19%, or at a lower level internal limits.

Liquidity Risk Management

Liquidity risk is the risk that the bank will suffer a loss if it did not have the appropriate timing of cash to meet its financial obligations.

This risk can arise from the balance sheet structure due to mismatches in effective maturities of the elements of assets and liabilities, future funding requirements, behavior of customers, potential disruptions in markets or economic conditions.

Within the Crédit Agricole of Morocco, liquidity risk is subject to regular monitoring by the ALM structure directly with stakeholders (Hall Market; Market Risk Management, Commercial Bank, etc.)

The system implemented allows the bank to provide refinancing in the best conditions and in line with its strategic plan while complying with regulatory and internal limits governing this function. Indeed, the development of the financing plan requires the estimation on a dynamic basis of future cash balances and this in light of the main entrances and forecast output generated by the commercial and financial activities of the bank. This exercise is performed by applying three different scenarios depending on their severity. The assumptions include primarily business objectives and the bank's ability to raise funds on the money market.

In addition to the regulatory framework, Morocco Crédit Agricole has developed a set of tools (liquidity gaps, specific stress tests, concentration ratios ...) covering the short and medium term and which are analyzed depth to define if necessary adequate cash coverage measures to be adopted by the ALM Committee.

Following the implementation of short-term liquidity ratio (LCR), the bank introduced new measures which focus on strengthening its cash and realizable assets and improving its backing Balance sheet while preserving its level profitability. Thus, during the year 2015, the LCR CAM was established at a level above the required regulatory minimum.

V.4. operational risks

risk strategy

Operational risk has the characteristic of being a diffuse risk, the perimeter of risk is extremely broad, it covers almost all .It bank's process for this reason that the operational risk management is a major challenge impact and must mobilize all stakeholders of the bank.

The fiscal 2015 within the GCAM was marked by consolidation of the achievements made at the device Operational Risk Management and since its establishment in 2012, having helped to anchor its important role as a pillar of the system internal control of the group. It allows to monitor and reliable knowledge of actual operational risk and implementation of remedial mitigation and mastery of these risks through the implementation of risk mapping and progressive implementation risk monitoring indicators.

This device is based on the implementation of Healthy Risk Management Practices operational. by healthy practices, it is meant:

- A clear charter of operational risk management distributed to all the actors involved in the process;
- Strong operational risk culture within the company;
- An effective internal reporting and the existence of a rescue plan and business continuity.

To help control operational risks, the GCAM has implemented a management policy that is part of the continuous improvement system:

- Collect data on (potential) and / or incidents (proven);
- Analyze risks (potential) and / or incidents (proven) and assess the financial impact;
- Alert the key officials involved in the said incident;
- Have tools and to control indicators to all stakeholders to communicate the data on (potential) and / or incident 'proven) and enjoy exposure to operational risks;
- To undertake preventive and corrective actions needed to reduce impacts, the probability of occurrence of the incident while ensuring regular monitoring.

GCAM of policy Operational Risk

Policy and procedure management and monitoring of operational risks are formalized in the light of the entities involved in the monitoring process of evaluating and controlling risks.

Given the nature of operational risk, internal regulations involve a large number of actors involved in:

- The identification and risk assessment;
- The collection and monitoring of incidents;
- Awareness and animation in the chain of operational risks;
- The use of risk mapping as part of the control and audit activities.

Thus, the main internal circulars governing operational risks are:

- The operational risk management group charter: it sets the policy for operational risk management within the group GCAM in terms of:
 - Model representation and risk assessment (definition of concepts, description of reference, description of standards)
 - Model of representation of risk monitoring indicators and hedging mechanisms
 - Incident collection Model
 - Description of the organization of the sector "Operational Risk" (actors, roles and responsibilities, ...)
 - Description of procedures for Operational Risk Management

Organization of the sector operational risk

The organization of operational risk function at Group level is based on:

- The central function at headquarters, responsible for the design and piloting of the methodological and technological tools, it ensures the establishment of an effective risk management system, comprehensive and consistent for GCAM;
- Relays designated operational risks at the network level, subsidiaries and at the core businesses in the event collection process, incidents and losses. These relays have the mission to identify events, incidents and operational losses and inventory in the risk management tool They participate in the updating of operational risk mapping and ensure the implementation of plans actions to strengthen the risk mastering device
- Operational Risk Correspondents (internal control or other entities) at headquarters and the network responsible for identifying incidents and business risks, procedures and system of controlled entities.

In terms of general approach to operational risk management industry organization relies on two levels of management:

- Level 1: measurement and control of operational risk are the responsibility of the entity operational risk. This is particularly responsible to make available business information on their level of operational risk, to inform their decisions about such risks cover stock.
- 2nd level: the implementation of hedging activities, detection and collection of incidents are the responsibility of businesses, and entities of Control

Major operational risk management tools

The main methodological tools are: the operational risk mapping, the incident collection, and plan business continuity (BCP).

Operational risk mapping

The operational risk management system in place within the GCAM since 2012, uses a systematic approach that identifies and prioritize risks, and then implements strategies to mitigate them. This approach includes both the prevention of potential problems (events) and detection at the earliest of the current problems (incidents).

Two approaches were used by the RO office for identification and risk assessment:

- Approach of meeting with the business to speak on the risks carried on their business by comparing them with controls in place (surveys, in situ mission teams, remote control ...)
- Approach based on a rise in events and incidents via different sources (Permanent Control Network and Headquarters, Operational Risk Relay, Control General ...).

During fiscal 2015, it was conducted the biannual update of the risk map, and whose achievements were mainly the following:

- The update of the list of key processes and macro processes by operating the link with the identified risks;
- Review and validation of qualitative evaluation, prioritization and risk scoring made by the bank in terms of probability of occurrence and loss incurred;
- Review and update the action plans;
- The amendment of the existing mapping operational risks in new risks;
- The update of the operational risk framework;
- A risk classification according to the control device in place.

Event collection process, incidents and losses

This process is based on two levels of data collection:

- Incidents are seized over the water, following detection by the operational risk Relay using the dedicated form. A check of reported incidents is done, over the water, by the Operational Risk Managers in these verify the completeness, consistency and relevance. They find the corresponding risk situation in the risk map (if any) and may, if appropriate, enrich them.
- Detection of incidents via the internal control systems through daily remote controls and or through on-site missions to detect incidents and loss events, which date back via validation workflow for powering databases and 'monitor the regularization of detected anomalies.

The event reporting process, incidents and losses related to operational risk was formalized in 2014 as part of a validated and disseminated to the network procedure and to describe the different steps of collecting an incident and the roles of stakeholders involved throughout this process. This was broken down into five steps:

- Step 1: Identification of events, incidents and losses
- Step 2: Data entry level
- Step 3: Check the data collected
- Step 4: Intelligence and closing of the event or incident record
- Step 5: Consolidation and Event Tracking reporting, incidents and losses

Business Continuity Plan

Morocco's Crédit Agricole Group has a Business Continuity Plan to ensure, according to various crisis scenarios, including extreme shocks, maintaining, where appropriate temporarily in degraded mode, benefits service or other essential operational tasks and the planned resumption of activities.

BCP plans, so all backup solutions (organizational, logistical, technical, human and communication) to respond effectively to an uncontrollable crisis and resuming on time vital activities, in case of unavailability of people, facilities, information providers or essential systems.

In 2015, work on updating the PCA body of literature (methodological guide, job descriptions, communication, ...) has been finalized and several procedures are in progress.

It is important to note that no major incident has occurred during 2015 obliging the bank to activate its BCP.

V.5. Risk of change

Like all banks, Morocco Crédit Agricole incurs foreign exchange risk related to its various activities (foreign currency loans, foreign currency loans, currency futures ...).

The bank can see an evolution of future exchange rate against him and record accordingly reduced its margin.

V.6. Management of counterparty risk

In a context of profound changes in Morocco that represent economic liberalization, the opening of borders, customs and dismantling the entry into force of several free trade agreements, counterparty risk, the level of the whole sector banking, could deteriorate, and therefore induce a rise in the overall litigation ratio. This trend could be further accentuated by an unfavorable economic environment.

To manage counterparty risk, the entity "Credit Risk" in the GGR (entity created in 2009) main mission is to analyze and investigate risk taking requests from different sales forces group. She further powers for assessing the consistency and validity of the guarantees, the appreciation of the business volume of the relationship and the economic merits of the requested funding.

In addition, CAM has developed a rating system to evaluate all of its counterparties. This rating system is in line with the requirements of "Basel II". Thus, the implementation of the internal rating approach is based on minimum requirements that enable each credit institution to choose the most appropriate systems and practices to its business.

CAM has a rating system covering all customer segments. It has, moreover, a specific rating system Moroccan PME for the risk in the agricultural sector, Morocco Crédit Agricole has a credit rating that assesses the risk inherent in credit on the basis of the debtor's financial situation, its development potential and the industry. The agricultural sector is characterized by its diversity and its high exposure to climate risks. With its expertise in this sector, CAM supports farmers in their development through specific financing products and insurance products covering risks.

Moreover, CAM began in 2009 carve-out process of public service mission through the creation of the Ardi Foundation and society Tamwil el Fellah allowing to identify the risk associated with this sector and provide these entities means tailored coverage.

V.7. Credit risk

The credit risk is the risk that a bank will not be able to honor its commitments to its lenders.

V.8. Competition risk

Credit Agricole of Morocco through its dedicated network and expertise in the sector asserts itself as the agribusiness financing the leader, despite the arrival of new competitors and the growing interest of some actors in his favorite environment. The financing of this sector strategy is available through its commitment to the Green Morocco Plan with an initial allocation of 20 billion MAD due 2013 and a second envelope of 25 billion MAD as of March 2014.

On this forecast basis, Crédit Agricole has built a strengthening of its Own Fund plan to meet its commitment in this area and confirm its leading position in this sector.

V.9. sector concentration risk related to public service mission

The public service mission which the CAM Group is invested confers the responsibility to revitalize the rural world in all its diversity. Therefore, the risk of sectoral concentration is confined to the fact that the group finance several industries in rural areas.

V.10. Risk relating to the structural dependence of intermediation margins

Historically, CAM interest margin represents the largest share in the composition of its GNP. That said, the bank seeks to diversify its sources of profitability (from the interest margin in the GNP thus rose from 88% in 2013 to 86% in December 2015).

Indeed, CAM has implemented several measures to enhance the share of fee income in net banking income and revenue from the electronic payment operations related to the management of the means of payment. Therefore, we note that the share of fee income in the GNP structure is increasing since fiscal 2013, and from 10% to 11.4% at the end of 2015.

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/021/2016 on September 16, 2016.
AMMC recommends that the prospectus made available to the public in French must be read in its entirety.