

PROSPECTUS SUMMARY



MERGER-ABSORPTION OF EL JADIDA-SAFI BANQUE POPULAIRE BY THE BANQUE CENTRALE POPULAIRE

PROPOSED TO THE EXTRAORDINARY GENERAL MEETING OF 30 JUNE 2016

The merger is subject to the rules of the merger waiver which don't lead to an increase in capital

Net Assets: 1.247.074.700 MAD

Advisory Body

Upline Corporate Finance



VISA OF THE MOROCCAN AUTHORITY OF CAPITAL MARKETS (AMMC)

Pursuant to the provisions of the AMMC circular, taken under the article 14 of Dahir providing Law n° 1-93-212 dated September 21st, 1993, as amended and supplemented, the original of the present prospectus was approved by the AMMC on June 17th, 2016 under reference N° VI/EM/015/2016.

WARNING

The Moroccan Authority of Capital Markets (AMMC) approved on xxx a prospectus regarding the merger absorption of El Jadida-Safi Banque Populaire by the Banque Centrale Populaire.

The prospectus approved by the AMMC is always available at BCP Headquarters and to its financial advisor. It is also available to the public on the AMMC website www.ammc.ma.

I. PRESENTATION OF THE OPERATION

I.1. LEGAL FRAMEWORK OF THE OPERATION

1.1. Context of the operation

In the framework of the changes in size and scope of the Groupe Banque Populaire, of overseeing the Banques Populaires Régionales of the new administrative division of Morocco's regions and pursuant to Article 3 of Law No. 77-14, amending and supplementing law No. 12-96 providing reform to Crédit Populaire du Maroc (CPM), as amended and supplemented. The CPM Board Committee met on March 9, 2016 and ruled on the project of the merger absorption of the El Jadida-Safi BP by BCP and its conditions and authorized its implementation.

Pursuant to Article 222 of Law n° 17-95 pertaining to the limited-liability company, as amended and supplemented, the BCP CEO and the president of El Jadida-Safi BP Management Board, have suggested, respectively, to the BCP's Board of Directors and to the Supervisory Council of El Jadida-Safi BP a merger agreement draft between BCP and El-Jadida-Safi BP.

The BCP's Board of Directors met on March 9th, 2016, the Supervisory Council held on March 8th, 2016 and the Management Board of the BP El Jadida-Safi whose meeting was held February 29, 2016 approved the terms of the merger agreement draft and instructed their respective Presidents to take all necessary measures to ensure the fulfillment of the merger. They also submitted the said merger agreement draft to the respective auditors of the two banks.

The Board of Directors of BCP held on March 9, 2016 decided to propose to shareholders to convene an Extraordinary General Meeting to decide on the principle of this absorption and its terms and conditions, to approve the assessment of transferred estate and decide on the full dissolution of the El Jadida-Safi BP without resorting to any liquidation process.

The said Council also decided to appoint the consulting firms Mazars AUDIT & CONSEIL and DELOITTE as statutory auditors and submit the merger Project to carry out the legal mission under the Law No. 17-95 concerning the public limited company as amended and supplemented.

The Board Committee met on March 9th, 2016 and approved the principle and terms of the merger project.

The merger agreement, signed on March 9th 2016, will be submitted for approval by BCP shareholders during the Extraordinary General Meeting of June 30, 2016.

It should be noted that, pursuant to Article 234 of Law 17-95 as amended and supplemented, BCP makes available to its shareholders at its headquarter at least thirty days before the date of its Extraordinary General Meetings called to vote on the merger planned on June 30, 2016, the following documents:

- ✓ The agreement of merger-absorption of EL Jadida-Safi BP by BCP, signed on March 9th, 2016;
- ✓ The Board of Directors' report as stipulated in article 232 of Law n° 17-95;
- ✓ The report of the Statutory Auditors as stipulated in article 24¹, of Law n° 17-95;
- ✓ The approved summary statements as well as the management reports of the last three financial years of BCP and BP El Jadida-Safi;

¹ The intervention of the merger auditor is rejected. The Extraordinary General Meeting of BCP will decide upon the report of the statutory auditors in accordance with article 24 of Law No. 17-95, as amended and supplemented.

1.2. General provisions

Despite the difference in the legal forms of the BCP (limited company) and BP El Jadida-Safi (cooperative company with variable capital), the merger between the two banks is permitted in accordance with Article 223 of law No. 17-95, as amended and supplemented, which states: "*the demerger-merger operations can be performed between companies of similar or different forms. They are decided by each of the companies in the conditions required for the amendment of its articles of association [...].*"

1.3. BCP approval by Bank Al Maghrib following the merger

By virtue of article 42, of Law n° 103-12 regarding the credit institutions and similar agencies the approval for BCP as a Bank has to be renewed, following the absorption of BP El Jadida-Safi. The application for approval was investigated at Bank Al Maghrib on 11 Mai 2016.

1.4. Approval by the Board Committee

The Board Committee met on March 9th, 2016 and gave its approval to the operation and the terms of the merger project.

The legal and financial settings suggested for the merger-absorption merger of BP El Jadida-Safi by the BCP, are as follows:

1.4.1. Merger principle

The BCP will proceed with the absorption of BP El Jadida-Safi, effective as of January 1st, 2016, which is prepared to contribute its assets and liabilities and to dissolve early.

1.4.2. Accounts used to establish the conditions of the merger

To establish conditions for the operation, the officers and directors of both companies have decided to use the accounts of El Jadida-Safi- BP ended December 31, 2015, i.e. closing date of the last financial year of the Absorbed company, given the distribution project of the net profit of the financial year 2015 and the financial impacts of the Partial Asset Input / Demerger of bank agencies by BP El Jadida-Safi in favor of BP Marrakech -Béni Mellal.

1.4.3. Date of effect of the merger

This merger will have a retroactive effect from January 1st,2016. The operations undertaken by the BP El Jadida-Safi from January1st, 2016 until the date of final completion of the merger, will be as of right considered as being made on behalf of the BCP that will bear only the assets and liabilities' results from the operating of the transferred goods.

1.4.4.Date of the final completion of the merger:

The merger will be completed on June 30, 2016, i.e. deadline for the lifting of suspensive conditions on the completion of the merger. BP El Jadida-Safi will be dissolved early on that date.

1.4.5. Assessment methods used

For the purposes of the Project, the contributions of BP El Jadida-Safi are valued at their balance sheet book value at December 31, 2015.

Fixed assets are contributed on a gross value with the corresponding amortization.

Non-performing loans are contributed on a gross values with corresponding provisions for depreciation.

1.4.6. Processing BP El Jadida-Safi reserves

The corporate reserves of the BP El Jadida-Safi will be donated as follows under the provisions of Articles 8.22 and 45 of the articles of association of BP El Jadida-Safi, namely:

- ✓ The accumulated corporate reserves at December 31, 2014 will flow back to the Support Fund;
- ✓ The result for the fiscal year 2015 will be distributed according to the allocation plan which have been submitted for approval by the Ordinary General Meeting of the BP El Jadida-Safi dated May 23rd, 2016.

1.4.7. Description and assessment of contributions - Compensation arrangements

The merger agreement outlines the following inputs:

- ✓ The values of assets whose transmission is planned: **MAD 9,599,636,008.68**
- ✓ The values of the liabilities whose take-over is planned: **MAD 8,352,561,308.68**
- ✓ The net assets contributed by the BP El Jadida-Safi to BCP stand at: **MAD 1,247,074,700.00**
- ✓ Diagram of Processing corporate shares of BP El Jadida-Safi aiming at reimbursement of ordinary and optional corporate shares and optional to BP El Jadida-Safi or their transfer to other BPRs, according to the following diagram:

A. Shareholders <= 50 shares	A full systematic reimbursement of all holders of less than 50 corporate shares
B. Shareholders > 50 shares	Ordinary corporate shares held by customers > 50 corporate shares were transferred to other BPRs.
C. BP El Jadida-Safi staff	Corporate shares of Groupe staff were transferred to other BPRs.
D. Corporate shares held by the BCP	BCP held 309.792 ordinary corporate shares at the level of BP El Jadida-Safi, which are the subject of the reimbursement.

1.4.8. Dissolution of BP El Jadida-Safi

Owing to the total transfer of the estate of BP El Jadida-Safi to the BCP, BP El Jadida-Safi will be dissolved as of right solely by the final completion of the merger, i.e. following the BCP's Extraordinary General Assembly, which will supervise the completion of the merger.

The total liabilities of BP El Jadida-Safi, to be fully transferred to BCP, the dissolution of BP El Jadida-Safi by way of the merger will not be followed by any liquidation.

1.5. Provisions of the merger agreement signed on March 9th, 2016

1.5.1. Description of the operation

1. Motives and goals of the merger

In the framework of changes in size and scope of the Groupe Banque Populaire, of overseeing Banques Populaires Régionales of the new administrative division of Morocco's regions, BP El Jadida-Safi is subject to the following restructuring, as much as possible:

- Linking the Business Centre Al Mountazah, banking agencies under the Safi Branch, Youssoufia, chemaia and Bir Anzarane agencies to BP Marrakech-Beni Mellal with effect on January 1st, 2016. This operation was authorized by the Board Committee during its meeting dated December 16th, 2015 and by the Supervisory Councils of BP

El Jadida-Safi and BP Marrakech-Beni Mellal during their respective meeting on December 10th, 2016.

A Treaty of Partial Asset Input / Demerger was established under this operation based on financial statements of BP El Jadida-Safi, which ended on December 31st, 2015, and signed by the presidents of the Management Boards of BP El Jadida-Safi and BP Marrakech-Beni Mellal on February 29th, 2016.

- Following the completion of this first operation, BP El Jadida-Safi is the subject of a merger absorption project by BCP with effect from January 1st, 2016. This project was approved by the Management Board and the Supervisory Council of BP El Jadida-Safi, which met respectively on February 28th and March 8th, 2016, under the condition of its authorization by the Board Committee. It was equally approved by the Board Committee that met on March 9th, 2016 under the provisions of the article 3 of Law n° 12-96.

2. Accounts used to establish the conditions of the merger

To establish conditions for the operation, the officers and directors of both companies have decided to use the accounts of El Jadida-Safi- BP ended December 31, 2015, i.e. closing date of the last financial year of the Absorbed company, given the distribution project of the net profit of the financial year 2015 and the financial impacts of the Partial Asset Input / Demerger of bank agencies by BP El Jadida-Safi in favor of BP Marrakech -Béni Mellal.

3. Date of effect of the merger

Retroactivity of the merger:

This merger will have a retroactive effect from January 1st, 2016. As such, the operations undertaken by the BP El Jadida-Safi- from 1st January, 2016 until the date of final completion of the merger, will be considered as of right as being made on behalf of the BCP that will bear only the assets and liabilities results from the operating of the transferred assets. Thus, the BP-Safi- El Jadida will transfer to the BCP all components of its estate in the condition where such estate is found on the date of final completion of the merger.

Date of the final completion of the merger:

The associates of the companies have agreed to set on 30 June 2016 the date of completion of this merger.

4. Assessment methods used

The merger estimations were made in the conditions and following the assessment methods below:

a) Methods of assessment of Assets and Liabilities whose transfer is planned

The inputs of BP El Jadida-Safi are assessed at their historical net book value, as listed in the summary statements decided on December 31st, given the project of the results' distribution for the fiscal year 2015 for the following reasons:

The ordinary corporate share issued by BP El Jadida-Safi confers upon the member no right on accumulated reserves nor the potential capital gains;

The absorption of BP El Jadida-Safi by BCP is made within the fiscal perimeter of the Groupe Banque Populaire.

b) Determination of the parity

According to Article 224 of Law No. 17-95, as amended and supplemented, once the BCP holds heretofore all the corporate shares composing the corporate capital of BP El Jadida-Safi and that it commits to maintain them until the date of completion of the merger, there shall not be an exchange of corporate shares of BP El Jadida-Safi by BCP shares. Accordingly, it is not necessary to determine an exchange ratio.

5. Remuneration of the estate transfer – exchange ratio – merger premium

a) Absence of the exchange ratio and capital increase

The merger absorption of BP El Jadida-Safi by BCP will be subject to the rules of the merger waiver. According to Article 224 of Law No. 17-95, as amended and supplemented, and once the BCP holds all of the corporate shares composing the corporate capital of the BP El Jadida-Safi during the merger and that it commits to maintain them until the date of final completion of the merger, it will therefore not be able to proceed with the exchange of corporate shares of BP El Jadida-Safi by BCP shares. There shall be no need to issue shares of BCP, beneficiary contributions, against corporate shares of BP El Jadida-Safi, nor to increase the capital of the BCP. Accordingly, it is not necessary to determine an exchange ratio.

According to Article 231 of Law No. 17-95, as amended and supplemented, the merger shall not be subject to approval by the Extraordinary General Meeting of the BP El Jadida-Safi and shall not give rise to the establishment of the Management Board reports as referred to in Articles 232 and 233 of Law No. 17-95.

b) Merger premium

The merger premium is null and results in the difference between:

- ✓ On the one hand, the value of estate provided by the BP El Jadida-Safi as used for the operation to MAD 1,247,074,700, subtracted from corporate shares reimbursed by BP El Jadida-Safi or transferred to other BPR from January 1st, 2016 to date, at MAD 324,178,700 (excluding corporate shares reimbursed to associates of the agencies attached to the BP Marrakech-Beni Mellal), i.e. MAD 922 896 000.

And

- ✓ The book value of corporate shares of BP El Jadida-Safi in the BCP's accounting records, i.e. MAD 922,896,000.

1.5.2. Provisions on the estate transfer

BP El Jadida-Safi brings, under the ordinary guarantees de facto and de jure guarantees and the stipulated suspensive conditions, all assets and liabilities, rights and values, without exception or reservation that constitute the estate of the BP El Jadida-Safi and the assets and liabilities' result from transactions made since January 1st, 2016 until the date of final completion.

As stated above, the reference date of December 31, 2015, the assets and liabilities of the BP El Jadida-Safi, whose contribution to the BCP is expected, consist of the elements listed as follows¹ :

¹ This list is indicative rather than exhaustive, the El Jadida-Safi BP's estate to be devolved to the BCP in the state as it exists at the date of completion of the merger.

- **Assets whose transfer is planned**

A commercial bank Fund that BP El Jadida-Safi operates both at its headquarters and in commercial agencies belonging to its network.

BP El Jadida-Safi brings to the BCP all of its existing assets¹ dated December 31st, 2015, whose list below is not exhaustive, and as they exist at the date of completion of the merger.

1. Cash values		MAD 186.254.475,68
2. Central Bank, Public Treasury- services of postal checks		MAD 3.909.332,47
3. Loans due on credit and similar institutions		MAD 3.170.401.048,52
4. Customer debts Deducted provisions for MAD 189.552.414,13		MAD 5.138.227.305,51
5. Factoring loans		MAD 22.733.887,55
6. Transaction and investment securities Deducted provisions for MAD 1.279.448,48		MAD 7.033.334,49
7. Other assets		MAD 67.290.248,86
8. Equity securities and similar uses Deducted provisions for MAD 23.908.569		MAD 895.191.261,11
9. Intangible assets Deducted amortizations for MAD 1.410.259,14		MAD 22.193.352,96
10. Tangible assets Deducted amortizations for MAD 167.437.535,34 Including :		MAD 86.351.761,53
- Operating buildings	MAD 16.457.249,30	
-Les immeubles hors exploitation Non-operating buildings	MAD 3.839.341,58	
- Other tangible operating assets	MAD 65.738.711,73	
-Other tangible non-operating assets	MAD 316.458,92	
The total amount of the assets of El Jadida-Safi BP, whose transfer is planned, is estimated at		<u>MAD 9.599.636.008,68</u>

The total amount of the assets of El Jadida-Safi BP, whose transfer is planned, is estimated at MAD 9.59 billion

- **Liabilities whose transfer is planned**

The assets, whose transfer is expected, will be carried over for the BCP to discharge at the premises of the absorbed company BP El Jadida-Safi all the current liabilities of the latter, the amount of which at December 2015, is indicated below:

1. Public treasury Accrued interests payable/ services of postal checks	MAD 190,72
2. Loans to credit and similar institutions	MAD 8.255.208,62
3. Customer deposits	MAD 7.608.631.371,05
4. Other liabilities	MAD 130.039.754,37

¹ Assets transferred to BP Marrakech-Beni Mellal, in the framework of Partial Asset Input / Demerger of BP El Jadida-Safi banking agencies, are: the agencies linked to the Safi region, which include the Business Centre Al Mountazah, banking agencies under the Safi Branch, as well as the Youssoufia, chemaia and Bir Anzarane agencies.

5. Provisions for risks and costs	MAD 40.152.441,62
6. Reserves to return to Support Funds	MAD 565.482.342,30
The amount of the liabilities of BP El Jadida-Safi, whose transfer is planned, is estimated at :	<u>MAD 8.352.561.308,68</u>

The total amount of the liabilities of BP El Jadida-Safi, whose transfer is planned, is estimated at MAD 8.35 billion.

- **The net assets whose transfer is planned:**

✗ Contributed assets	MAD 9.599.636.008,68
✗ Assumed liabilities	MAD 8.352.561.308,68
→ NET ASSETS	<u>MAD 1.247.074.700,00</u>

- **Off-balance sheet commitments, whose transfer is planned**

Apart from the balance sheet liabilities mentioned above, the BCP will cover all the commitments that have been contracted by BP El Jadida-Safi with respect to customers or financial institutions, and that are classified off-balance sheet on December 31, 2015.

BCP will thus be subrogated to the BP El Jadida-Safi for the execution, from the date of completion of the merger, of all signed commitments received or given that could be contracted by BP El Jadida-Safi towards clients, third parties, financial institutions, Customs and Administrations, detailed as follows:

Given commitments to be transferred	Off-balance sheet value (MAD)
Funding commitments given to credit and similar institutions	62.400.000,00
Funding commitments given to customers	232.922.079,92
Guarantee commitments for credit and similar institutions	1.195.040,00
Guarantee commitments for customers	133.259.146,48
Off-balance sheet total amount	429.776.266,40

The total amount of off-balance sheet commitments given by BP El Jadida-Safi, whose transfer is planned, is estimated at MAD 429,8 million.

Received commitments to be transferred	Off-balance sheet value (MAD)
Funding commitments received from credit and similar institutions	573.916,46
Guarantee commitments received from credit and similar institutions	58.801.474,99
Guarantee commitments received from the State and Guarantee bodies	8.700.840,00
Total given commitments to be transferred	68.076.231,45

Total off-balance sheet commitments received by the BP EL Jadida-Safi, whose transfer is planned, is estimated at MAD 68.1 million.

- **Ownership and enjoyment of the transferred estate**

BCP will own and enjoy the goods and rights of the BP El Jadida-Safi including those which have been omitted, either in terms of the merger agreement, or in the accounts of the company, from the day the final completion of the merger.

El Jadida-Safi BP's estate, will be devolved in the state in which it will be at the date of completion of the merger, all operations to the assets and liabilities, whose transferred goods have been entitled to

between January 1st, 2016 and at this date they will be automatically considered as having been made exclusively on behalf of the BCP.

Thus, all increases, all rights and new investments, all risks and all profits related to transferred goods shall be borne by the BCP. The entire liabilities of BP El Jadida Safi on the date of final completion of the merger will be submitted to the BCP.

It should be noted that:

- ✓ BCP will assume all debts and expenses of the absorbed company including those which could go back to a date before 31 December 2015 and which have been omitted from the accounts of the BP El Jadida-Safi.
- ✓ If it later came to be a difference between more or less of the liabilities assumed by the BCP and the amounts effectively claimed by third parties, the BCP would be required to discharge any excess liabilities without any recourse or claim of either party.

- **Terms of the merger**

- i. BP El Jadida-Safi is forbidden until the final completion of the merger, except with the approval of BCP, from performing any act of disposal on assets transferred and no sign agreement, treaty or any commitment incumbent on the scope of the current management. Until the day is, it will continue to operate with the same principles, rules and conditions as in the past all its social assets.

In particular, El Jadida-Safi BP's representative says that since January 1st, 2016 and until the completion of the merger no decision will be taken that is likely to cause an asset realization and has been made since January 1st, 2016. There will also not be, until the final completion date of the merger, any creation of liabilities outside the current trading liabilities.

- ii. If the transfer of certain contracts or certain goods would be subject to agreement or approval of a contracting party or any third party, BP El Jadida-Safi will timely seek agreements or approval decisions necessary to justify to the BCP no later than June 30, 2016.

In the event that BP El Jadida-Safi would not obtain the consent of the other party(ies), BP El Jadida will inform the BCP. It shall make, if necessary and timely, notifications, particularly those required by any pre-emption rights and all dealings with all authorities that would be necessary for the transmission of estate which it will own since the day of the completion of the merger.

If the holder of a right for pre-emption exercised their right during the merger, the latter would not be questioned and the acquirer company would be entitled to the price whatever the difference between that price and evaluation given to the good pre-empted for the merger.

- iii. BCP will take the transferred goods and rights at their consistency and their status at the completion of the merger without being able to exercise any recourse whatsoever, for any reason whatsoever against BP El Jadida-Safi. This includes construction defects, degradation of buildings, joint ownership, poor soil or underground, due to wear or poor quality of equipment and furnishings, error in terms of designations or capacities, whatever the difference, insolvency of debited customers or any other cause.

It shall complete all the formalities, which are necessary for the regularization of transfer, in its favor, of contributed assets and rights and for making this transfer opposable to third parties.

It will run all treaties, contracts or agreements with any third party, for the operation of the assets and rights that are brought to it. It will particularly perform all credit contracts signed with customers as the absorbed company would have been required to do so itself, as well as all terms and conditions until they are borne by BP El Jadida.

It will maintain in favor of all customers preferential conditions and all benefits previously granted by the BP El Jadida-Safi.

- iv. The BCP will be responsible for payment of creditors of the BP El Jadida-Safi, at the premises of the latter, without resulting in novation against creditors. These creditors and those of the BCP, whose claims predate the publicity given to the merger project, can object within thirty days from the publication of the merger agreement.

In accordance with legal and regulatory provisions, the objection filed by a creditor shall not preclude the continuation of the merger.

BCP will particularly bear all taxes, insurance premiums, contributions, rents, taxes, etc., and any ordinary or extraordinary expenses which are or may encumber the assets transferred or inherent to their ownership or operation.

BCP will also perform at the premises of BP El Jadida-Safi without appeal against the latter for any reason whatsoever of the implementation or termination, at its expense and risk, of any agreements, treaties, contracts or generally any commitments that could have been made by BP El Jadida-Safi.

- v. Finally, after completion of the merger, representatives from BP El Jadida-Safi shall, at first request, provide to the latter any support, signatures and justifications that might be necessary for the transfer of the assets included in the El Jadida-Safi BP's estate and the completion of all necessary formalities.

- **Transfer of El Jadida-Safi BP staff**

Under the provisions of Article 754 of the Law on Obligations and Contracts and Article 19 of Law 65-90 on the Labour Code, the BCP takes vis-à-vis the El Jadida-Safi BP staff the following obligations as a former employer, all in accordance with the provisions governing Groupe Banque Populaire staff.

Pursuant to these provisions, the two companies have agreed on the following:

- BCP takes over the entire staff of the BP El Jadida-Safi on the date of completion of the merger including available agents.
- To this end, El Jadida-Safi BP's representative will deliver to the BCP a list of the staff on 31 December 2015 containing their full names, date of entry to the BP El Jadida-Safi, rank, deployment and their pay.
- The staff take-over also implies the take-over of their rights acquired in terms of pay.
- For the remaining unused administrative leaves, the BP El Jadida-Safi proceeds as far as possible, the clearance of the rights acquired under it. Any unused remnants on December 31st, 2015 should be valued and included in the liabilities of the BP El Jadida as debt to the staff.
- The daily sickness benefit paid in advance by the BP El Jadida-Safi to some agents awaiting receipt of reimbursement, is included as receivables from employees in the assets of BP El Jadida-Safi on the date of merger completion.
- Loans and advances of all kinds granted by the BP El Jadida to its agents will be taken over by the BCP in the same conditions, with the same guarantees and the same reimbursement terms.
- BCP will inform employees of BP El Jadida-Safi of the take-over and of their geographical and functional assignment.

- **Transfer of outstanding commitments**

BCP will run, starting from the completion of the merger, all treaties, agreements, contracts, orders and commitments of any kind with third parties relating to the operation of transferred assets, values, rights and receivables. It will be subrogated with regard all rights and obligations arising therefrom.

It will comply with the laws, decrees, regulations and practices regarding the nature of its operations and will be personally responsible for any permits that may be required, including the legal or regulatory

provisions for the banking industry, as long as these laws and regulations are made applicable to Crédit Populaire du Maroc.

1.5.3. Specific provisions for the transfer of customer loans

As regards the customer loans in all forms, it was agreed that BP El Jadida-Safi makes contributions to the BCP of all the said principal loans, fees, interests and incidental costs, existing or that may exist including the amount of all claims that BP El Jadida-Safi has already taken against the beneficiaries of such loans.

BCP is committed to continue the implementation of loan agreements without modification of contractual conditions.

BCP reserves the right, if it deems appropriate based on comprehensive studies of credit dossiers and if it considers that the loans have not been awarded in accordance with normal banking practice or that these loans were granted on terms that are contrary to the law and the requirements of monetary authorities to request the regularization of operations, according to ordinary conditions and regulations of the profession.

Customers of BP El Jadida-Safi cannot take advantage of their ignorance of the merger / absorption whose project is published in accordance with Article 226 of Law 17-95 as amended and supplemented, to evade or deny reimbursement to the BCP of the loans granted by the BP El Jadida-Safi.

Any disputes relating to loans made by BP El Jadida-Safi to the BCP will be processed on the basis of the merger agreement and its legal consequences prescribed by 17-95.

As a result and due to the merger, the BP El Jadida-Safi subrogates BCP with regard to all rights, mortgages, pledges, privileges, guarantees and registrations in all forms and actions against the concerned debtors to exercise all prosecutions as well as the right, the amounts owed by the said debtors to BP El Jadida-Safi when due.

This merger involving the totality of the absorbed company's estate, it follows that for the contributions of customer loans, the BCP is exempt from the formalities of significance to customers debtors.

Furthermore, to ensure for the BCP the privilege under this provision, the BP El Jadida-Safi commits to return to the BCP all titles and documents establishing the receivables transferred with all incidental costs including everything regarding real or personal guarantees registered in the name of the BP El Jadida-Safi.

Lawsuits relating to defaults:

As of the date of final completion of the merger / absorption, BCP may continue to name all pending proceedings before the Courts, may appeal or appeal in cassation at the premises of the BP El Jadida-Safi.

BCP shall be entitled to defer the business from the lawyers of the BP El Jadida-Safi to resort to lawyers of its choice.

All judgments or decrees on behalf of BP El Jadida-Safi or against it will benefit BCP or will be carried by it.

BCP may bring all actions to recover legal claims made by BP El Jadida-Safi declared unpaid after completion of the merger and on the basis of all legal support of establishment of loans the BP of El Jadida-Safi.

Administrative or judicial measures:

All garnishments, notices to third party holders or administrative measures on customer accounts notified in BP El Jadida-Safi will be automatically implemented by the BCP without the customers enforcing any objection to the merger.

- **Terms of the management of customer accounts**

BCP will be subrogated to the BP El Jadida-Safi for the implementation of all conditions related to short and long term accounts (DAT, cash vouchers, record books, etc.) of clients including the remuneration conditions.

The customers' outstanding securities on the date of the merger (recoverable securities, or securities payable) will be handled by BCP in accordance with legal and regulatory provisions.

1.5.4. Provisions on the transfer of guarantees

BCP will be subrogated to the BP El Jadida-Safi to perform all the prerogatives conferred by the guarantees of any nature, granted by third party customers or financial institutions as collateral for loans and undertakings subscribed by the absorbed bank.

BCP will thus be subrogated to the BP El Jadida-Safi for all mortgage, mortgage bonds, merchant cash collateral business or material capital, personal guarantees, third party guarantees, guarantees of financial bodies such as Caisse Centrale de Garantie and of related guarantee funds, Dar Addamane and related guarantee funds.

BP' El Jadida-Safi representative is committed to providing to the BCP detailed inventories of these guarantees for the completion of all procedures, formalities, notifications to concerned bodies and administrations for the implementation of legal subrogation arising from the merger and the update of registrations.

1.5.5. Provisions on the transfer of customer insurances

All insurance policies, subscribed by customers with delegation for the BP El Jadida-Safi under the credit agreements, shall be made as of right in favor of the BCP. Any liquidating allowances paid for the BP El Jadida-Safi shall be acquired as of right by the BCP by virtue of the merger.

To implement the profit of subrogation, the insurance companies issuing endorsements of allowances will be informed of the merger at the behest of the parties.

1.5.6. Dissolution agreement

Owing to the total transfer of the estate of BP El Jadida-Safi to the BCP, BP El Jadida-Safi will be dissolved as of right solely by the final completion of the merger, i.e. following the BCP's Extraordinary General Assembly, which will supervise the completion of the merger.

The total liabilities of BP El Jadida-Safi, to be fully transferred to BCP, the dissolution of BP El Jadida-Safi by way of the merger will not be followed by any liquidation.

1.5.7. Suspensive conditions

The completion of the merger of BP El Jadida-Safi by BCP will not become final until the date on which the pre-conditions below have been fulfilled.

- i. The approval of BCP by Bank Al-Maghrib as a credit institution after absorbing the BP El Jadida-Safi, in accordance with Article 42 of Law No. 103-12 on credit and similar institutions;

- ii. The acceptance and approval of this Merger Agreement by the Extraordinary General Meeting of BCP to rule on the appropriateness and conditions of the merger, assess the feedback and decide the dissolution of the BP El Jadida-Safi.

If the approvals referred to in the above-mentioned paragraphs had not been intervened by June 30th, 2016, this draft will be considered as null and void without any need to pay any compensation from both parties, unless if the parties agree otherwise upon signing an amending Addendum to this merger Agreement and defining a new date of completion of the merger.

Achieving these pre-conditions will be sufficiently established vis-à-vis any person, by leaving a copy or extract of the minutes of each of the deliberations of the Extraordinary General Meetings.

The concrete recognition of the merger will take place by any suitable means.

1.5.8. Miscellaneous provisions

- **Allocation of earnings for the 2015 fiscal year of BP El Jadida-Safi**

La BP d'El Jadida-Safi déclare que l'Assemblée Générale Ordinaire Annuelle réunie le 18 Mai 2016 pour statuer sur les comptes de l'exercice clos le 31 Décembre 2015 a décidé, sur proposition du Conseil de Surveillance, l'affectation du bénéfice net de l'exercice 2015 qui s'élève à 113.022.348,32 Dirhams comme suit :

⇒ Net earnings for the fiscal year 2015	MAD 113.022.348,32
<i>To be deducted</i>	
⇒ Balance allocated as follows	
⇒ Reserves	MAD 29.644.244,51
⇒ Statutory interests payable to associates	MAD 26.319.080,92
⇒ Dividends on preferred shares payable to BCP	MAD 53.006.415,39
⇒ Contribution to Social Fund	MAD 4.052.607,50

- **Communication with statutory auditors**

The intervention of the merger auditor is rejected. The Extraordinary General Meeting of BCP will decide upon the report of the statutory auditors in accordance with article 24 of Law No. 17-95, as amended and supplemented.

Pursuant to Article 233 of Law No. 17-95, as amended and supplemented, the Merger Agreement shall be communicated to the statutory auditors of BCP at least 45 days before the date of the Extraordinary General Meeting called to decide on the merger project.

All documents, audit reports, evaluation and expertise reports, minutes and other documents will be available to the auditors to facilitate the execution of their mission.

By virtue of the report by the statutory auditors developed in the framework of the project of merger-absorption of BP El Jadida-Safi by the BCP, the statutory auditors determined that the global inputs' value of MAD 922,8 million is not overvalued.

- **Communication to BCP shareholders**

BCP will make available to its shareholders at the registered office at least thirty days before the date of the Extraordinary General Meeting called to vote on the merger, the Merger Agreement, signed on March 9th, 2016, with the other documents, all in accordance with the provisions of Article 234 of Law No. 17-95, as amended and supplemented.

- **Publication of the Merger Agreement**

The merger project will be in accordance with Article 226 of Law No. 17-95, as amended and supplemented lodged at the Registry of the Commercial Court of Casablanca as well as that of El Jadida Safi and will be subject to a notice in a legal journal and in the Official Bulletin.

The filing with the Registry by BP El Jadida-Safi took place on April 18th, 2016 and by the BCP on April 11th, 2016. Besides, publications in the Journal of Legal Notices and in the Official Bulletin took place, respectively, on May 20th, 2016 and June 1st, 2016 by the two banks.

The creditors of the two companies involved in the merger had been well informed of the opening of the objection period provided for in Article 239 of Law No. 17-95.

I.2. OBJECTIVES OF THE OPERATION

The merger absorption of BP El Jadida – Safi is made in the framework of changes in size and scope of the Groupe Banque Populaire, of overseeing Banques Populaires Régionales of the new administrative division of Morocco’s regions, set by Decree N° 2-15-40, dated February 20th, 2015, and of aligning their scope to the new regional division.

The merger project is primarily motivated by the will of Crédit Populaire du Maroc (CPM) to improve its positioning in the region of El Jadida, achieve productivity gains, economies of scale by implementing synergies between BCP and BP El Jadida-Safi.

I.3. THE OPERATION’S AMOUNT AND IMPACT ON THE STRUCTURE OF THE SHAREHOLDING

This operation does not have an impact on the BCP’s shareholding structure and its amount is nil.

I.4. TIME FRAME OF THE OPERATION

EVENT	DATE
Prospectus approved by the AMMC	17 June-16
Publication of the excerpt of the prospectus	21 June-16
Approval of the merger absorption project by the agencies of BCP and BP EL Jadida	30 June-16

II. INFORMATION ABOUT BCP

II.1. OVERALL PRESENTATION

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

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

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

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

- refinancement of Banques Populaires Régionales, within the conditions established by the Board Committee;
- centralization of subscriptions of public or private transferable securities collected by the bodies of Crédit Populaire du Maroc ;
- consolidation of the accounts of CPM bodies and their subsidiaries. For the establishment of its consolidated financial statements, the consolidating entity is composed of the bodies affiliated to Crédit Populaire du Maroc;
- Management, according to the terms set by the Board Committee:
 - Cash surpluses of Banques Populaires Régionales ;
 - Common interest services to agencies of Credit Populaire du Maroc;
 - Support fund of Crédit Populaire du Maroc, which develops its internal rules and submits them for approval by the Board Committee;
 - The centralisation of declarations of any kind with respect to Bank Al-Maghrib, the Board of Directors and Professional Bodies;
 - Any mission entrusted to it by the Board Committee, pursuant to Article 11 of Law n° 12-96.

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

3- Activities on behalf of the Board committee

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

4- Functional, investments and share acquisition operations - subsidiaries

- Subject to compliance with standards, procedures and financing conditions of the budgets set by the Board

	<p>Committee of Crédit Populaire du Maroc, the company can conduct the following operations:</p> <p>4.1- Functional activities :</p> <ul style="list-style-type: none"> ▪ The company can perform all functional expenses required for its activity. <p>4.2- Investments :</p> <ul style="list-style-type: none"> ▪ The company can carry out all movable or immovable investments necessary for the exercise of its activity, the safeguard of its interests and the housing of its staff. <p>4.3- Share acquisition in BPR's capital</p> <p>The Board Committee determines the level of the participation of Banque Centrale Populaire in the capital of Banques Populaires Régionales, notwithstanding the provisions of Article 23 of Law No 12-96.</p> <p>4.4- Other share acquisitions and subsidiaries</p> <ul style="list-style-type: none"> ▪ Share acquisitions by Banque Centrale Populaire in one or more other bodies of the Crédit populaire du Maroc are subject to the prior approval of the Board Committee who shall determine the level and terms. The company can, subject to compliance with the provisions of Law No 103-12 relating to credit institutions and similar bodies, the regulation in force, and subject to the Board Committee authorization: <ul style="list-style-type: none"> - Take the existing or new shares of all companies or enterprises while giving priority to those enclosing a regional or local interest. - Create or delete any subsidiary, in Morocco or abroad, in charge of managing or exploiting common activities to the Banques Populaires Groupes. ▪ However, the company cannot intervene directly in territorial constituencies where Banques Populaires Régionales operate only in agreement with the concerned Banque Populaire Régionale. In case of conflict, the Director shall decide. ▪ And more generally, the company can conduct all banking, financial, commercial, industrial, movable or immovable operations, related directly or indirectly to its corporate objectives.
Current share capital	<ul style="list-style-type: none"> ▪ At March, 31st, 2016, MAD 1 822 546 560 divided into 182 254 656 shares.
Legal documents	<ul style="list-style-type: none"> ▪ Legal documents, including the statutes, minutes of shareholders' meetings, auditors' reports and management reports are available at Banque Centrale Populaire Headquarters.

Applicable laws and regulations	<ul style="list-style-type: none"> ▪ Due to its legal form, BCP is governed by the Moroccan law and Law No 17-95 dated August 30th, 1996 on Limited Companies, as amended and supplemented; ▪ Due to its affiliation to Crédit Populaire du Maroc, BCP is governed by Law No 12-96, as amended and supplemented by Law No 42-07, Law No 44-08 and Law No 77-14, regarding CPM ; ▪ Due to its business activity, BCP is governed by Dahir No 1-4-193 dated Rabii 1st, 1436, on the exercise of the activity of credit institutions and similar bodies (Banking Law); ▪ Due to its listing in the stock exchange, BCP is governed by all statutory and regulatory provisions relating to the financial market including: <ul style="list-style-type: none"> ▪ Dahir providing Law No 1-93-211 dated September 21st, 1993 on Stock Exchange, amended and supplemented by Laws 34-96, 29-00, 52-01 et 45-06; ▪ General Regulations of the Stock Exchange approved by the Decree of the Minister of Economy and Finance N° 1268-08 dated 7th July 2008, amended and completed by the Decree of the Minister of Economy and Finance n° 330-14, dated January 6th, 2014; ▪ Dahir providing Law N° 1-93-212, dated September 1993, as amended and supplemented by Laws N° 23-01, 36-05, 44-06, 43-09; ▪ Dahir 1-96-246, dated 9 January, 2011, providing Law N° 35-96 on the creation of the Central Depository and the establishment of a general system of registration of certain securities, amended and supplemented by Law N° 43-02; ▪ General Regulation of the Central Depository approved by the Decree of the Minister of Economy and Finance No 932-98 dated April 16th, 1998, and amended by the Decree of the Minister of Privatization and Tourism No 1961-1901 dated October 30th, 2001; ▪ Dahir No 1-04-21 dated avril 21st, 2004 promulgating Law No 26-03 on public offerings in the stock Exchange, as amended and supplemented by Law No 46-06; ▪ General Regulation of the Stock Exchange Ethics Board approved by the Decree of the Minister of Economy and Finance No 822-08 dated April 14th, 2008; ▪ Dahir 1-95-03 promulgating Law N° 35-94 on the TCNs. ▪ AMMC circular
Tax system	<ul style="list-style-type: none"> ▪ Being a credit institution, BCP is subject to corporate taxation (37%) and to VAT (10%).
Competent court in case of litigation	<ul style="list-style-type: none"> ▪ Commercial Court of Casablanca.

II.2. SHAREHOLDING

At March 16th, 2015, BCP shareholdings are listed as follows:

Shareholders	Number of shares and voting rights	Holding percentage
BANQUES POPULAIRES REGIONALES	93 105 952	51,09%
<i>MEKNES BP</i>	<i>10 230 401</i>	<i>5,61%</i>
<i>AGADIR BP</i>	<i>10 242 820</i>	<i>5,62%</i>
<i>EL JADIDA BP</i>	<i>6 241 193</i>	<i>3,42%</i>
<i>FEZ BP</i>	<i>10 229 129</i>	<i>5,61%</i>
<i>LAAYOUNE BP</i>	<i>4 937 490</i>	<i>2,71%</i>
<i>TANGIER BP</i>	<i>10 231 910</i>	<i>5,61%</i>
<i>MARRAKECH BP</i>	<i>10 231 516</i>	<i>5,61%</i>
<i>RABAT BP</i>	<i>10 231 690</i>	<i>5,61%</i>
<i>NADOR BP</i>	<i>10 261 743</i>	<i>5,63%</i>
<i>OUJDA BP</i>	<i>10 268 060</i>	<i>5,63%</i>
STAFF	10 564 013	5,80%
OCP SA	2 408 548	1,32%
BPCE Morocco	8 224 241	4,51%
SFI Group	8 657 096	4,75%
CIMR	10 904 158	5,98%
MCMA	8 643 136	4,74%
SAHAM-ASSURANCE	397 342	0,22%
CMR	5 192 882	2,85%
Wafa ASSURANCE	2 176 640	1,19%
RCAR	11 092 510	6,09%
OTHERS	20 888 137	11,46%
Total	182 254 656	100%

Source : BCP

II.1. BOARD OF DIRECTORS

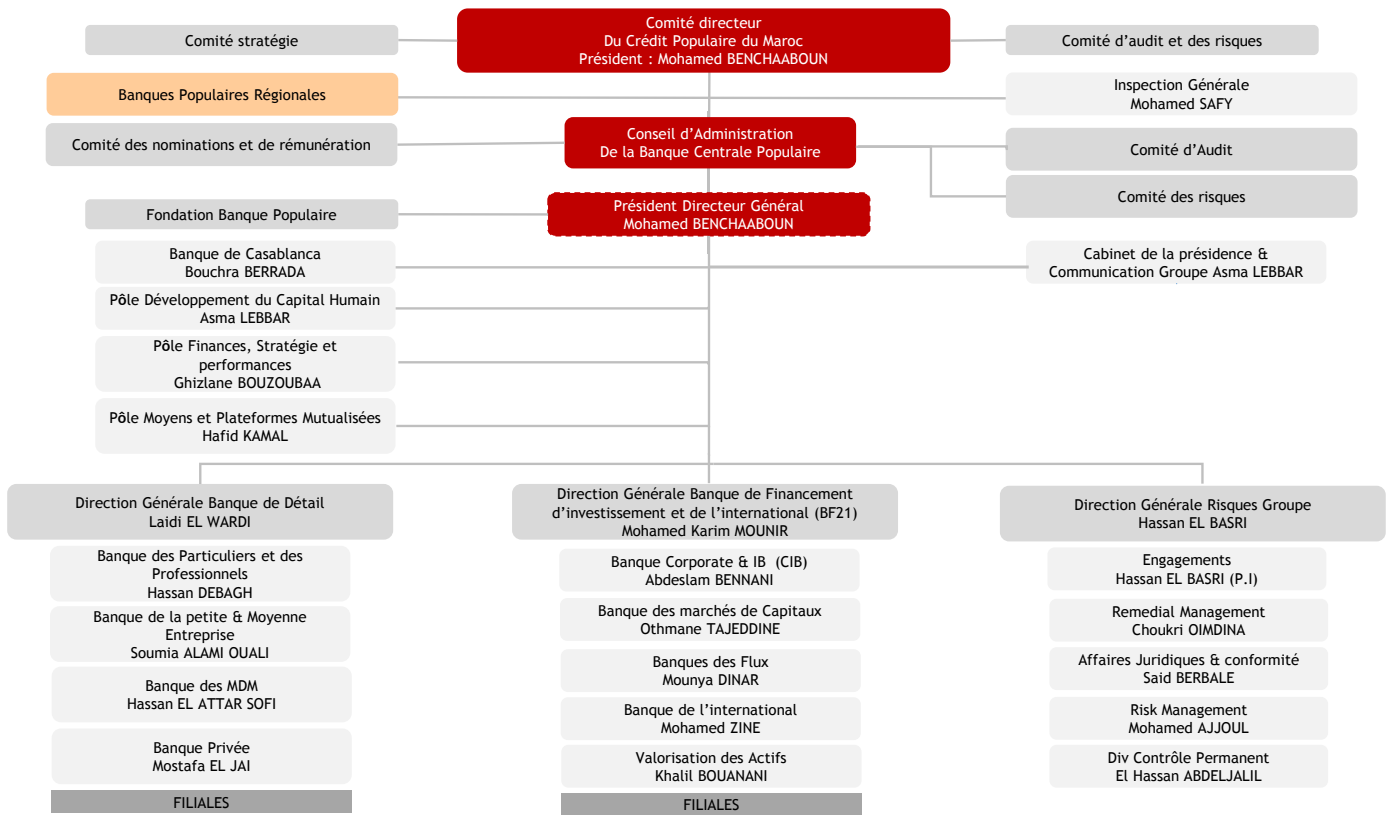
At the end of April 2016, BCP's Board of Directors is composed of the following associates:

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

Source : BCP

II.2. LEGAL ORGANIZATION CHART

At the end of Mai 2016, BCP's legal organization is structured as follows:



Source : BCP

II.3. STRUCTURE OF BCP PARTICIPATIONS

At December, 31st, 2015, the BCP supervises many subsidiaries that are active in various fields:

Subsidiaries	Field of activity	capital percentage	Voting rights percentage	Interest percentage	Control percentage
BP Centre South	Bank	51,60%	51,60%	51,60%	100,00%
BP El Jadida-Safi	Bank	54,74%	54,74%	54,74%	100,00%
BP Fes Taza	Bank	52,75%	52,75%	52,75%	100,00%
BP Laayoune	Bank	52,71%	52,71%	52,71%	100,00%
BP Marrakech B Mellal	Bank	52,21%	52,21%	52,21%	100,00%
BP Meknes	Bank	52,53%	52,53%	52,53%	100,00%
BP Nador Al Hoceima	Bank	52,63%	52,63%	52,63%	100,00%
BP Oujda	Bank	52,47%	52,47%	52,47%	100,00%
BP Tanger Tetouan	Bank	52,44%	52,44%	52,44%	100,00%
BP Rabat Kenitra	Bank	52,51%	52,51%	52,51%	100,00%
Chaabi Bank	Bank	100,00%	100,00%	100,00%	100,00%
BPMC	Bank	62,50%	62,50%	62,50%	62,50%
MAI	Assistance	77,43%	77,43%	77,43%	77,43%
CCI	Investment fund	49,00%	49,00%	72,95%	72,95%
IMC	Investment fund	41,34%	41,34%	45,60%	50,34%
VIVALIS	Consumer loan	64,06%	64,06%	74,96%	87,28%
Mediafinance	Capital market	60,00%	89,95%	89,95%	100,00%
CHAABI LLD	Long term location	73,62%	73,62%	83,76%	83,76%
CIB	Offshore Bank	70,00%	70,00%	80,37%	100,00%
BPMG	Bank	77,25%	77,25%	77,25%	77,25%
Bank Al Amal	Bank	24,11%	34,92%	29,24%	35,97%
ATTAWFIQ MICRO FINANCE	Micro finance	100%	100%	100,00%	100,00%
Upline Group	Merchant bank	74,87%	74,87%	86,67%	100,00%
Maroc Leasing	Leasing	53,11%	53,11%	53,11%	53,11%
BP Shore	Holding	52,00%	52,00%	72,94%	100,00%
FPCT Sakane	Real estate	NA	NA	49,00%	100,00%
ABI	Holding	74,60%	74,60%	74,52%	100,00%
BP REM	Real estate	51,00%	51,00%	NC	NC
Moussahama II Fund	General-purpose investment funds	60,00%	60,00%	NC	NC
Atlantic Microfinance For Africa	Holding	100,00%	100,00%	NC	NC
Morocco Transaction Processing (M2T)	Holding a consulting firm	54,74%	54,74%	NC	NC
Africa Transaction Processing & services Group (ATPS)	Security management	100%	100%	NC	NC
Al Akaria Invest	Investment fund	99,87%	99,87%	NC	NC
Banque Populaire Patrimoine	Bank	99,87%	99,87%	NC	NC
Banque Participative Du Maroc	Bank	80,00%	80,00%	NC	NC

II.4. BCP ACTIVITIES

Evolution of loans

The net outstanding customer loans, by type of credit are distributed as follow:

(in MAD million)	2013	2014	2015	Var 14/13	Var 15/14
Cash and consumer loans	32 086	33 748	30 987	5.18%	-8.18%
Investment loans	21 850	18 166	19 500	-16.86%	7.34%
Real estate loans	21 830	24 025	23 668	10.05%	-1.49%
Other loans	8 696	10 679	13 320	22.80%	24.73%
outstanding receivables balance of customer loans	84 461	86 619	87 474	2.56%	0.99%

Source : BCP- Corporate accounts

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

At the end of December 2015, the net outstanding receivables of customer loans rose in comparison to the end of 2014 to reach MAD 87.5 billion. This increase is attributed mainly to the increase of investment loans (+7%, to reach MAD 19.5 billion) and other loans (+25%, to reach MAD 13.3 billion).

Evolution of customer deposits

Customer deposits by product type are distributed as follows:

(in MAD million)	2013	Part	2014	Part	2015	Part
Accounts payable	30 228	59.15%	31 674	58.11%	32 547	54.51%
Saving accounts	4 040	7.91%	4 504	8.26%	4 955	8.30%
Term deposits	14 651	28.67%	16 129	29.59%	18 454	30.91%
Other accounts payable	2 282	4.47%	2 203	4.04%	3 757	6.29%
Customer deposits	51 202	100.00%	54 510	100.00%	59 713	100.00%
Growth percentage	3.12%		6.67%		9.54%	

Source : BCP - Comptes sociaux

At the end of December 2014, customer deposits amounted to MAD 54.5 billion, i.e. an increase of 7% in comparison to the end of 2013. This evolution is attributed mainly to the increase of term deposits that rose from MAD 14.6 billion by the end 2013, to reach MAD 16.1 billion by the end 2014, and also to the increase of the accounts payable that rose from MAD 30.2 billion by the end of 2013, to MAD 31.6 billion by the end of 2014.

At the end of 2015, customer deposits increased by 10% to reach MAD 59.7 billion. This is mainly attributed to the increase of the long term deposits (+14%, to MAD 18.5 billion) and other accounts payable.

III. INFORMATION ON EL JADIDA-SAFI BANQUE POPULAIRE

III.1. OVERALL PRESENTATION

BP El Jadida-Safi is a cooperative company, with a variable capital, a Board of Directors, and a Supervisory Council.

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

Corporate name	▪ BP El Jadida Safi
Registered office	▪ 7 avenue MOHAMED VI EL JADIDA
Phone number	▪ 0523-37-37-37
Fax number	▪ 0523-34-02-66
Legal form	▪ Cooperative company, with a Board of Directors and Supervisory Council
Creation date	▪ 1988
Lifetime	▪ 99 years
Commercial Registry Number	▪ 371
Corporate fiscal year	▪ From January 1st, to December 31st
Corporate objectives	<p>Article 5 of the articles of association of Banque Populaire El Jadida Safi stipulates the following:</p> <p>The company aims to perform, under the Board Committee's supervision, and administrative, technical and financial control, the following operations:</p> <p>5.1 – Bank operations</p> <p>The company is intended to carry out, as a usual vocation, all operations that are likely to be practiced by banks, within its territorial division under the provisions of the said Law N° 12/96, of Law N° 103-12 on credit institutions and similar bodies, of the bylaws herein and of the internal regulation, under the provisions devolved by Law N° 12/96 to the Board Committee.</p> <p>The company may otherwise perform these operations in other territories, in agreement with the BPR or BPRs concerned. In case of disagreement, the Board Committee decides.</p> <p>5.2- Operations of Functioning, investment and acquisition of holdings</p> <p>Subject to compliance with standards, procedures and financing conditions of the budgets adopted by the Board Committee, the Company may :</p> <ul style="list-style-type: none"> ❖ Carry out all operating expenses, as well as all movable and immovable investments required for performing its activities, safeguarding its interests and housing its staff ;

- ❖ Participate in the capital of one or more Banques Populaires Regionales, as well as the capital of Banque Centrale Populaire ;
- ❖ Take shareholdings in all companies or businesses that are existing or being created, by giving priority to those with a regional or local interest, subject to compliance with the provisions of the aforementioned Law n° 103-12 on credit and similar institutions, of the applicable regulations and subject to the prior approval by the Board Committee.

5.3 - Other operations

The Company is responsible under the law No. 12/96, to foster the establishment of mutual or cooperative companies, designed to guarantee their members for their commitments. The Company may generally carry out all banking, financial, commercial, industrial, movable and immovable operations connected directly or indirectly to its corporate purpose and likely to facilitate development.

However, it may invest its cash surpluses only in the Banque Centrale Populaire as a central banking body of Regional Banques Populaires. It can refinance itself, particularly by means of advances of any kind, only from the Banque Centrale Populaire except if derogated by the Board Committee.

<ul style="list-style-type: none"> ▪ Current share capital at the end of December 2015 	<ul style="list-style-type: none"> ▪ 901.771.200 of nominal value of MAD 100 each
<ul style="list-style-type: none"> ▪ Legal documents 	<p>The legal documents, particularly the articles of association, the minutes of shareholding meetings, management and auditors' reports can be consulted at the headquarters of Banque Populaire El Jadida-Safi located at 7 avenue Mohamed VI El Jadida.</p>
<ul style="list-style-type: none"> ▪ Applicable laws and regulations 	<ul style="list-style-type: none"> ▪ Through its membership in Crédit Populaire du Maroc, BP El Jadida-Safi is governed by Law 12-96, as supplemented and completed by Law 42-07, Law 44-08, Law 77-14, on the CPM ; ▪ The provisions relating to limited companies with variable capital enacted by Dahir Hijja 17th, 1340 (August 11th, 1922) regarding capital companies, except for derogations under article 23 of the aforementioned Law n° 12/96; ▪ Law n° 103-12 on credit institutions and similar bodies ; <p>And by the articles of association of the company established in accordance with the standard-status under provisions of article 24 of the aforementioned Law 12/96 prepared by the Board Committee.</p>
<ul style="list-style-type: none"> ▪ Tax system 	<ul style="list-style-type: none"> ▪ The BP El Jadida-Safi is imposed as part of the fiscal unity governing CPM : all agencies of CPM are fiscally considered as a single entity in terms of corporate tax and value-added tax. The BCP supports the preparation of tax returns for all CPM agencies.
<ul style="list-style-type: none"> ▪ Competent court in case of litigation 	<ul style="list-style-type: none"> ▪ Court of First Instance of El JADIDA

III.2. SHAREHOLDING

The capital of BP El Jadida-Safi is variable. In the framework of the merger operation, the capital witnessed a continual decrease due to the judgment of subscriptions since February 2016 and the repayments or mutations of members.

On December 31st, 2015, the share capital of BP El Jadida was at MAD 901 771 thousand.

Division of corporate shares	Number of held titles	Amount in MAD thousand
Privileged corporate shares	4 626 431	462 643
Ordinary corporate shares	4 391 279	439 128
TOTAL	9 017 710	901 771
Banque centrale populaire	4 936 223	493 622
Diverse members	4 081 487	408 149
TOTAL	9 017 710	901 771

Source : BP El Jadida-Safi

It should be noted that prior to the merger-absorption of BP El Jadida-Safi by BCP, the following operations will be carried out:

- The Partial Asset Input / Demerger from BP El Jadida-Safi to BP Marrakech-Beni Mellal. The agencies linked to the Safi region include the Business Centre Al Mountazah, banking agencies under the Safi Branch, as well as the Youssoufia, chemaia and Bir Anzarane agencies.
- Operations on corporate shares: ordinary corporate shares of BP El Jadida-Safi are either reimbursed for their holders, or transferred to others Banques Populaires Régionales.

Hence, starting from April 18th, 2016, the BCP is the sole associate of BP El Jadida-Safi.

III.3. MANAGEMENT BOARD AND SUPERVISORY COUNCIL

On May 18th, 2016, the composition of the Management Board is as follows:

Name	Function	Nomination Date	Date of the end of the mandate
- Mr. Mohamed ADIB	President	05/20/2015	12/31/2018
- Mr. Driss ESSAKI	Member	05/20/2015	12/31/2018
- Madam Najat EL KOTAICHI	Member	05/20/2015	12/31/2018
- Mr. Khaldoun EL OUAZZANI	Member	05/20/2015	12/31/2018
- Mr. Said OUDADSSE	Member	05/20/2015	12/31/2018

Source : BP El Jadida-Safi

On April 30th, 2016, the composition of the Supervisory Board of Banque Populaire El Jadida-Safi is as follows:

Name	Function	Nomination date	End of the mandate
JAMAL BENRABIA	President	05/20/2011	05/11/2016
MOUNIR OUAZIZ	Member	05/20/2011	05/12/2016
ADIL SEFFAR	Member	05/20/2011	05/13/2016
MOHAMED LEMKHOUEM	Member	05/20/2011	05/14/2016
MOHAMMED BENOMAR	Member	05/20/2011	05/15/2016

RIAD TANTAOUI	Member	05/20/2011	05/16/2016
EL MOSTAPHA ZEMRAOUI	Member	05/20/2011	05/17/2016
MOHAMED ZAHIDI	Member	05/20/2011	05/18/2016
ABDESSLAM BELGCHOUR	Member	05/20/2011	05/18/2016
RAFIK BENNACER	Member	05/20/2011	05/18/2016
ABDELMAJID MOULIM	Member	05/20/2011	05/18/2016
ABDELHALIM CHEFFI	Member	05/20/2011	05/18/2016

Source : BP El Jadida-Safi

In view of the merger-absorption of BP El Jadida-Safi by the BCP, the mandates of the supervisory council were not subject to renewal.

III.4. MANAGEMENT BODIES

The Management Board body of BP El Jadida-Safi has implemented a number of committees for animation, operating and monitoring of its network and headquarters.

The table below sets the different committees, their composition, mission and the frequency of their meetings:

Committees of BPJ	Composition	Mission	Frequency
Management committee	Management Board, Dept. Heads, Branch Man. Board and A.C.	Information and decision-making	Monthly
Alert Committe of the headquarters	Management Board DGR, Branch Man. Board and A.C.	Monitoring CES	Monthly
Litigation & Recovery Committee	Management Board DGR, Branch Man. Board and A.C.	Procurement to CTX	Upon request
Network Performance Monitoring Committee	Management Board DMPP DMEI, Branch Man. Board and A.C.	Monitoring Commercial Outputs	Monthly
Internal Audit Committee	President of SC, President of the Management Board and IAC	Review of Reports : Audit Compliance, Risk Management and Permanent Control	Quarterly
Regional Credit Committee	Management Board	Decision-making	Daily
Study Days Headquarters Network and Directors	Management Board and the Markets	Development of PMT	Annual
Human Resources Committee	Presidency, HR Management Board	HR Activity	Biannual
Security and Hygiene Committee	Representatives of employees and the employer	Work Conditions	Quarterly
Delegates Meeting	Staff and presidency delegates	Information and consultation	Quarterly
BP El Jadida Safi Supervisory Board	Members of S.C. and the Management Board	Control and Validation	Quarterly
Management Board meeting	Management Board members	Information and Decision-making	Bimonthly

Source : BP El Jadida-Safi

III.5. ACTIVITY OF BP EL JADIDA-SAFI

Evolution of BP El Jadida-Safi network

	2013	2014	2015	Δ 13/14	Δ 14/15
Number of agencies	73	77	81	+4	+4

Source : BP El Jadida-Safi

At the end of 2014, the number of agencies of BP EL Jadida-Safi increase by 5.5% to reach 77 agencies. At the end of 2015, the BP El Jadida-Safi agencies increase by 5.2% to reach 81 agencies.

The number of BP El Jadida-Safi agencies following the input to BP Marrakech stands at 61 agencies and 2 business centers. This input ins effective as of January 1st, 2016.

Evolution of customers

The number of customers by customer type is divided as follows:

Customer type	2013	2014	2015	Δ 13/14	Δ 14/15
Businesses	19 780	19 904	20 139	1%	1%
Individuals	241 767	261 248	278 139	4%	4%
MRE	30 761	32 108	33 464	8%	6%
Number of customers	292 308	313 260	331 742	7%	6%

Source : BP El Jadida-Safi

The customers of BP El Jadida-Safi is dominated by individuals who represent in 2015, 84% of customers, compared to 83% in 2013.

IV. RISK FACTORS

IV.1. CREDIT AND COUNTERPARTY RISKS

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

Risk control system

The following principles serve as guiding for the commitments' control and management approach:

- The control of commitments is the responsibility of all actors involved in the credit sector;
- The architecture of the controls has at least three levels:
 - First level Autocontrol by business managers, directors of agencies and officials of the commercial sector at their respective levels;
 - A priori second level control by National Treatment Centers (NTCs) on the basis of documents submitted by the Front-Office or the support;
 - A posteriori Control by the permanent control system to ensure the compliance of credit decisions.
- Audit and Inspection Générale are the last link in the chain of control as part of their periodic missions.

Assessment and risk monitoring system

In addition to the control system, the bank has implemented a process of evaluation and monitoring credit risks for all customer segments. To this end, the Risk Management Division is relayed by other functions in charge of operational management and permanent risk control, particularly business lines within the BCP that ensure the selection and framing of authorizations, and the entities in charge of risk at the level of BPRs, which play a vital role in monitoring and supervising credit risk through:

- Global surveillance of commitments (by market, risk class, product, activity sector...);
 - Monitoring concentration risk (individual, sectoral) ;
- Monitoring the quality of outstanding risks (evolution of loss and default rates...);
- Periodic portfolio reviews;
 - Ongoing, close-up monitoring of sensitive debts (overruns on lines of credit, authorisations due and not renewed, unpaid amounts, etc.) To this effect, the Watch List is the outcome of all surveillance actions and it is itself subject to monitoring, to enable the Bank to preserve, over time nits recovery potential.

Rating system

In order to equip the credit sector with support tools for decisions on credits to business and professionals, the CPM has a rating system in compliance with the requirements of Basel II/III in terms of conditions of use and usage.

The current rating system is the heart of the system of managing credit risks. The Rating is an essential element in assessing risk and approving credit.

Furthermore, care is given to consistency between the decisions taken and the risk profile and its components as revealed by each rating, in this case the various items of qualitative and quantitative

information contained in the grid. Besides, the objective regarding uses are henceforth defined by risk profile.

Exposure is monitored by analysis of the portfolio rated and the evolution of its distribution. To that effect, periodic reports are prepared by the Risk Management function within BCP and the BPRs, and are intended for the various Committees dedicated to monitoring risks.

Personal clients undergo credit-grant scoring applicable to consumer credit and to property loans. Furthermore. The bank is committed in a project covering the needs of its Retail rating system (individuals, professionals and VSE), which will serve as a basis for the 2nd tranche still necessary for adopting the internal approach to rating.

The bank also has a system of detailed monitoring individual and sectorial risk concentration, in order to comply with prudential rules imposed by the requirement of the risk division, as well as to ensure the diversification of counterparties that is necessary for risk dilution. In that respect, the Group has put in place a process for examining the 100 largest risks by counterparty or group of linked counterparties (about 5 counterparties). That process is duplicated in each BPR in its perimeter. . In parallel, special care is given to commitments as soon as their level exceeds 5% of equity.

Credits by disbursement	In % of productive uses CPM
100 risk premiums CPM (*)	46%
Counterparties eligible for the BAM declaration (*)	25%

* Excluding subsidiaries

As for the management of sectorial risk concentration, the CPM has a monitoring system bases on periodic reporting, sector studies and monitoring sheets.

IV.2. MARKET RISKS

Market risks represent the risks of loss or of exposure on the trading portfolio resulting from unfavourable changes in market parameters (exchange rate, interest rate, cost of ownership titles, costs of raw materials, and volatility of financial derivatives).

The Bank is a financial establishment of the first rank and an important intervener in matters of financial products. It has a system for managing market risks that covers all activities on transactions involving the trading portfolio or that are aimed at covering its elements. Market risks resulting from the banking portfolio are subjected to monitoring and management that are tailored as part of managing structural rate and liquidity risks.

Risk indicators monitoring system

Risk indicators are monitored daily by the Middle Office and by Risk Management. The Risk Management Committee uses quarterly reporting to make sure of exposure levels, profitability, risks relating to market activities, compliance with regulatory requirements, and compliance with systems of limits.

The reporting presented to the Risk Management Committee also includes an analysis of portfolio sensitivity and simulations in the case of extreme scenarios, taking account of portfolio structure and of correlations between the various risk factors.

The risk-reporting system within BP Group comes in two forms:

- A system of periodic regulatory reporting to the supervisor and the supervisory authorities.
- An internal management reporting system on the process of supervising risks, internal control, and implementing the Basel II project.

The regulatory-reporting system is known and standardized for the whole profession. Internal reporting covers, in particular, provision of the following information

- monitoring the state of progress of worksites relating tools of the information system on risks and the convergence plans of the Group's subsidiaries
- risk-surveillance indicators by compartment
- consultation worksites and impact studies carried out with the supervisor and / or the profession.

Tools for controlling and managing market risks

Assessing market risks is based on the combination of two groups of measures: calculating the Value at Risk (VaR) and using sensitivity measures as well as stress scenarios, which enable potential risks to be managed.

The Bank has adopted a structure for managing and monitoring market risks that includes using a VaR approach for the trading portfolio.

Evolution of risk indicators

At the end of December 2015, the overall VaR (one day at 99%), setting aside the correlation effect of the overall portfolio, was MAD 54.81 Million, i.e. 0.13% of the portfolio's market value.

The VaR is mainly concentrated on the bond portfolio and the foreign-exchange futures portfolio, and secondarily on currency-cash transactions and derivatives, as well as on ownership titles.

That is due to the size of those portfolios, the volatility of risk factors, and their weight in relation to other items in the trading portfolio.

Below is the structure of the Bank's portfolio (including investment and treasury titles) and input according to risk factors.

- Foreign-exchange compartment

These new weights reflect better the structure of foreign trade and of settlement currencies. Foreign-exchange futures portfolios and foreign-exchange swaps portfolios recorded fluctuations of between MAD 64 Million and MAD 3.3 Billion during 2015.

The net foreign-exchange position recorded an increase relative to 2014 to reach MAD 3.2 Billion on 31 December 2015. That evolution comes in part from the improvement in positions across all currencies. It should be noted that during 2015, Bank Al-Maghrib carried out a change in the weighting of the rate of the Moroccan dirham, from "80% euro / 20% dollar" to "60% euro / 40% dollar".

Nonetheless, the regulatory limits in relation to the level of own funds, for the overall position and for positions by currency, were respected during financial year 2015.

	Net exchange position in C/V MAD	% Own fund
March 2015	4,26	16,8%
June 2015	4,27	16,4%
September 2015	2,92	11%
December 2015	3,24	11,7

The VaR risk for the exchange-rate trading activity reached MAD 5.3 Million at the end of the year. The exchange-rate futures compartment represents the VaR contributor in the exchange-rate portfolio, with MAD 4 Million.

- Bond compartment

During 2015, the bond-exposure limits on duration and sensitivity were raised, taking account of the Bank's risk strategy and the characteristics of the of Treasury debt in circulation in 2015, as well as the increased of the rate curve over the long term.

At the end of December 2015, the VaR for the bond-trading activity, including the UCITS Bond portfolio, stood at MAD 43.48 Million.

- Shares and UCITS compartment

The outstanding of this portfolio remains stable, by taking account of monetary and diversified UCITS bonds around a medium outstanding of MAD 6 billion, except for the position taking at the end of the year, which brought the position to around MAD 9.7 billion.

At the end of December 2015, the VaR for the trading activity on shares ownership titles stood at MAD 4.1 Million.

IV.3. ALM RISKS

The strategy of management of rate and liquidity global risk is in line with the risk control objective within the development process planned and adopted by the Groupe.

This strategy is based on the following guiding principles:

- Directing development activities in the context of a medium-term plan taking account of the risks of rate and liquidity.
- Maintaining a stable and diversified structure of our deposits with a mastery of the growth potential of our commitments.
- Gradually improving the overall rate Gap to maintain a balance of different activities in terms of rate and liquidity profile.
- Developing variable-rate assets to immunize a portion of the balance sheet following an unfavorable evolution in interest rates.

Global rate risk

The overall rate risk is the loss caused by unfavorable changes in interest rates across the bank's balance sheet with respect to its ability to transform savings and resources into productive uses.

The analysis of global risk of rate is complex because of the need to make hypotheses about the depositors' behavior regarding the maturity of refundable deposits contractually on demand and on the assets and liabilities directly insensitive to interest rates. When the behavioral characteristics of a product

are different from its contractual characteristics, behavioral characteristics are assessed to determine the risk of the underlying real interest rate.

Evolution of risk indicators

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

- the decrease of loans of treasury in Dirhams by around MAD 800 million;
- The increase of portfolio bond at MAD 3.7 billion ;
- The decrease of residual duration of long term deposits, from 6.1 months in December 2014 to 5.8 months in June 2015.

These operations aim at a decrease of short-term assets and an increase of short-term liabilities, which resulted in a reversal of the risk profile. Thus, in case of increase in 100 basis points, earnings range from MAD -65 million against MAD +56 million in December 2014. However, the sensitivity of earnings to a change in interest rates remains well below the limits of the Group's risk objectives.

At the end of December 2015, the risk profile has become positive again due to:

The increase of short-term assets with mainly the increase of received pensions (following a surplus liquidity);

- Decrease of short-term assets, by taking account of non-renewal of given pensions;
- To a lesser extent, the decrease of short-term financing commitments (3.9 billion) and the decrease of guarantee commitments by 5 billion over the short run.

The following table presents the potential impact of an increase in rates by 100 basis points, over a period of 12 months (short term), on the net income of interests and on the economic value of the Groupe in 2014 and 2015. The impact of such change represents less than 2% of GDP and 1.5% of equity.

In % of productive uses CPM	December 2014	June 2015	December 2015
Impact on the revenue (in million)	56	-65	132
Compared to the net banking income	0,53%	-0,59%	1,20%
Impact of the economic value on the CT (in million)	-235	-241	-153
Compared to regulatory equities	-0,95%	-0,85%	-0,54%

Liquidity risk

This risk may arise from the balance sheet structure due to lags between effective maturities of assets and liabilities' elements, funding requirements for future businesses, customer behavior or potential disruptions in markets or economic conditions.

Evolution of risk indicators

Total assets of the Group amounted to MAD 280 billion at the end of December 2015 compared to 266 in December 2014, i.e. a 5.2% increase. In December 2015 compared to December 2014, customer deposits grew faster than loans. Therefore, the liquidity situation of the GBP has improved significantly given the following developments:

- Increase in short-term customer deposits (amounting to MAD 8.2 billion), savings accounts (+2.2 bn MAD) and DAT (+5 bn MAD);

- Improved liquidity from the market: Increase of MAD 1.2 bn in financial loans and decrease by MAD 1 bn in treasuries following the non-renewal of fallen PTF investment;
- Increase in equity due to the increase of BCP capital, dedicated to CPM agents (up to MAD 1.7 bn)

These liquidity surpluses have enabled:

- Funding the growth in credits amounting to MAD 2 billion;
- Not to use the REPO money market (MAD -7.5 bn), particularly with Bank Al-Maghrib.

The remaining liquidity was given on loan in the money market in the form of cash loans or Reverse REPO with credit institutions and financial customers.

The resources of the CPM collected from customers increased by 7.8%, from MAD 207.4 billion in December 2014 to MAD 223.5 in late December 2015.

This increase relates to the book accounts (+ 8.9%) and short-term deposits (+ 7.6%), whereas the refinancing via the money market decreased (BAM pensions). Thus, the share of paid resources with respect to the overall structure of resources has declined slightly between 2014 and 2015.

The Groupe's transformation coefficient stood at 85.2% in December 2015 against 91% a year earlier due to the more significant development of customer deposits compared to credit activity.

IV.4. OPERATIONAL RISKS

Bank Al Maghrib defines the « Operational Risks » as risks of loss resulting from deficiencies or defaults linked to procedures, staff and to internal systems or external events.

GBP's policy on operational risks

The policies and procedures of management and monitoring of operational risks are formalized in the light of the entities involved in the process of evaluation of risk monitoring and control.

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

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

Thus, the main internal circulars governing operational risks are:

- Groupe's operational risk management policy: it defines the general policy of operational risk management both within the CPM, and within the Group Banque Populaire;
- Management of Risks linked to Outsourced Activities of GBP: it defines the general policy in terms of operational risk management to allow outsourcing of certain activities of the Bank, but also the means to implement to have some level of control over risk management among providers;

- General and governance policy for the Business Continuity Plan: It defines the policy of business continuity adopted by the Groupe in order to be able to fulfill its commitments towards its customers and towards its suppliers in case of grave loss.

Main tools for the operational risks management

The four main methodological tools are mapping operational risks, incident collection, system for monitoring outsourced activities and the Business Continuity Plan.

➤ Mapping operational risks

2015 saw a continuation of the review of the mapping of operational risks of the Bank's macro-processes. That review enabled the attainment of objectives relating to:

- putting in place a more qualitative approach to risk assessment that enables a focus on action plans that cover the most critical risks
- harmonising risk assessment between the Banques Populaires Régionales, providing the Group with better visibility of exposure to risk
- concentrating the efforts of the Banques Populaires Régionales on identifying specific risks and proposals for action plans that could serve the whole Group
- a less cumbersome way of updating risk mapping to concentrate on the real challenges identified by business-line experts.

The mapping of operational risks in support areas (Accounting and Logistics) was carried out and validated in the fourth quarter of 2015. The main action plans will be presented to the governance bodies at the beginning of 2016 in order to put in place an implementation schedule. The mapping of the Human Resources activity is being finalised.

The rollout of the approach to risk mapping takes place in accordance with the following phases:

- a detailed analysis of the process: analysis of the systems put in place to manage the activity in terms of procedures, players, and tools;
- identifying risk events: using the Bank's various business lines as a starting point, risk events are identified by scanning main potential risks incurred when an activity is carried out. That identification is gradually refined in the course of meetings with business-line experts;
- measuring and assessing risk events: for each event, the risk is assessed in terms of "probability of occurrence" and of "impact / loss" incurred in case of occurrence, using a scoring grid that can be adapted to the BPRs and subsidiaries;
- assessing the means of risk surveillance and coverage: it involves assessing the quality of existing control arrangements for each risk event. That scoring is carried out on the basis of two criteria: the relevance of the control and its application

➤ Incident collection

There exists a system of collecting operational-risk incidents based on a declarative mechanism with double oversight that is accessible to the various players in the Bank's major operational processes. The incidents input is done directly into the dedicated information-technology tool. The workflow is designed to enable line managers to control the relevance of information escalated by their collaborators, and to receive real-time notification of events that have occurred in their perimeter.

In addition, the Group tool for managing operational risks has been widened to cover several subsidiaries. The latter have been trained to use the tool in order to encourage consolidated incident collection whilst assuring that local administration retains its independence.

➤ **System for monitoring outsourced activities**

The risk management linked to outsourced activities aims at monitoring the level of the bank's exposure to operational risks during the most critical activities conferred upon service providers.

It is characterized by:

- identifying and locating outsourced services on CPM's perimeter, by distinguishing between centralised services (e-money, e-publishing, producing chequebooks, etc.) and regional services (sorting and packing currency notes, transporting funds, security provision, etc.);
- using scores to carry out an analysis that enables areas to be ranked by level of risk, and service providers to be ranked by level of risk management;
- visits carried out by mixed operational and risk teams to assess the level of risk management by the service provider in respects of those aspects that the service provider has received from the Bank;
- action plans to enable better management of risks relating to outsourcing (monitoring the company's financial health, communication on their business continuity plan, on the quality of activity monitoring, etc.);

IV.5. COUNTRY RISK

Risk control policy

During the year 2015, the BCP adopted a country risk management system established around an internal rating model. This model quantifies the countries' risk from quantitative (economic and financial indicators) and qualitative data (policy and regulatory environment). The list of indicators used is multiple (Inflation, Public Balance, investment dynamics, Rule of Law, Regulatory quality...) and is based on publications and appraisals by international bodies (IMF, World Bank, Doing Business...).

The rating is broken down into four different types of risks: sovereign default risk, non-transfer risk, corporate risk assimilated to widespread macroeconomic shock risk and the banking system risk. For each of these types of risk, ratings distinguish the short-term (less than 12 months) and the medium-term (over 12 months).

Under this system, the BCP proceeds for the first time to the establishment of a provision covering the country risk on all its exposures in Sub-Saharan Africa within the ABI scope.

The initiative of the BCP attests its strict policy of managing all risks, with the aim of anchoring its development on solid grounds and to strengthen its fundamentals.

V. FINANCIAL STATEMENTS OF CONSOLIDATED ACCOUNTS IFRS OF THE BCP

V.1. BALANCE SHEET – IFRS

Assets

In MAD million	2013	2014	2015	Δ 13/14	Δ 14/15
Cash values, Central banks, Public Treasury, services of postal checks	6 798	7 707	9 666	13%	25%
Financial assets at fair value through result	21 862	22 299	25 335	2%	14%
Financial assets held for sale	16 422	28 390	26 512	73%	-7%
Loans and receivables to credit and similar institutions	11 537	11 689	19 798	1%	69%
Customer loans and receivables	199 827	206 082	210 134	3%	2%
Investments held till their maturity date	19 841	17 402	16 105	-12%	-7%
Current tax assets	586	818	731	40%	-11%
Deferred tax assets	294	288	480	-2%	67%
Accruals and other liabilities	3 874	4 834	8 913	25%	84%
Investments in equity-consolidated companies	73	54	43	-26%	-20%
Tangible assets	7 647	8 503	9 120	11%	7%
Intangible assets	498	538	737	8%	37%
Purchase goodwill	1 040	1 025	1 253	-1%	22%
TOTAL Assets IFRS	290 299	309 630	328 829	7%	6%

Liabilities

En Mdh	2013	2014	2015	Δ 13/14	Δ 14/15
Central banks, Public Treasury, services of postal checks	101	70	550	-31%	>100%
Financial liabilities at fair value through profit or loss	-	53	-	n.a	-100%
Hedging derivatives	48	-	-	-100%	n.a
Loans and receivables to credit and similar institutions	28 877	32 414	25 804	12%	-20%
Customer debts	209 991	229 821	250 313	9%	9%
Debts represented by a security	-	-	-	n.a	n.a
Issued loan securities	8 095	270	224	-97%	-17%
Current tax liabilities	887	1 127	1 100	27%	-2%
Deferred tax liabilities	1 032	996	436	-3%	-56%
Accruals and other liabilities	3 510	5 643	5 721	61%	1%
Technical provisions of insurance agreements	107	126	847	18%	571%
Provisions for risks and costs	1 596	1 748	2 318	10%	33%
Subsidies, restricted public funds and special funds of guarantee	2 576	2 719	2 642	6%	-3%
Subordinated debts	1 590	2 637	2 676	66%	1%
Capital and associated reserves	16 545	17 344	19 776	5%	14%
Consolidated reserves	11 111	10 101	11 847	-9%	17%
- Group share	3 294	3 294	3 700	0%	12%
- BPRs share	5 758	5 001	-	-13%	-100%
- Minority shareholding	2 059	1 806	8 148	-12%	>100%
Latent or deferred gains or losses, group share	1 028	1 304	1 551	27%	19%
- Group share	1 021	1 333	1 231	31%	-8%
- BPRs share	7	-40	-	<-100%	-100%
- Minority shareholding	0	10	321	>100%	>100%
Net profit of the FY	3 206	3 256	3 023	2%	-7%
- Group share	1 952	2 195	2 511	12%	14%
- BPRs share	1 031	676	-	-34%	-100%
- Minority shareholding	223	384	511	72%	33%
TOTAL LIABILITIES IFRS	290 299	309 630	328 829	7%	6%

V.2. INCOME AND EXPENDITURES ACCOUNTS – IFRS

In MAD million	2013	2014	2015	Δ 13/14	Δ 14/15
Interests and similar income	13 872	14 785	14 967	7%	1%
Interests and similar costs	-4 493	-4 772	-4 478	6%	-6%
Interest margin	9 379	10 013	10 489	7%	5%
Commissions receivables	2 101	2 243	2 183	7%	-3%
Commissions payments	-205	-326	-231	59%	-29%
Commissions margin	1 896	1 917	1 952	1%	2%
Net gains and losses on financial instruments at the fair value through result	1 369	2 158	1 752	58%	-19%
Net gains or losses on financial assets held for sale	275	233	609	-15%	162%
Result of trading activities	1 644	2 391	2 362	45%	-1%
Income of other activities	547	715	1 113	31%	56%
Costs of other activities	-284	-289	-575	2%	99%
Net banking income	13 181	14 747	15 341	12%	4%
General operating costs	-5 750	-6 065	-6 667	5%	10%
Allocation to amortizations and depreciations of tangible and intangible assets	-744	-804	-835	8%	4%
Gross operating result	6 688	7 877	7 839	18%	0%
Risk cost	-1 970	-3 027	-3 253	54%	7%
Operating result	4 718	4 850	4 586	3%	-5%
Share of the result of equity-consolidated companies	5	-2	-8	<-100%	<-100%
Net gains or losses on other assets	98	16	106	-84%	559%
Change of goodwill purchase values	-0	-	-	-100%	n.a
Pre-tax profit	4 821	4 864	4 684	1%	-4%
Income taxes	-1 615	-1 608	-1 661	0%	3%
Net result	3 206	3 256	3 023	2%	-7%
Result – BPR share	1 031	676	-	-34%	-100%
External result	223	384	511	72%	33%
Net Group BCP share result	1 952	2 195	2 511	12%	14%

VI. FINANCIAL STATEMENT OF CORPORATE ACCOUNTS OF BP D'EL JADIDA-SAFI

VI.1. BALANCE SHEET

Assets

In MAD thousand	2013	2014	2015	Var 13/14	Var 14/15
Cash values, Central banks, Public Treasury, services of postal checks	194 900	199 172	252 473	2,2%	26,8%
Loans due on credit and similar institutions	1 671 307	1 994 760	3 146 571	19,4%	57,7%
Customer debts	6 567 485	7 065 663	7 290 132	7,6%	3,2%
Cash and consumer loans	2 108 089	2 135 800	1 874 818	1,3%	(12,2%)
Equipment loans	712 222	703 374	757 259	(1,2%)	7,7%
Mortgage loans	3 553 285	4 076 686	4 392 286	14,7%	7,7%
Other loans	193 889	149 803	265 769	(22,7%)	77,4%
Factoring loans	27 581	31 415	22 734	13,9%	(27,6%)
Transaction and investments securities	8 184	10 211	7 033	24,8%	(31,1%)
Other assets	89 313	92 778	77 191	3,9%	(16,8%)
Investment securities	-	-	-	-	-
Equity securities and similar uses	872 798	894 027	895 191	2,4%	0,1%
Subordinated debts	-	-	-	-	-
Intangible assets	26 076	29 284	29 785	12,3%	1,7%
Tangible assets	110 300	108 101	108 806	(2,0%)	0,7%
TOTAL ASSETS	9 567 944	10 425 411	11 829 916	9,0%	13,5%

Source : BP El Jadida-Safi

Liabilities

In MAD thousand	2013	2014	2015	Var 13/14	Var 14/15
Central banks, Public Treasury, services of postal checks	-	-	-	-	-
Debts owed to credit and similar institutions	3 502	75 916	10 122	>100%	(86,7%)
Customer depositors	8 603 962	9 252 070	9 697 825	7,5%	4,8%
Issued loan securities	-	-	-	-	-
Other assets	37 491	27 881	48 077	(25,6%)	72,4%
Provisions for risks and costs	74 816	79 772	63 008	6,6%	(21,0%)
Regulated provisions	-	-	-	-	-
Subordinated debts	-	-	-	-	-
Reserves and capital-related premiums	373 245	459 060	996 091	23,0%	>100%
Capital	365 434	427 055	901 771	16,9%	>100%
Net income of the FY	109 494	103 657	113 022	(5,3%)	9,0%
TOTAL ASSETS	9 567 944	10 425 411	11 829 916	9,0%	13,5%

Source : BP El Jadida-Safi

VI.2. INCOME AND EXPENDITURES ACCOUNTS

In MAD million	2013	2014	2015	Δ 13/14	Δ 14/15	TCAM 13-15
Bank operating income	560 225	599 833	638 656	7,1%	6,5%	6,8%
Bank operating costs	126 906	134 191	121 388	5,7%	(9,5%)	(2,2%)
Net banking income	433 319	465 642	517 268	7,5%	11,1%	9,3%
Non-banking operating income	3 794	2 008	2 041	(47,1%)	1,6%	(26,7%)
Non-banking operating costs	2 801	6 006	-	>100%		
Staff costs	95 975	98 481	104 997	2,6%	6,6%	4,6%
Taxes and duties	4 504	4 852	5 197	7,7%	7,1%	7,4%
External costs	137 506	148 229	153 945	7,8%	3,9%	5,8%
Other general operating costs	366	462	458	26,2%	(0,9%)	11,9%
Allocation to depreciation and provisions of tangible and intangible assets	16 253	16 511	17 286	1,6%	4,7%	3,1%
General operating costs	254 604	268 535	281 883	5,5%	5,0%	5,2%
Provision write-off for debts and pending commitments by signature	32 988	62 695	84 207	90,1%	34,3%	59,8%
Reversals of depreciated loans	4 152	2 486	27 519	(40,1%)	>100%	>100%
Other provisions write-off	11 132	22 378	7 533	101,0%	(66,3%)	(17,7%)
Allocation to provisions and losses on bad debts	48 272	87 559	119 259	81,4%	36,2%	57,2%
Provision reversal for debts and pending commitments by signature	23 445	14 126	52 323	(39,7%)	>100%	49,4%
Used provision write-off	-	-	-	-	-	-
Recovery of non receivables	3 760	3 877	1 992	3,1%	(48,6%)	(27,2%)
Other provision write-offs	2 661	16 718	22 025	528,3%	31,7%	187,7%
Provision write-off and recovery of non-receivables	29 866	34 721	76 340	16,3%	>100%	59,9%
Current profits	161 302	140 271	194 507	(13,0%)	38,7%	9,8%
Non-current income	25 652	765	387	(97,0%)	(49,4%)	(87,7%)
Non-current costs	29 151	3 586	33 996	(87,7%)	>100%	8,0%
Pre-tax profit	157 803	137 450	160 898	(12,9%)	17,1%	1,0%
Tax on companies	48 309	33 793	47 876	(30,0%)	41,7%	(0,4%)
Net profit of the financial year	109 494	103 657	113 022	(5,3%)	9,0%	1,6%

Source : BP El Jadida-Safi

DISCLAIMER

The aforementioned information is only a part of the prospectus approved by the Moroccan Authority of Capital Markets (AMMC), financial authority, under reference VI/EM/015/2016 on June 17th, 2016. The AMMC recommends reading the full prospectus available to the public in French.