

Banque Marocaine Du Commerce Extérieur

PROSPECTUS SUMMARY

BMCE BANK OF AFRICA

البنك المغربي للتجارة الخارجية لإفريقيا



ISSUE OF UNLISTED BONDS

-GREEN BONDS-

TOTAL AMOUNT: MAD 500 000 000

	Tranche A (fixed unlisted)	Tranche B (revisable unlisted)
Ceiling	MAD 500 Million	
Number of securities	5 000 Bonds	
Nominal value	MAD 100 000	
Tradability of securities	Over-the-counter	
Rate	Fixed, determined in reference to the 5-year rate calculated on the secondary yield curve of Treasury bonds, as published by Bank Al-Maghrib on November 8 th , 2016	Revisable on an annual basis, determined in reference to the secondary yield curve of Treasury bonds, as published by Bank Al-Maghrib on November 8 th , 2016
Risk premium	Between 55 and 65 basis points	
Principle repayment	<i>in fine</i>	
Repayment guarantee	None	
Maturity	5 years	
Allocation method	French auction method, with no prioritization between tranches	

SUBSCRIPTION PERIOD: FROM NOVEMBER 14 TO 16, 2016, INCLUSIVE

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

CONSULTING BODY	CENTRALIZING BODY IN CHARGE OF THE PLACEMENT

Approval of the Moroccan Stock Market Authority (AMMC)

In accordance with the provisions of AMMC circular, delivered in application of Section 14 of Dahir (Royal Decree) related to law no. 1-93-212 dated September 21st, 1993 as amended and supplemented, the original copy of the present prospectus has been approved by AMMC on November 4th, 2016 under reference no. VI/EM/026/2016.

WARNING: The Moroccan Capital Markets Authority (AMMC) approved on November 4th, 2016 a prospectus related to the Green bond issue by BMCE Bank. The prospectus approved by the AMMC is available at any time at the headquarters of BMCE Bank and at the financial advisor. It is also available within a maximum deadline of 48 hours from the order collection entities.

The prospectus is publicly available on the AMMC web site: www.ammc.ma.

PART I: PRESENTATION OF THE OPERATION

I. Description of BMCE Bank Green Bonds

As part of its "Green Bonds" issue, BMCE Bank has mandated VigeoEiris in order to issue insurance on the green nature of these bonds.

In this vein, the Board of Directors held on October 31st, 2016 took note of the rules, procedures and commitments associated with green bonds, as they were presented to VigeoEiris office in order for it to issue its second opinion, and decided to apply those rules, procedures and commitments as outlined in the report of the second opinion and the present prospectus, all throughout the loan duration.

1. Use of proceeds:

BMCE Bank has a portfolio of (wind, solar, hydroelectric, etc.) projects to fund far exceeding the amount of MAD 500 million of bank debts. These projects are part of investments that may individually vary between MAD 45 million and MAD 2.7 billion.

This pipeline, evolving according to future upcoming projects, will be subject to selection and assessment by the Green Bond project team and external consultants in order to confirm its eligibility.

For the sake of the estimates, and based on the already-identified projects, the bank has started a process of projects identification and selection, provided that they are selected, to achieve 60% use of the issue net proceeds over a 12- month period and 80% over a 24-month period. Indeed, the saturation of the line during this period depends on (i) the agreement of BMCE Bank competent organs on the project files and those of customers to entrust these funding files to the Bank, (ii) the starting and/or effective continuation of projects on time expected at their initiation and (iii) the spreading of drawings on the debt according to the drawings' schedule and the start date of each project.

Eligible projects are located in Morocco, managed by companies of all sizes (SMEs and large enterprises) and concern the production of renewable energy or the improvement of energy efficiency. Eligible funding categories are presented as follows:

Renewable energies

- Hydroelectric power plants whose installed capacity is less than 15 MW;
- Wind turbines;
- Biomass combustion systems generating heat and/or electricity;
- Solar thermal power plants;
- Production of hot water systems for treatment processes and/or heating/cooling of local and/or domestic hot water;
- Drying systems with high/low temperatures;
- Photovoltaic solar plants (solar farm projects, industrial integration & training, panel assembly unit);
- Use of geothermal energy with / without heat pumps (drilling and pumping test);
- Biogas stations and/or engines (agricultural, municipal, industrial, wastewater treatment waste).

Energy

Investment in equipment, technologies or projects allowing to achieve at least 20% energy savings

efficiency	(30% for commercial buildings) or at least 20% CO2 emissions reduction in terms of available equipment on the market typically ("Morocco baseline"), such as the realization of investment projects (expansion or acquisition of equipment, thermal renovation, insulation, glazing, etc.) or the extension of production and distribution capacity of energy efficiency or renewable energy equipment suppliers, etc.
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The expected overall positive impacts of this issue falls under the mitigation of climate change impacts through (i) the achievement of energy savings and (ii) the prevention of greenhouse gas emissions.

2. Project Evaluation and Selection:

Upon receipt of the funding application, the Investment & Structured Finance Department -ISFD- verifies that the project is directly registered in the development of renewable energy/energy efficiency sector. Then it sends a note to the Sustainable Development Department (Governance and Development Group) and to the Commitment Analysis and Monitoring Department (Risk Group), to validate the eligibility of the Green Bond funding project. The three departments constitute the Green Bond project team.

Once the project is deemed eligible, the legal documentation relating to environmental and social issues is collected by ISFD that organizes field visits in consultation with the Sustainable Development Department. Analysis of the Environmental and Social Risks and Due diligence is carried out by the Sustainable Development Department. This Due diligence is based on the respect of:

- The legal regulation (BAM exclusion List and collections of environmental impact studies);
- The Bank's international commitments (the exclusion list of the International Finance Corporation -IFC, its performance standards, SEMS¹ survey-BMCE Bank, IFC² sectoral guidelines and the Equator Principles³ requirements);
- And, the internal procedures.

Furthermore, the Bank appoints a team of external consultants specialized in the field of energy once the eligibility of the project is validated by the project team in order to:

- Verify that project falls within the renewable energy sector;
- Verify, for energy efficiency projects, that the equipment will indeed achieve a 20% energy savings (or reduction of CO2 emissions) compared to typical equipment available on the market ("Morocco baseline");
- And, submit to the Bank estimates of key indicators defined for the eligibility of projects to be covered by the green issue.

The team of external consultants will accompany the Bank in the selection of projects and will bring a level of confidence in relation to the requested indicators via reports as the files are presented. Thus, once the project is selected, the project team internal to the Bank shall give the environmental, social and governance (ESG) due diligence and the file is then submitted to the loan committee which will decide on its fate.

Overall, BMCE Green Bond issue is subject to:

- An upstream external evaluation: A Second Party opinion on the responsible nature of the green bond and covering three components: social responsibility profile of the issuer, commitments related to projects (fund allocation and ESG criteria integration in the assessment and monitoring of projects) and reporting;
- A post-issue verification (presented below);

¹ Social and Environmental Management System

² www.ifc.org/ehsguidelines

³ www.equator-principles.com

- And a review of the Second Party Opinion: to be conducted on the maturity of the issue, in order to update the assessment of the issuer, appreciate deployment commitments and results with regards to the impacts of funded projects by the issue and confirm alignment with the Green Bond Principles. In this context, Vigeo will intervene for the revision of the Second Party Opinion in the 2nd year following the issue. The report will be published along with the bank's financial annual report.

3. Management of Proceeds:

As previously mentioned (use of proceeds), the bank has begun a process of project identification and selection, provided that they are selected, in order to achieve 60% use of the issue net proceeds over a 12-month period and 80% over a 24-month period starting from the issue date.

Pending the fund allocation, the issue net proceeds amount will be managed by the Bank within its treasury, at its discretion, in cash or other liquid marketable instruments, which do not include significant carbon-intensive activities or controversial activities in accordance with the criteria applied in its cash management. The proceeds will be housed in a separate account of BMCE Bank throughout the maturity of the bond issue.

In case of loan suspension, the Bank will use the issue proceeds to finance other eligible projects meeting current fund allocation requirements and the eligibility process, and will monitor the fund allocation to each eligible⁴ project.

Post-issue, an annual financial audit will be carried out by the auditor and will cover audited fund allocation and monitoring until the maturity of the Green Bond.

The audit will cover fund allocation and traceability: amount allocated per project, verification of the existence of the financing on BMCE Bank books and will translate into the issuance of a certificate of conformity of the use of funds, subject of this operation.

4. Reporting:

BMCE Bank undertakes to annually report in the annual financial report and throughout the issue duration, on projects funded by the Green Bond issue. This reporting will be realized by the publication of an annual report sent to investors and rendered accessible publicly. The projects will be added to the report once the issuer approves and evaluates a project as being eligible.

The reporting will include elements on the fund allocation:

- The list of projects financed by the issue with a description of each project, the amount allocated, the total cost of the project, starting from the date of initial funding (in accordance with the privacy policy of customer data);
- The percentage of the total amount allocated in comparison to the total amount of the issue.

... And in consolidated, the environmental benefits:

- Energy savings in MWh;
- Avoided CO₂ emissions;
- Renewable energy production in MWh;
- Installed renewable energy capacity in MWh.

These indicators will be presented for the reporting year and cumulatively.

⁴ This supervision is integrated into the annual process for financial reporting

Alongside reporting indicators, the following additional indicators relating to ESG risks, will be mentioned if the information is available: "Total jobs created and/or trained personnel" and "Total non-relocated populations and total amount of compensation when necessary".

Will also be published along with the annual reporting:

- The certificate of conformity of the use of funds, subject of this operation, issued by the auditors;
- And after the second anniversary of the possession date, the updated Second Opinion from Vigeo.

5. Vigeo Eiris recommendations

In order to meet Vigeo recommendations, BMCE Bank has set up a procedure note that formalizes and defines the categories of projects eligible for the issue, namely categories of "Energy Efficiency" and "Renewable Energy" and commits each party to respect the different obligations necessary for the implementation and monitoring of the Green bond.

The following table shows all the recommendations issued by Vigeo along with their implementation status:

Item	Vigeo Eiris recommendation	BMCE Bank response
Use of proceeds	Formalize and define the categories of projects eligible for the program, namely EE and RE categories and eligibility criteria, specifying and clarifying the concept of "baseline"	Internal procedure note put in place
	Align the issue objectives (targeted project categories) and the bank's PIF ⁵ commitments	Achieved
	Identify with the Structured Financing and Investment team the pipe-line of EE and RE projects by category, along with the project's nature, total amount, the total project total disbursed in progress, total remaining to be disbursed, launching date of the project, financing, progress in the granting of the loan, availability of impact environmental indicators ...	In Progress - Pipeline identified, the files will subject to GB evaluation, monitored, post subscription
Project Evaluation and Selection	Formalize systematic criteria of ESG risk management	Achieved
	Formalize the process of evaluation and selection of projects eligible for financing not the issue	The process of evaluation and selection of projects eligible for funding is formalized and documented. It will be deployed in support of: -The fund allocation requirements, based on the definition of eligible project categories -The conduct of due diligence and additional project eligibility analysis, in line with IFC's performance standards (International Finance Corporation), the Equator Principles and good customer management rules (Know Your Customer)
	Formalize BMCE commitments related to the deployment of these processes and in terms of future organizational capacity and skills, along with an associated action plan (specific, dated, visible objectives) - Rapidly deploy the commitments to strengthen internal expertise in E&S risk assessment among Structured Financing and Investment teams	-Establishment a procedural note resuming the integration of ESG requirements in the identification, assessment of eligible projects, with the introduction of a device for the definition and prioritization of mitigation measures with regards to environmental and social impacts, at the time of the granting decision. -Team strengthening internally in terms of risk analysis expertise and ongoing energy
	The evaluation and selection process should be regularly updated, monitored internally and reviewed by an external party.	In progress
Management of	Formalize the fund allocation process	The funding allocation process is that of funding

⁵ Positive impact finance

Proceeds		traditional investment loans, already formalized in internal procedures
Reporting	Formalize the reporting system (collection, monitoring and consolidation indicators and arrangements)	Achieved
	The strengthening of indicators relating to ESG risks management pertaining to funded projects, their impact and their governance.	Directed: impact indicators defined and additional ones added in case of availability of information
	The strengthening of the device dedicated to bond issue monitoring in terms of monitoring & control of project deployment, as well as the implementation of systematic control loops for all stages of projects' risk and impact assessment procedure	Procedure note formalized
	Setting up a device dedicated to the management, monitoring and surveillance of funded projects by the post-grant issue and deployed mitigation measures of impacts	In progress
	Define precise collection, treatment and reporting procedures on claims and controversies relating to funded projects, make them visible and controllable	Compliance procedures already existing

II. Characteristics of the operation

Tranche A Characteristics (Fixed rate bonds, unlisted on Casablanca Stock Exchange)	
Nature of Securities	Bonds unlisted on Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and entered into account at the chartered affiliates.
Legal form	Bearer bond
Tranche ceiling	MAD 500 000 000.
Maximum number of securities to be issued	5 000 bonds.
Nominal value per unit	MAD 100 000.
Loan maturity	5 years.
Subscription period	From November 14 to 16, 2016, inclusive.
Possession date	November 21 st , 2016.
Maturity date	November 21 st , 2021.
Issue price	100%, i.e. MAD 100 000 at the subscription date.
Allocation method	French auction method, with no prioritization between tranches.
Nominal interest rate	<p>Fixed rate.</p> <p>The nominal interest rate is determined the 5-year rate calculated on the secondary yield curve of Treasury bonds, as published by Bank Al-Maghrib on November 8th, 2016. A risk premium ranging between 55 bps and 65 bps (to be fixed upon the closing of the subscription). This reference rate will be published in a legal gazette on November 10th, 2016.</p> <p>The nominal interest rate will be published no later than November 21st, 2016 by BMCE Bank in a legal gazette.</p>
Calculation method	The reference rate is determined through linear interpolation using the two points framing the full 5-year maturity (actuarially).

Risk premium	Between 55 and 65 basis points.
Interests	<p>Interests will be served annually at the anniversary dates of the loan's possession date, i.e. November 21st of each year. Their payment shall take place on the very same day or the first business day following November 21st, if this day is not a business day. Bond interests will cease to accrue as of the day when the capital will be proposed for repayment by BMCE Bank. No postponement of the interest shall be possible under this operation.</p> <p>Interests will be calculated as per the following formula: [Nominal x nominal rate].</p>
Principal repayment	<p>Tranche A, unlisted on Casablanca Stock Market, will be the subject of a repayment in fine of the principal amount.</p> <p>In the event of merger, demerger or partial contribution of assets of BMCE Bank taking place during the term of the loan and resulting in the full transfer of the assets in favor of a distinct legal entity, the rights and obligations in connection with the bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of BMCE Bank.</p>
Early repayment	<p>BMCE Bank undertakes, during the entire loan period, to not proceed to any early repayment of the bonds, subject of the present issue.</p> <p>However, the bank keeps the right to carry out, with the prior consent of Bank Al Maghrib, the buyback of bonds in the secondary market, provided the conditions established by the legal and regulatory provisions. This repurchase is any inconsequential to the subscriber who wishes to keep its securities till due date and without any incident on the regular amortization schedule.</p> <p>The bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p>
Tradability of securities	<p>Over-the-counter.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the bonds.</p>
Assimilation clauses	<p>There is no assimilation from a previous issue to the bonds issued by BMCE Bank.</p> <p>In the case BMCE Bank would subsequently issue new securities enjoying, in all regards, rights that are identical to those of Tranche A, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.</p>
Rank of the loan	Bonds issued by BMCE Bank and their interests constitute direct, general, unconditional and unsubordinated commitments of the Issuer, ranking equally among themselves and all other present or future unsecured debts of the Issuer.
Repayment guarantee	The present issue has not been subject to a special guarantee, of any nature whatsoever.
Rating	The present issue has not been subject to any rating request.
Representation of the bondholders' body	<p>Pending the holding of Bondholders' General Meeting, the Board of Directors held on October 31st, 2016, designated Mister Hamad Jouahri as a temporary representative of Tranche A and B bondholders, in accordance with the relevant statutory provisions.</p> <p>This decision shall take effect concurrently with the beginning of</p>

the subscription period. To be noted that the temporary representative appointed is the same for tranches A and B of the present issue, grouped into one single body.

In addition, BMCE Bank Board of Directors undertakes to call for a general meeting of bondholders to appoint a permanent representative of the bondholders' body within a period of one year, starting from the opening of the subscription period.

Applicable law	Moroccan law.
Competent jurisdiction	Commercial Court of Casablanca.

Tranche B Characteristics (Revisable rate bonds, unlisted on Casablanca Stock Exchange)

Nature of Securities	Bonds unlisted on Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Marocclear) and entered into account at the chartered affiliates.
Legal form	Bearer bond
Tranche ceiling	MAD 500 000 000.
Maximum number of securities to be issued	5 000 bonds.
Nominal value per unit	MAD 100 000.
Loan maturity	5 years.
Subscription period	From November 14 to 16, 2016 inclusive.
Possession date	November 21 st , 2016.
Maturity date	November 21 st , 2021.
Issue price	100%, i.e. MAD 100 000 at the subscription date.
Allocation method	French auction method, with no prioritization between tranches.
Nominal interest rate	<p>Revised annually</p> <p>In the first year, the nominal interest rate will be the full 52-week (money market rate) determined with reference to secondary market Treasury bond yields as published by Bank Al-Maghrib on November 8th, 2016 (excluding risk premium) plus a risk premium of between 55 basis points and 65 basis points (to be decided at the subscription's closing). This benchmark will be published in a journal containing legal notices on November 10th, 2016.</p> <p>The nominal interest rate will be published no later than November 21st, 2016 by BMCE Bank in a legal gazette.</p> <p>At each anniversary, the benchmark rate will be the full 52-week money market rate determined with reference to secondary market Treasury bond yields as published by Bank Al-Maghrib five working days prior to the anniversary.</p> <p>The resulting benchmark rate will be raised by a risk premium of between 55 basis points and 65 basis points (to be decided at the subscription's closing). Bond holders will be informed of the rate 3 working days prior to the anniversary.</p>
Calculation method	<p>At each anniversary date, the reference retained rate will be determined as follows:</p> <p>-The reference rate of securities will be calculated on the basis of the 52-week Treasury Bonds rate observed or calculated through linear interpolation on the secondary market yield as published</p>

	<p>by Bank Al-Maghrib, 5 working days prior to the anniversary date.</p> <p>This linear interpolation will be done after converting the next higher rate than the 52-week maturity (actuarially) into an equivalent monetary rate.</p> <p>The formula is: $(((\text{Actuarial rate} + 1) ^ (k / \text{exact number of days} *)) - 1) \times 360 / k$ k is the maturity of the actuarial rate wished to be transformed</p> <p>* Exact number of days 365 or 366 days.</p> <p>-A risk premium will thus be added to the obtained rate, ranging between 55 and 65 basis points (to be fixed upon the closing of the subscription).</p>
Risk premium	Between 55 and 65 basis points.
Date of interest rate determination	<p>The coupon will be revised on an annual basis at the anniversary dates of the loan's possession date, i.e. November 21st of each year.</p> <p>The new rate will be communicated by the issuer, to the bondholders in a legal gazette, 3 business days prior to anniversary date.</p>
Interests	<p>Interests will be served annually at the anniversary dates of the loan's possession date, i.e. November 21st of each year. Their payment shall take place on the very same day or the first business day following November 21st, if this day is not a business day.</p> <p>Bond interests will cease to accrue as of the day when the capital will be proposed for repayment by BMCE Bank. No postponement of the interest shall be possible under this operation.</p> <p>Interests will be calculated as per the following formula: [Nominal x nominal rate x (exact number of days / 360)].</p>
Principal repayment	<p>Tranche B, unlisted on Casablanca Stock Market, will be the subject of a repayment in fine of the principal amount.</p> <p>In the event of merger, demerger or partial contribution of assets of BMCE Bank taking place during the term of the loan and resulting in the full transfer of the assets in favor of a distinct legal entity, the rights and obligations in connection with the bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of BMCE Bank.</p>
Early repayment	<p>BMCE Bank undertakes, during the entire loan period, to not proceed to any early repayment of the bonds, subject of the present issue.</p> <p>However, the bank keeps the right to carry out, with the prior consent of Bank Al Maghrib, the buyback of bonds in the secondary market, provided the conditions established by the legal and regulatory provisions. This repurchase is any inconsequential to the subscriber who wishes to keep its securities till due date and without any incident on the regular amortization schedule.</p> <p>The bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p>
Tradability of securities	<p>Over-the-counter.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the bonds.</p>

Assimilation clauses	There is no assimilation from a previous issue to the bonds issued by BMCE Bank. In the case BMCE Bank would subsequently issue new securities enjoying, in all regards, rights that are identical to those of Tranche B, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.
Rank of the loan	Bonds issued by BMCE Bank and their interests constitute direct, general, unconditional and unsubordinated commitments of the Issuer, ranking equally among themselves and all other present or future unsecured debts of the Issuer.
Repayment guarantee	The present issue has not been subject to a special guarantee, of any nature whatsoever.
Rating	The present issue has not been subject to any rating request.
Representation of the bondholders' body	Pending the holding of Bondholders' General Meeting, the Board of Directors held on October 31 st , 2016, designated Mister Hamad Jouahri as a temporary representative of Tranche A and B bondholders, in accordance with the relevant statutory provisions. This decision shall take effect concurrently with the beginning of the subscription period. To be noted that the temporary representative appointed is the same for tranches A and B of the present issue, grouped into one single body. In addition, BMCE Bank Board of Directors undertakes to call for a general meeting of bondholders to appoint a permanent representative of the bondholders' body within a period of one year, starting from the opening of the subscription period.
Applicable law	Moroccan law.
Competent jurisdiction	Commercial Court of Casablanca.

III. Objectives of the operation

Through this operation, BMCE Bank aims to achieve the following objectives:

- Strengthen BMCE Bank Group's civic engagement in the field of environmental protection;
- Finance eco-friendly national projects;
- Support public and private initiatives for the preservation of natural resources.

Indeed, protecting the environment is essential to BMCE Bank Group. Numerous stakeholders such as the financial community, NGOs and customers have great expectations in terms of environmental preservation.

The Bank's Environmental Management System (EMS), certified ISO 14001 since June 2011, is part of a comprehensive approach to promote and continuously improve the Group's shares, having well-drawn axes of its environmental policy.

Therefore, BMCE Bank has been endeavoring since 2011 to widespread EMS practices throughout the Bank's entities – central functions, agencies network and business centers – and implement initiatives within the Bank's activities.

IV. Operation schedule

The subscription is open to the body in charge of the placement. The operation schedule is as follows:

Order	Steps	Date
1	Obtainment of AMMC approval	November 4th, 2016
2	Publication of the prospectus summary in a legal gazette	November 8th, 2016
3	Observation of interest rate by Bank Al-Maghrib	November 8th, 2016
4	Publication of reference rates in a legal gazette	November 10th, 2016
5	Opening of the subscription period	November 14th, 2016
6	Closing of the subscription period at 4:00 pm	November 16th, 2016
7	Allocation of securities (final state)	November 16th, 2016
8	Publication in a legal gazette of the retained nominal interest rate and the operation's results	November 21st, 2016
9	Payment - Delivery	November 21st, 2016

PART II: PRESENTATION OF BMCE BANK

I. General Information

Corporate name:	Banque Marocaine du Commerce Extérieur/BMCE Bank/BMCE Bank Of Africa.
Headquarters:	140, avenue Hassan II, Casablanca.
Phone :	05 22 49 80 04/03
Fax:	05 22 26 49 65
Website:	www.bmcebank.co.ma
Legal form:	Public Limited Company with a Board of Directors.
Date of incorporation:	August 31 st , 1959.
Lifetime :	99 years.
Registration number in the Trade Registry:	27 129 Casablanca
Fiscal year:	From January 1 st , to December 31 st
Corporate purpose: (Article 3 of the bylaws)	<p>BMCE Bank aims, within the framework of Dahir (Royal Decree) no. 1-14-193 dated Rabii I 1st, 1436 promulgating law no. 103-12 2006 relating to credit institutions and equivalent institutions:</p> <ul style="list-style-type: none"> ▪ At performing all banking, foreign exchange, treasury, backing, acceptance, discounting, rediscounting, current account overdraft operations and any form of credit in the short, medium and long term; taking out any loan, any commitments in any currency; buying, selling or disposing of any movable or immovable property; conducting all transit operations or fee-based or precious metals trading operations; ▪ At making all investments, subscriptions, stock exchange purchases and sales or otherwise, in cash or forward, of securities and drafts of all kinds; ▪ At taking, holding and managing equity interest in all banking, financial, real estate, industrial and commercial undertakings for itself or on behalf of third parties; ▪ and generally at performing all banking, financial, commercial, industrial, movable and unmovable operations that may be directly or indirectly related to its corporate purpose.
Share capital at June 30th, 2016:	MAD 1 794 633 900 consisting of 179 463 390 shares with a nominal value of MAD 10.
Legal documents	Legal documents of the company, including the Articles of Incorporation, the minutes of general meetings and the reports of external auditors may be consulted at the headquarters of BMCE Bank.
List of relevant legislations:	<p>By its legal form, BMCE Bank is governed by the Moroccan law and Law No. 17-95, as amended and supplemented;</p> <p>By its activity, BMCE Bank is governed by Dahir No. 1-14-193 of Rabii I 1st, 1436, promulgating law No. 103-12 related to credit institutions and similar bodies (Banking Law);</p> <p>By its listing of shares on Casablanca Stock Exchange, BMCE Bank is subject to all laws and regulations relating to the financial market, namely:</p>

- Dahir No. 1-93-211 of September 21st, 1993 on the Stock Exchange as amended and supplemented by laws 34-96, 29-00, 52-01 and 45-06;
- General Rules of the Stock Exchange approved by the Ordinance of the Minister of Economy and Finance No. 499-98 of July 27th, 1998 and amended by the Ordinance of the Minister of Economy, Finance, Privatization and Tourism No. 1960-01 of October 30, 2001. This latter was modified by the amendment of June 2004 that came into force in November 2004 and by Ordinance No. 1268-08 dated July 7th, 2008;
- Dahir on law no. 1-93-212 of rabii II 4th , 1414 (September 21st, 1993) as amended and supplemented by law no. 23-01, 36-05 and 44-06;
- AMMC general rules approved by approved by Order of the Minister of Economy and Finance No. 822 08 of April 14th, 2008;
- Dahir No. 1-96-246 of January 9th, 1997 promulgating the law No. 35-96 relating to the creation of the Central Depository and the establishment of a general system of registration in accounts of some securities, amended and supplemented by Law No. 43-02;
- The general rules of the Central Depository approved by the Ordinance of the Minister of Economy and Finance No. 932-98 dated April 16th, 1998 and amended by the Ordinance of the Minister of Economy, Finance, Privatization and Tourism No. 1961-01 of October 30th, 2001;
- Dahir No. 1-04-21 of April 21st, 2004 promulgating Law No. 26-03 on public offering on the stock market and amended in October 2014;
- AMMC circular entered into force in October 2014;

By its issue program of its deposit certificate, BMCE Bank is subject to BAM circular no. 2/G/96 of 30/01/1996 on certificates of deposit and its amendment.

The company is also subject to law no. 35-94 on NDS.

Taxation status:	BMCE Bank is subject, as a credit institution, to the corporate tax (37%) and to VAT (10%).
Competent court in case of dispute:	Commercial Court of Casablanca.

II. Shareholding structure

The capital of BMCE Bank amounts to MAD 1 794 633 900 consisting of 179 463 390 shares with a nominal value of MAD 10.

As of August 31st, 2016, the shareholding structure of BMCE Bank is as follows:

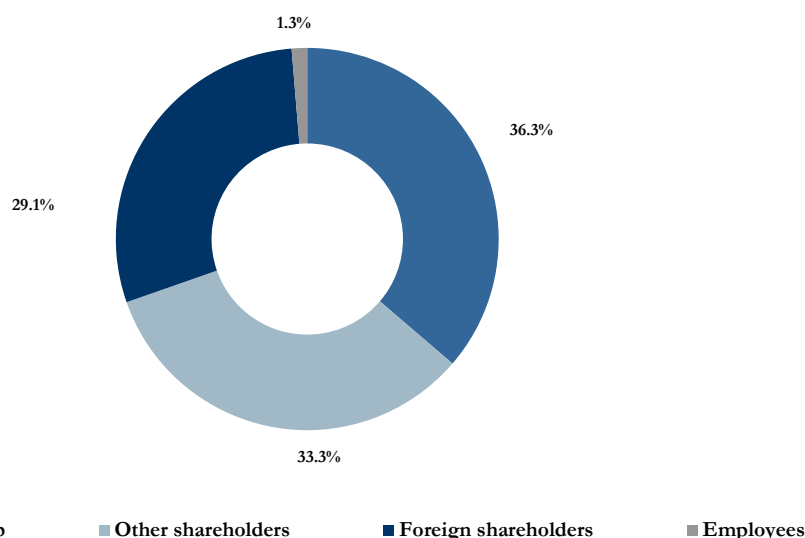
Table 1 Shareholding table at August 31st, 2016

Shareholders	Number of detained shares	% of capital	% of voting rights
Controlling stake	65 136 344	36.30%	36.30%
<i>RMA*</i>	53 523 788	29.82%	29.82%
<i>Financecom</i>	10 705 351	5.97%	5.97%
<i>SFCM</i>	907 205	0.51%	0.51%
Stable shareholdings	83 662 884	46.62%	46.62%
<i>Banque Fédérative du Crédit Mutuel</i>	47 029 054	26.21%	26.21%

<i>Caisse de Dépôt et de Gestion</i>	17 138 128	9.55%	9.55%
<i>MAMDA/MCMA</i>	7 050 790	3.93%	3.93%
<i>CIMR</i>	7 348 804	4.09%	4.09%
<i>NOVO BANCO</i>	5 096 108	2.84%	2.84%
Others	30 664 162	17.09%	17.09%
<i>BMCE employees</i>	2 344 460	1.31%	1.31%
<i>Free float</i>	28 319 702	15.78%	15.78%
TOTAL	179 463 390	100.00%	100.00%

Source: BMCE Bank

(*) Excluding RMA mutual funds



Source : BMCE Bank

III. BMCE Bank Administrative Bodies

1. Board of Directors

BMCE Bank is administered by a Board of Directors composed of eleven members and chaired by Mr. Othman Benjelloun, CEO.

Table 2 Members of the Board of Directors

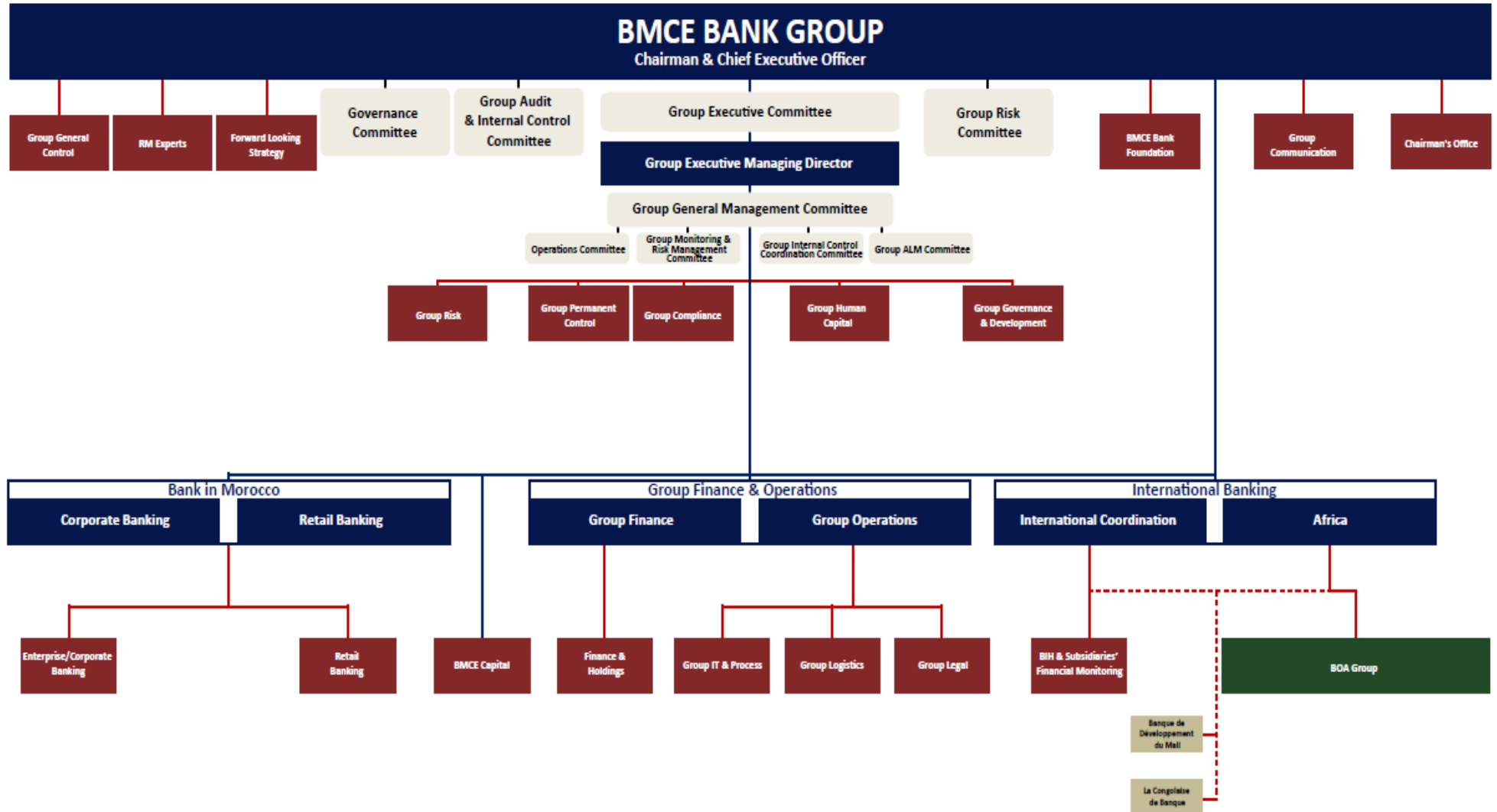
Directors	Appointment date	Expiry of office term	Family relationship
Mr. Othman BENJELLOUN <i>Chief Executive Officer</i>	1995	General Meeting called to approve the 2018 accounts	No family relationship to other members
BANQUE FEDERATIVE DU CREDIT MUTUEL (Holding of Groupe Crédit Mutuel / CIC) <i>represented by Mr. Michel LUCAS</i>	2005	General Meeting called to approve the 2019 accounts	<i>Idem</i>
CAISSE DE DEPOT ET DE GESTION <i>represented by Mr. Abdellatif ZAGHNOUN</i>	2010	General Meeting called to approve the 2021 accounts	<i>Idem</i>
RMA represented by Mr. Zouheir BENS Aid	1995	General Meeting called to approve the 2018 accounts	<i>Idem</i>

FINANCECOM <i>represented by Mr. Hicham El AMRANI</i>	2001	General Meeting called to approve the 2020 accounts	<i>Idem</i>
Mr. Azeddine GUESSOUS* <i>Intuitu personae</i>	2016		<i>Idem</i>
Mr. François HENROT <i>Independent director</i>	2016	General Meeting called to approve the 2021 accounts	<i>Idem</i>
Mr. Brian C.Mck. HENDERSON <i>Independent director</i>	2016	General Meeting called to approve the 2021 accounts	<i>Idem</i>
Mr. Philippe DE FONTAINE VIVE <i>Independent director</i>	2016	General Meeting called to approve the 2021 accounts	<i>Idem</i>
Mr. Christian DE BOISSIEU <i>Independent director</i>	2016	General Meeting called to approve the 2021 accounts	<i>Idem</i>
Mr. Brahim BENJELLOUN TOUIMI <i>Deputy Managing Director</i>	2004	General Meeting called to approve the 2021 accounts	<i>Idem</i>

Source: BMCE Bank

(*) Mr. Azeddine Guessous has been the permanent representative of RMA since 2008. BMCE Bank Board of Directors of September 23rd, 2016 co-opted Mr. Azeddine Guessous as intuitu personae director awaiting his ratification by the Annual General Meeting approving the 2016 accounts.

2. BMCE Bank Organization Chart (August 2016)



Source: BMCE Bank

PART III: BMCE BANK ACTIVITY

I. Evolution of loans

During the period under review, the evolution of loans by type of customers is presented as follows:

Table 3 Loans by customer type over the period 2013-S1 2016

In MAD Million	2013	2014	Var.	2015	Var.	S1 2016	Var.
Receivables from credit institutions and similar bodies	16 005	19 190	19.9%	24 495	27.6%	23 679	-3.3%
Customer loans	102 648	99 394	-3.2%	113 329	14.0%	107 151	-5.5%
Cash Loans	26 251	27 462	4.6%	29 833	8.6%	31 442	5.4%
Consumer loans	7 548	8 396	11.2%	9 329	11.1%	9 615	3.1%
Equipment loans	15 810	15 643	-1.1%	15 886	1.6%	16 421	3.4%
Real estate loans	33 360	34 852	4.5%	36 320	4.2%	37 137	2.3%
Other loans ⁶	17 135	10 547	-38.4%	18 885	79.1%	9 919	-47.5%
receivables acquired by factoring	-	-	NS	-	-	-	NS
Accrued interest receivable	708	757	6.9%	717	-5.3%	711	-0.7%
Non-performing loans	1 836	1 737	-5.4%	2 358	35.8%	1 906	-19.2%
Total loans	118 654	118 584	-0.1%	137 824	16.2%	130 831	-5.1%

Source: BMCE Bank – aggregate activity⁷

At June 30th, 2016, outstanding loans recorded a decline of 5.1% to MAD 130 831 millions. This mainly includes (i) a 5.4% cash loans growth to MAD31 442 million, and (ii) a 2.3% increase in real estate loans to MAD 37 137 million, absorbed by (iii) a 3.3% withdrawal to MAD 23 679 million in receivables from credit institutions and similar bodies and (iv) a 47.5% decrease of other loans to MAD 9 919 million subsequent to reverse operations in connection with the bank's activity on the monetary market.

It must be noted that real estate loans and cash loans alone account for more than half of credit total.

II. Evolution of customer deposits

The evolution of customer deposits by type of product over the period 2013-S1 2016 is emerging as follows:

Table 4 Evolution of customer deposits by type of products:

In MAD Million	2013	2014	Var.	2015	Var.	S1 2016	Var.
Accounts payable	53 658	56 389	5.1%	61 704	9.4%	62 419	1.2%
Saving accounts	18 516	19 485	5.2%	20 735	6.4%	21 280	2.6%
Term deposits	23 485	25 249	7.5%	29 138	15.4%	29 683	1.9%
Other accounts payable	6 382	8 448	32.4%	9 025	6.8%	10 109	12.0%
Accrued interests payable	562	532	-5.3%	604	13.5%	566	-6.2%
Total customer deposits	102 603	110 102	7.3%	121 206	10.1%	124 056	2.4%

Source: BMCE Bank – Aggregate activity

At S1 2016, customer deposits recorded an increase of 2.4% to MAD 124 056 million, mainly benefiting from the 12% increase of other accounts payable to MAD 10 109 million.

⁶ Other loans including namely repurchases.

⁷ Including BMCE Ltd., BMCE Tanger Offshore and BMCE Paris.

PART IV: FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AT 30/06/2016

ASSETS	june-16	dec-15
Cash and amounts due from central banks and post office banks	9 472 175	10 403 090
Financial assets at fair value through profit or loss	31 239 021	25 760 228
Derivatives used for hedging purposes	34 995	7 207
Available-for-sale financial assets	7 929 975	6 846 572
Loans and receivables due from credit institutions	19 335 491	20 971 036
Loans and receivables due from customers	167 888 668	173 279 696
Remeasurement adjustment on interest rate risk hedged assets	-	-
Held-to-maturity financial assets	26 279 724	24 559 458
Current tax assets	247 578	63 550
Deferred tax assets	551 705	473 814
Accrued income and other assets	6 003 400	5 364 187
Non current assets held for sale	-	-
Investment associates	595 128	585 787
Investment property	3 433 203	3 035 131
Property, plant and equipment	6 818 381	6 516 029
Intangible assets	812 867	703 525
Goodwill	852 310	852 310
TOTAL ASSETS	281 494 621	279 421 620
		(In thousand MAD)
LIABILITIES & SHAREHOLDERS EQUITY	june-16	dec-15
Due to Central Banks and Post Office Banks	-	-
Financial liabilities at fair value through profit or loss	2 056 310	2 046 594
Derivatives used for hedging purposes	-	-
Due to credit institutions	46 822 809	51 176 027
Due to customers	180 982 226	178 255 021
Debt securities	8 439 472	8 967 697
Remeasurement adjustment on interest rate risk hedged portfolios	-	-
Current tax liabilities	421 944	131 027
Deferred tax liabilities	1 140 703	1 130 452
Accrued expenses and other liabilities	7 803 472	6 315 040
Liabilities related to non-current assets held for sale	-	-
Technical reserves of insurance companies	-	-
Provisions for contingencies and charges	669 816	650 913
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	10 456 312	8 639 297
TOTAL DEBTS	258 793 064	257 312 068
Capital and related reserves	13 308 393	12 899 418
Consolidated reserves	-	-
- Attributable to parent	3 066 819	2 101 501
- Non-controlling interests	4 668 143	4 381 320
Unrealized or deferred gains or losses, attributable to parent	58 020	65 587
Unrealized or deferred gains or losses, non-controlling interests	3 327	6 996
Net Income	-	-
- Attributable to parent	1 250 459	1 955 535
- Non-controlling interests	346 396	699 195
TOTAL CONSOLIDATED SHARE HOLDERS'S EQUITY	22 701 557	22 109 552
TOTAL ASSETS	281 494 621	279 421 620
		(In thousand MAD)

CONSOLIDATED BALANCE SHEET AT 31/12/2015

ASSETS	dec-15	dec-14
Cash and amounts due from central banks and post office banks	10 403 090	9 966 747
Financial assets at fair value through profit or loss	25 760 228	28 609 790
Derivatives used for hedging purposes	7 207	-
Available-for-sale financial assets	6 846 572	4 891 427
Loans and receivables due from credit institutions	20 971 036	16 072 610
Loans and receivables due from customers	173 279 696	155 152 943
Remeasurement adjustment on interest rate risk hedged assets	-	-
Held-to-maturity financial assets	24 559 458	18 153 337
Current tax assets	63 550	199 008
Deferred tax assets	473 814	445 733
Accrued income and other assets	5 364 187	4 978 851
Non current assets held for sale	-	-
Investment associates	585 787	513 766
Investment property	3 035 131	835 047
Property, plant and equipment	6 516 029	5 847 075
Intangible assets	703 525	744 273
Goodwill	852 310	832 470
TOTAL ASSETS	279 421 620	247 243 077
		(In thousand MAD)
LIABILITIES & SHAREHOLDERS EQUITY	dec-15	dec-14
Due to Central Banks and Post Office Banks	-	-
Financial liabilities at fair value through profit or loss	2 046 594	2 745 648
Derivatives used for hedging purposes	-	2 018
Due to credit institutions	51 176 027	33 142 978
Due to customers	178 255 021	161 268 876
Debt securities	8 967 697	13 170 353
Remeasurement adjustment on interest rate risk hedged portfolios	-	-
Current tax liabilities	131 027	55 341
Deferred tax liabilities	1 130 452	1 099 810
Accrued expenses and other liabilities	6 315 040	7 636 569
Liabilities related to non-current assets held for sale	-	-
Technical reserves of insurance companies	-	-
Provisions for contingencies and charges	650 913	523 011
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	8 639 297	6 795 304
TOTAL DEBTS	257 312 068	226 439 908
Capital and related reserves	12 899 418	12 488 381
Consolidated reserves	-	-
- Attributable to parent	2 101 501	1 481 861
- Non-controlling interests	4 381 320	4 000 114
Unrealized or deferred gains or losses, attributable to parent	65 587	149 436
Unrealized or deferred gains or losses, non-controlling interests	6 996	-8 802
Net Income	-	-
- Attributable to parent	1 955 535	1 943 864
- Non-controlling interests	699 195	748 315
TOTAL CONSOLIDATED SHARE HOLDERS'S EQUITY	22 109 552	20 803 169
TOTAL PASSIF IFRS	279 421 620	247 243 077

CONSOLIDATED BALANCE SHEET AT 31/12/2014

Balance Sheet		
Assets	dec-14	dec-13
Cash and amounts due from central banks and post office banks	9 966 747	11 939 091
Financial assets at fair value through profit or loss	28 609 790	28 223 948
Derivatives used for hedging purposes	-	-
Available-for-sale financial assets	4 891 427	3 319 804
Loans and receivables due from credit institutions	16 072 610	18 145 727
Loans and receivables due from customers	155 152 943	149 374 957
Remeasurement adjustment on interest rate risk hedged assets	-	-
Held-to-maturity financial assets	18 153 337	12 536 742
Current tax assets	199 008	92 432
Deferred tax assets	445 733	257 635
Accrued income and other assets	4 978 851	4 317 433
Non current assets held for sale	-	-
Investment associates	513 766	472 624
Investment property	835 047	947 602
Property, plant and equipment	5 847 075	5 465 769
Intangible assets	744 273	770 522
Goodwill	832 470	832 470
TOTAL ASSETS	247 243 077	236 696 756

(In thousand MAD)

LIABILITIES & SHAREHOLDERS EQUITY	dec-14	dec-13
Due to Central Banks and Post Office Banks	-	68 253
Financial liabilities at fair value through profit or loss	2 745 648	2 437 494
Derivatives used for hedging purposes	2 018	-
Due to credit institutions	33 142 978	35 068 715
Due to customers	161 268 876	148 790 337
Debt securities	13 170 353	12 451 775
Remeasurement adjustment on interest rate risk hedged portfolios	-	-
Current tax liabilities	55 341	94 368
Deferred tax liabilities	1 099 810	989 759
Accrued expenses and other liabilities	7 636 569	11 380 363
Liabilities related to non-current assets held for sale	-	-
Technical reserves of insurance companies	-	-
Provisions for contingencies and charges	523 011	456 573
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	6 795 304	5 815 661
TOTAL DEBTS	226 439 908	217 553 298
Capital and related reserves	12 488 381	12 104 178
Consolidated reserves	-	-
- Attributable to parent	1 481 861	1 456 083
- Non-controlling interests	4 000 114	3 612 458
Unrealized or deferred gains or losses, attributable to parent	149 436	107 914
Unrealized or deferred gains or losses, non-controlling interests	-8 802	-17 778
Net Income	-	-
- Attributable to parent	1 943 864	1 230 796
- Non-controlling interests	748 315	649 807
TOTAL CONSOLIDATED SHARE HOLDERS'S EQUITY	20 803 169	19 143 458
TOTAL	247 243 077	236 696 756

(In thousand MAD)

CONSOLIDATE BALANCE SHEET AT 31/12/2013

Balance Sheet		
Assets		
	2013	2012
Cash and amounts due from central banks and post office banks	11 939 091	9 922 200
Financial assets at fair value through profit or loss	28 223 948	34 244 677
Derivatives used for hedging purposes	-	-
Available-for-sale financial assets	3 319 804	2 795 923
Loans and receivables due from credit institutions	18 145 727	21 396 946
Loans and receivables due from customers	149 374 957	138 808 778
Remeasurement adjustment on interest rate risk hedged assets	-	-
Held-to-maturity financial assets	12 536 742	10 518 941
Current tax assets	92 432	215 856
Deferred tax assets	257 635	309 870
Accrued income and other assets	4 317 433	4 938 775
Non current assets held for sale	-	-
Investment associates	472 624	406 928
Investment property	947 602	614 160
Property, plant and equipment	5 465 769	5 131 528
Intangible assets	770 522	751 455
Goodwill	832 470	832 470
TOTAL ASSETS	236 696 756	230 888 507

(In thousand MAD)

* Adjusted amount of the financial statements published in 2012, following the application of IAS 19 amendments which apply retrospectively. The affected section is the deferred tax assets for - 1 MMAD.

LIABILITIES & SHAREHOLDERS EQUITY		
	2013	2012
Due to Central Banks and Post Office Banks	68 253	67 382
Financial liabilities at fair value through profit or loss	2 437 494	1 614
Derivatives used for hedging purposes	-	-
Due to credit institutions	35 068 715	34 228 166
Due to customers	148 790 337	144 650 757
Debt securities	12 451 775	14 014 898
Remeasurement adjustment on interest rate risk hedged portfolios	-	-
Current tax liabilities	94 368	36 296
Deferred tax liabilities	989 759	983 149
Accrued expenses and other liabilities	11 380 363	13 210 125
Liabilities related to non-current assets held for sale	-	-
Technical reserves of insurance companies	-	-
Provisions for contingencies and charges	456 573	520 590
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	5 815 661	4 760 333
TOTAL DEBTS	217 553 298	212 473 310
<i>Capital and related reserves</i>	<i>12 104 178</i>	<i>11 981 368</i>
<i>Consolidated reserves</i>	<i>-</i>	<i>-</i>
<i>- Attributable to parent</i>	<i>1 456 083</i>	<i>1 276 693</i>
<i>- Non-controlling interests</i>	<i>3 612 458</i>	<i>3 516 000</i>
Unrealized or deferred gains or losses, attributable to parent	107 914	81 912
Unrealized or deferred gains or losses, non-controlling interests	-17 778	-18 970
Net Income	-	-
<i>- Attributable to parent</i>	<i>1 230 796</i>	<i>921 885</i>
<i>- Non-controlling interests</i>	<i>649 807</i>	<i>656 309</i>
TOTAL CONSOLIDATED SHARE HOLDERS'S EQUITY	19 143 458	18 415 197
TOTAL	236 696 756	230 888 507

(In thousand MAD)

* Adjusted amount of the financial statements published in 2012, following the application of IAS 19 amendments which apply retrospectively. The affected sections are provisions for -2.6 MMAD, consolidation reserves +7 MMAD, unrealized gains and losses -4.2 MMAD and net income for -1.2 MMAD

CONSOLIDATED INCOME STATEMENT AT 30/06/2016

	June-16	June-15
+ Interests and similar income	6 892 538	6 565 347
- Interests and similar expense	-2 513 457	-2 447 521
Net Interest income	4 379 081	4 117 826
+ Fees received and commission income	1 193 154	1 147 367
- Fees paid and commission expense	-156 972	-146 200
Net fee income	1 036 182	1 001 167
+/- Net gains or losses on financial instruments at fair value through profit or loss	804 534	353 941
+/- Net gains or losses on available for sale financial assets	212 078	191 686
Income from market transactions	1 016 612	545 627
+ Other banking revenues	479 384	450 931
- Other banking expenses	-206 064	-192 046
Net Banking Income	6 705 195	5 923 505
- General Operating Expenses	-3 209 216	-2 921 842
- Allowances for depreciation and amortization PE and intangible assets	-351 662	-339 757
Gross Operating Income	3 144 317	2 661 906
- Cost of Risk	-1 054 598	-806 776
Operating Income	2 089 719	1 855 130
+/- Share in net income of companies accounted for by equity method	59 260	56 996
+/- Net gains or losses on other assets	10 161	-2 601
+/- Change in goodwill	-	-
Pre-tax earnings	2 159 138	1 909 525
+/- Corporate income tax	-562 282	-484 522
Net income	1 596 856	1 425 003
Non-controlling interests	346 396	360 522
Net income attributable to parent	1 250 459	1 064 481
Earnings per share	6,97	5,9
Diluted Earnings per share	6,97	5,9

(In thousand MAD)

CONSOLIDATED INCOME STATEMENT AT 31/12/2015

	dec-15	dec-14
+ Interests and similar income	13 502 956	12 701 901
- Interests and similar expense	-4 962 142	-4 959 094
Net Interest income	8 540 814	7 742 807
+ Fees received and commission income	2 290 577	2 247 263
- Fees paid and commission expense	-339 423	-333 395
Net fee income	1 951 154	1 913 868
+/- Net gains or losses on financial instruments at fair value through profit or loss	441 412	1 093 341
+/- Net gains or losses on available for sale financial assets	211 536	100 886
Income from market transactions	652 948	1 194 227
+ Other banking revenues	1 044 522	1 022 668
- Other banking expenses	-372 633	-376 343
Net Banking Income	11 816 805	11 497 227
- General Operating Expenses	-6 261 222	-5 827 763
- Allowances for depreciation and amortization PE and intangible assets	-672 006	-666 100
Gross Operating Income	4 883 577	5 003 364
- Cost of Risk	-1 439 956	-1 778 322
Operating Income	3 443 621	3 225 042
+/- Share in net income of companies accounted for by equity method	97 733	81 621
+/- Net gains or losses on other assets	74 609	17 306
+/- Change in goodwill	-	-
Pre-tax earnings	3 615 963	3 323 969
+/- Corporate income tax	-961 233	-631 790
Net income	2 654 730	2 692 179
Non-controlling interests	699 195	748 315
Net income attributable to parent	1 955 535	1 943 864
Earnings per share	10,90	10,83
Diluted Earnings per share	10,90	10,83

(In thousand MAD)

CONSOLIDATED INCOME STATEMENT AT 31/12/2014

	dec-14	dec-13
+ Interests and similar income	12 701 901	11 446 765
- Interests and similar expense	-4 959 094	-4 801 885
Net Interest income	7 742 807	6 644 880
+ Fees received and commission income	2 247 263	2 206 721
- Fees paid and commission expense	-333 395	-459 319
Net fee income	1 913 868	1 747 402
+/- Net gains or losses on financial instruments at fair value through profit or loss	1 093 341	798 364
+/- Net gains or losses on available for sale financial assets	100 886	162 635
Income from market transactions	1 194 227	960 999
+ Other banking revenues	1 022 668	896 079
- Other banking expenses	-376 343	-358 334
Net Banking Income	11 497 227	9 891 026
- General Operating Expenses	-5 827 763	-5 300 375
- Allowances for depreciation and amortization PE and intangible assets	-666 100	-654 657
Gross Operating Income	5 003 364	3 935 994
- Cost of Risk	-1 778 322	-1 295 268
Operating Income	3 225 042	2 640 726
+/- Share in net income of companies accounted for by equity method	81 621	69 089
+/- Net gains or losses on other assets	17 306	12 207
+/- Change in goodwill	-	-
Pre-tax earnings	3 323 969	2 722 022
+/- Corporate income tax	-631 790	-841 419
Net income	2 692 179	1 880 603
Non-controlling interests	748 315	649 807
Net income attributable to parent	1 943 864	1 230 796
Earnings per share	10,8	6,9
Diluted Earnings per share	10,8	6,9

(In thousand MAD)

CONSOLIDATED INCOME STATEMENT AT 31/12/2013

	2013	2012
+ Interests and similar income	11 446 765	10 822 706
- Interests and similar expense	-4 801 885	-4 579 824
Net Interest income	6 644 880	6 242 882
+ Fees received and commission income	2 206 721	1 846 607
- Fees paid and commission expense	-459 319	-320 911
Net fee income	1 747 402	1 525 696
+/- Net gains or losses on financial instruments at fair value through profit or loss	798 364	651 021
+/- Net gains or losses on available for sale financial assets	162 635	150 157
Income from market transactions	960 999	801 178
+ Other banking revenues	896 079	781 350
- Other banking expenses	-358 334	-333 330
Net Banking Income	9 891 026	9 017 776
- General Operating Expenses	-5 300 375	-4 862 579
- Allowances for depreciation and amortization PE and intangible assets	-654 657	-573 940
Gross Operating Income	3 935 994	3 581 257
- Cost of Risk	-1 295 268	-1 107 613
Operating Income	2 640 726	2 473 644
+/- Share in net income of companies accounted for by equity method	69 089	65 770
+/- Net gains or losses on other assets	12 207	-390 484
+/- Change in goodwill	-	-
Pre-tax earnings	2 722 022	2 148 930
+/- Corporate income tax	-841 419	-570 737
Net income	1 880 603	1 578 193
Non-controlling interests	649 807	656 309
Net income attributable to parent	1 230 796	921 885
Earnings per share	6,9	5,1
Diluted Earnings per share	6,9	5,1

(In thousand MAD)

* Adjusted amount of the financial statements published in 2012, following the application of IAS 19 amendments which apply retrospectively. The affected sections are: general operating expenses -2 MMAD and income taxes for 0.7 MMAD.

PART V: RISK FACTORS

I. Risks Relating to the Bank and its Sector

1. Counterparty Risk Management

Loans granted (to customers and credit institutions) by the Bank (Consolidated Activity) amounted to MAD 187.2 billion at end-June 2016 against MAD 194.2 billion at December 31st, 2015.

BMCE Bank is keen to further develop its field of intervention to the SME segment. Indeed, this segment carries higher margins and presents a source of opportunities not only in Bank lending but also in financing and restructuring advisory activities.

In terms of Group standards, some BOA show high claims ratio; however, these rates remain below the industry rate in host countries, except for Ghana and Kenya.

In fact, Kenya has seen a sharp increase in nonperforming loans, mainly due to local conditions and the degradation of certain counterparties at the banking center. On the contrary, the impact of rising risks in Uganda is not significant given the size of the subsidiary. Locally, the BOA claims ratio Uganda is still lower than the sector's.

Moreover, the portfolios of BOA entities are mostly corporate, and thus have a solid guarantee, which explains the claims ratio that are lower than the sector's.

The Bank has undertaken a sensible consolidation effort of its receivables portfolio, an effort it keeps under its risk management policy and in compliance with prudential rules established by Bank Al-Maghrib, and the proper risk practices.

Therefore, the Bank has implemented a risk management system based on several governing bodies, on the one hand, and current management, on the other.

Involved in the risk management and monitoring of the Bank and the Group are:

- Group Audit and Internal Control Committee (CACI);
- Executive Committee (CSD), responsible for the variation in equity and operational measures of the strategic guidelines of the Group and their monitoring;
- Credit committees, which approve all commitments;
- Audit Committee of defecting and decommissioning accounts;
- Group Risk Committee, assisting the Board of Directors in terms of strategy and risk management, ensuring in particular that the overall risk strategy is tailored to the risk profile of the bank and the Group, to the degree risk aversion, to its systematic importance, to its size and to its financial position;
- Group Steering & Risk Management committee and BMCE Bank Steering & Risk Management Committee. They ensure the efficiency of the risk control system and its adequacy with the risk management policy defined on the Loan, Market and Operational risk elements.

The Bank's credit activity is part of the general credit policy approved by the highest authorities of the Bank. The stated guidelines include - among others - compliance with the Group's ethics, allocation of responsibilities, existence and implementation of procedures and rigorous risk analysis. This general policy has been translated into specific policies and specific procedures adapted to the nature of activities and counterparties, based in particular on an internal rating system, a power delegation system and a limit management system to mitigate concentration risks.

The power delegation system takes the form by approval levels, depending on the customer segment, the aggregate amount of the facilities offered to the customer and the type of exposure (public and semi-public companies, exposure to banks, etc.).

The Bank's rating system is a two-dimensional system, combining a credit rating that assesses the risk inherent in the transaction and a financial rating obtained on the basis of the debtor's financial situation. In addition to

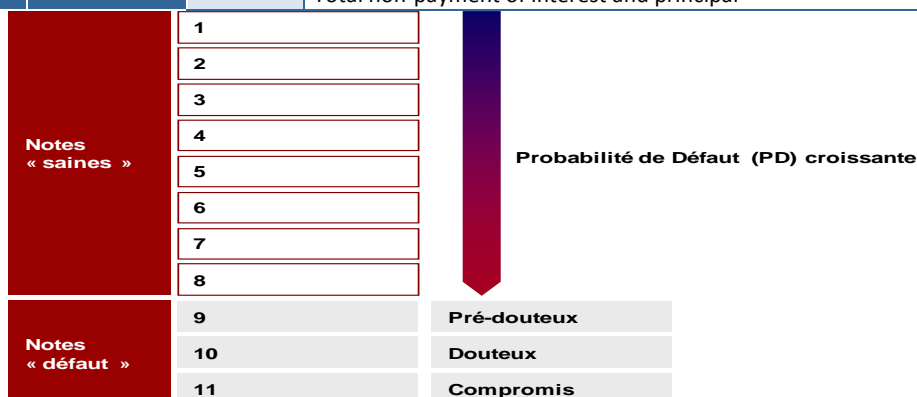
the quantitative aspects, other quality ones are taken into account in developing the rating. (Development potential, activity sector, rating of the parent company, country risk and payment incidents).

Within the framework of Basel regulations, Bank Al-Maghrib has set the minimum number of classes a rating system must have, required at minimum as follows:

- 7 classes pour proper counterparties;
- 1 class for counterparties in default.

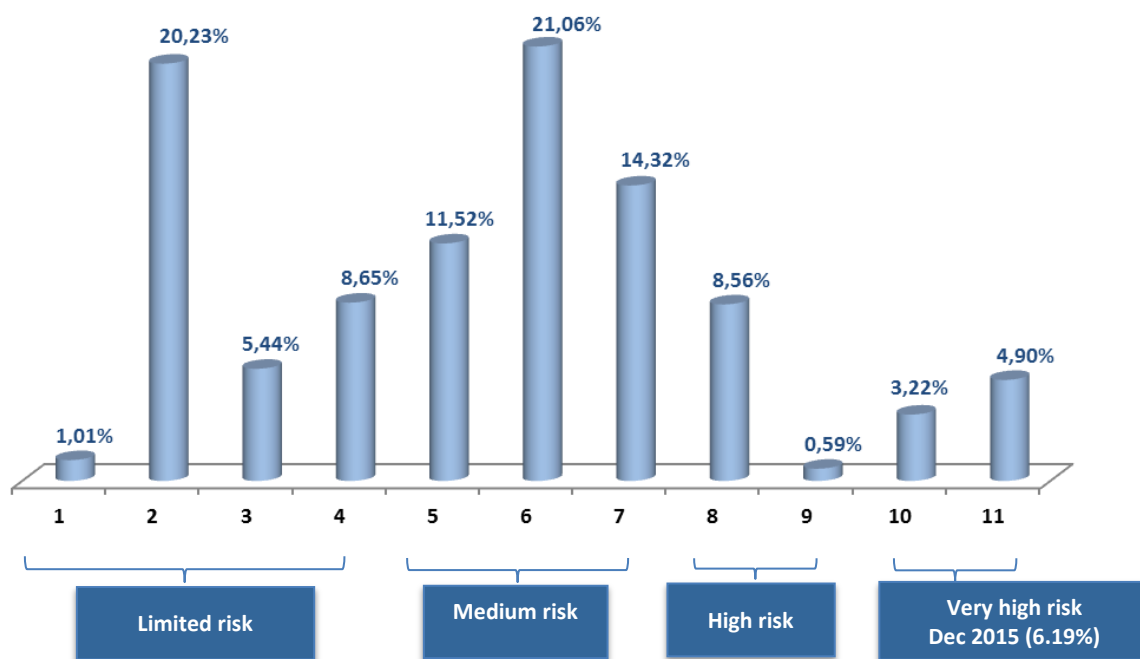
According to the rating scale adopted by BMCE Bank of Africa, the final grade of the counterparty extends over 11 levels:

Category		Class	Definition
Investment grade	Limited risk	1	Extremely stable in the short and medium term; very stable in the long term; solvable even in serious financial distress
		2	Very stable in the and medium term; stable in the long-term; sufficient solvency even during persistent adverse events
		3	Solvable in the short and medium term even after major difficulties; slightly negative events can be absorbed in the long term
		4	Very stable in the short-term; no change threatening the loan expected within the coming year; sufficient substance in the medium-term to survive; long term evolution remains uncertain
Sub-investment grade	Medium risk	5	Stable in the short-term; no change threatening the loan expected within the coming year; can only absorb small adverse events
		6	Limited capacity to absorb unexpected adverse events
		7	Very limited capacity to absorb unexpected adverse events
Sub-investment grade	High risk	8	Low capacity of interest and principal on time. Any change in the internal and external economic and business conditions will make it difficult to fulfill commitments
		9	Inability of interest and principal reimbursement on time. The fulfillment of commitments is related to the favorable evolution of business as well as internal and external economic conditions
	Very high risk	10	Very high risk of failure, inability of interest and principle repayment on time. Partial interest and principal non-payment
		11	Total non-payment of interest and principal



Source: BMCE Bank

The distribution of commitments by risk class at end-June 2016 is as follows:



2. Rate and Liquidity Risk

1) Decision-making in terms of ALM

The ALCO committee (ALM committee) is responsible of the supervision of rate and liquidity risk management and regularly receives reports on compliance with established limits and guidelines.

The Audit and Internal Control Committee examines the management framework and the main rate and liquidity policies and submits them for approval to the Board of Directors.

The Board of Directors approves the management framework and is notified of the rate and liquidity position of BMCE Bank.

Within the Finance Division, the ALM Department monitors the establishment of policies, strategies and contingency plans, in terms to interest rate and liquidity risk management; it also recommends and monitors the ceilings falling within this framework.

2) Global liquidity risks

The short-term liquidity ratio (Liquidity Coverage Ratio, LCR) on a consolidated basis stood at 151% at end-June 2016 exceeding the BAM regulatory limit fixed at 70%.

At end-June 2016, the liquidity gap over 12 months recorded a liquidity surplus of MAD +11.7 billion against MAD +10.4 billion at end-December 2015.

3) Global rate risks

The results of the stress testing performed at June 30th, 2016 in relation to the impacts of a change in interest rates of 200 bps on the interest margin and the economic value of the Equity stand in accordance with the limits set by ALCO.

Indeed, this impact is estimated at MAD 99 million, i.e. 1.7% of projected GNP in 2016, inferior to ALCO limit fixed at 5%.

The change in the economic value of Shareholders' equity facing a rate shock of 200 bps is estimated at MAD 635 million, i.e. 3.7% of Equity regulations, also inferior to ALCO limit fixed at 20%.

The rate Gap over 12 months (excess of assets over liabilities to floating rate) for the year is set at MAD +4.1 million at June 30th, 2016, against MAD 3.2 million at end-December 2015.

3. Rate and Liquidity Risk (Market Risks)

1) Liquidity risk analysis

The monetary liability is of MAD 12 367 million whose duration equals 2.66 days, while the liquid assets are of MAD 29 612 million.

Furthermore, it is noted that 97.74% of bond assets value consist of Treasury Bills, which ensures nearly a total liquidity. This category of assets is set at MAD 4 479 million.

2) Interest rate risk analysis

Assets are mainly bonds, consisting of Treasury Bills, Negotiable Debt Securities and Bonds.

These assets are mainly financed by short liabilities whose duration is 2.66 days.

The bond portfolio (at June 30th, 2016) displays an average yield of 2.45% for an average duration of 4.27 years and an average sensitivity of 4.15 years. Its outstanding market value amounts to MAD 4 794 million.

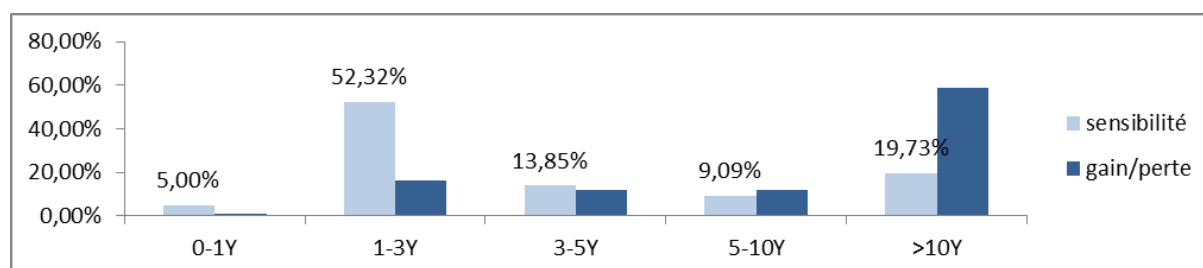
A parallel change in interest rates of +100 bps would therefore lead to an average loss of MAD 127 million.

A parallel change in interest rates of + 200 bps would result in an average loss of MAD 240 million.

The spectrum of sensitivities below shows the choice of ventilation of the total sensitivity on the different paper categories, and therefore the choice of projection of the rate risk on the different bands of maturities.

The graph below shows that the bond portfolio mainly consists of short and medium term papers.

Bond portfolio sensitivity spectrum of BMCE Bank at June 30th, 2016



Source: BMCE Bank

3) Exchange Risk

Table 4 Exchange risks by currency types

Currencies	Currency position *	Exchange value in MAD thousand	% EQUITY
EUR	12 670	137 706	0.82%
LYD	4	31	0.00%
SEK	- 186	- 215	0.00%
CHF	- 1 079	- 10 807	0.06%
TND	- 108	- 484	0.00%
CAD	478	3 611	0.02%
DZD	3 918	347	0.00%
KWD	148	4 797	0.03%

SAR	-	8	-	21	0.00%
AED		8 417		22 411	0.13%
JPY	-	31 644	-	3 014	0.02%
DKK		1 072		1 566	0.01%
NOK		2 611		3 047	0.02%
USD	-	14 181	-	138 677	0.82%
GBP		209		2 753	0.02%

Source: BMCE Bank

(*) Assets –liabilities in the same currency +/- term net commitments +/- option delta-Data at 30-06-2016

The sum of net currency positions is as follows:

- For long positions: MAD 176 269 thousand, i.e. 1.05 % of net equity.
- For short positions: MAD 153 218 thousand, i.e. 0.91% of net equity.

The table above shows that BMCE Bank of Africa remains within prudential limits established by Bank Al-Maghrib, which are set at 10% of equity by currency and 20% for all currencies.

To guard against the currency risk that weighs on dividends put together by African subsidiaries, BMCE Bank annually underwrites currency hedging contracts for dividends reassembled by BOA Group, BCA Bank and Mali Development Bank.

4. Regulatory Risks

The development of regulations in the Group's countries of presence is subject to constant monitoring by local subsidiaries, and by the Center for Intelligence. The results are regularly shared with Risk teams, as part of the group's risk community, to estimate the potential impact on bank portfolios locally, and ultimately on the group. These items are considered in setting exposure limits on a social and consolidated basis.

Table 5 Solvency ratio at June 30th, 2016 (Basel III) on a consolidated basis

	Risk-weighted assets (MAD Thousand)
Weighted loan risks	189 923 354
Weighted market risks	11 771 813
Weighted operational risks	21 152 684
Total risk-weighted assets	222 847 850

Source: BMCE Bank

Table 6 Minimum solvency ratio

	Amount (MAD Thousand)
Basis equity	20 108 852
Eligible equity	27 630 526
Total risk-weighted assets	222 847 850
Minimum solvency ratio	12.4%

Source: BMCE Bank

The Bank's solvency ratio, reflecting its ability to meet all of its commitments through its own funds, remains above the regulatory standard, fixed at 12%.

This ratio is set at 12.4% on a consolidated basis at the end of the 1st semester of 2016.

5. Shareholdings Portfolio Risks:

At end-June 2016, impairment provisions on aggregate social basis and including CCA, totaling an amount of MAD 685 million against MAD 703 million at end 2015, i.e. a decrease of -3%. The main provisions concern BIH (MAD 208 million), ESFG (MAD 159 million), ESI (MAD 135 million), HANOUTY (MAD 122 million), and EMAT (MAD 30 million).

Allocations of the period total an amount of almost MAD 3 million. As for recoveries, they amount to MAD 22 million, a net recovery of MAD 19 million.

6. Operational Risk:

Operational risk is defined as the risk of loss resulting from inadequate or failure attributable to procedures, human resources, internal systems or external events that may affect the smooth running of the business.

The operational risk management system aims to meet three objectives:

- Identification and assessment of operational risks;
- Appreciation of control environment;
- Implementation and monitoring of preventive and/or corrective actions addressing identified Major Risks.

Operational risks can be analyzed and categorized according to criteria qualitative and quantitative, as follows: causes, consequences (in terms of impact financial or otherwise), score, qualification and level of mastery, and are classified by Basel event type.

7. Country Risk:

Country risk means the possibility that a sovereign counterparty of a country is unable or unwilling to meet their obligations overseas for socio-political, economic or financial considerations.

Country risk may also result from limiting the free movement of capital or other political or economic factors; it is then called transfer risk. It can also result from other risks in connection with the occurrence of events affecting the value of liabilities on the concerned country (natural disasters, external shocks).

Despite the slowdown in growth in many countries, inflation is rising. Many factors are behind such levels: Highly volatile food prices, the end of subsidies in annuitant states and the strong currency depreciations that have much effect on the prices of imported goods.

State responses to this high inflation varies from exchange control (Angola, Nigeria, Zambia) and increase in policy interest rates.

Stress tests are established every six months to assess the impact of these circumstances on the solvency and loss at Group level. These stress tests cover countries where the Group's exposure is important as well as those showing political instability.

DISCLAIMER

The above information represents only part of the prospectus approved by the Moroccan Capital Markets Authority (AMMC) with reference number VI/EM/026/2016 on November 04th, 2016. The AMMC recommends that interested parties read the full prospectus which is available to the public in accordance with the terms stipulated in this summary document.