

## SUMMARY

### OF BANQUE MAROCAINE DU COMMERCE EXTÉRIEUR - BMCE BANK'S - PROSPECTUS -



#### ISSUE OF UNLISTED SUBORDINATED BOND LOAN

TOTAL AMOUNT OF THE ISSUE : MAD 1,000,000,000  
MATURITY : 10 YEARS

	Tranche A (unlisted)	Tranche B (unlisted)	Tranche
CAP	MAD 1 Billion	MAD 1 Billion	
NUMBER OF SECURITIES	10,000	10,000	
NOMINAL VALUE	MAD 100,000	MAD 100,000	
TRADABILITY OF SECURITIES	Over the counter		
RATE	Fixed, determined on the basis of the last rate of the BTN 10 years observed on the secondary market as determined on September 10, 2014	Revisable on an annual basis, determined on the basis of the last rate of the 52-week BTN observed on the secondary market as published by Bank Al-Maghrib on September 10, 2014	
RISK PREMIUM	120 basis points	110 basis points	
REPAYMENT OF THE PRINCIPAL AMOUNT	<i>Infine</i>		
MATURITY	10 years		
ALLOCATION METHOD	in proportion to the demand		

**SUBSCRIPTION PERIOD: FROM 15 SEPTEMBER TO 17 SEPTEMBER INCLUDED**

**SUBSCRIPTION RESERVED TO QUALIFIED INVESTISORS AS FOR MOROCCAN LAW  
AS DESCRIBED IN THE PROSPECTUS**

**ADVISING ENTITY**



**CENTRALIZING ENTITY ALSO IN  
CHARGE OF THE PLACEMENT**



Sign-off of the Moroccan financial markets authority ("Conseil Déontologique des Valeurs Mobilières, CDVM")

In accordance with the provisions of the circular of the CDVM, delivered in application of Section 14 of the Decree n° 1-93-212 of September 21st, 1993 related to the Conseil Déontologique des Valeurs Mobilières (CDVM) and to the information required from legal entities issuing securities to the public, as amended and extended, the original copy of the present prospectus has been approved by the CDVM on July 25th, 2014 under the reference VIEM/019/2014.

**Warning:** The Conseil Déontologique des Valeurs Mobilières (CDVM) approved on July 25th, 2014 a prospectus related to the bond issue by BMCE Bank. The prospectus approved by the CDVM is available at any time at the headquarters of BMCE Bank and at the financial advisor. It is also available within a maximum deadline of 48 hours from the order collection entities.

The prospectus is publicly available on the CDVM web site: [www.cdvm.gov.ma](http://www.cdvm.gov.ma).

## ***I- PRESENTATION OF THE OPERATION***

### **1. Characteristics of the operation :**

#### **Warning :**

The subordinated bond distinguishes itself from the classical bond by the rank of claims contractually defined by the subordination clause. The effect of the subordination clause is to condition, in case of liquidation of the issuer, the repayment of the loan to the repayment of the secured or unsecured creditors.

#### ***Characteristics of tranche A (Fixed-rates bonds not listed at the Casablanca Stock Exchange)***

➤ <b>Nature :</b>	Bonds not listed at the Casablanca Stock Exchange, dematerialized through registration with the Central depository (Maroclear) and registered on an account with the chartered affiliates.
➤ <b>Cap for the tranche :</b>	MAD 1,000,000,000
➤ <b>Maximum number of securities to be issued :</b>	10,000 subordinated bonds.
➤ <b>Legal form :</b>	Subordinated debts to the bearer.
➤ <b>Nominal value :</b>	MAD 100,000
➤ <b>Term :</b>	10 years
➤ <b>Subscription period :</b>	From September 15, 2014 to September 17, 2014 included.
➤ <b>Dated date :</b>	September 24, 2014
➤ <b>Maturity date</b>	September 24, 2014
➤ <b>Issue price :</b>	100%, i.e. MAD 100,000 at the date of subscription.
➤ <b>Allocation method</b>	In proportion to the demand
➤ <b>Nominal interest rate :</b>	Fixed rate. The nominal interest rate is determined by reference to the secondary curve of the 10-year T-bond as determined on September 10, 2014. This rate shall be increased by a risk premium ranging between 120 basis points. The nominal interest rates will be published no later than September 11, 2014 by BMCE Bank in a journal of legal ads.
➤ <b>Mode of calculation :</b>	The determination of the reference rate shall be made by the linear interpolation method by using the two points at the beginning and at the end of the 10-year full maturity on an actuarial basis.

➤ <b>Risk premium :</b>	120 basis points.
➤ <b>Interest :</b>	<p>The interest shall be served annually at the anniversary dates of the dated date of the loan, i.e. September 24 of each year. Their payment shall take place on the very same day or the first business day following September 24 if this day is not a business day.</p> <p>Interest on the subordinated bonds shall cease to accrue from the day when the capital shall be proposed for repayment by the BMCE Bank. No postponement of the interest shall be possible under this operation.</p> <p>Interest shall be calculated as per the following formula : [Nominal x nominal rate].</p>
➤ <b>Repayment of capital</b>	<p>Tranche A, not listed at the Casablanca Stock Exchange, shall be the subject of a repayment of the principal amount at the end of the process.</p> <p>In case of merger, demerger or partial contribution of assets from of BMCE Bank taking place during the term of the loan and resulting in the universal transfer of the assets on behalf of a distinct legal entity, the rights and obligations in connection with the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of BMCE Bank. The repayment of the capital is, in case of threatened liquidation of BMCE Bank, subordinated to all other debts.</p>
➤ <b>Early repayment :</b>	<p>BMCE Bank does not undertake, during the period of the loan, the early redemption of the subordinated debt, subject of this issue.</p> <p>However, the bank reserves the right to proceed with the prior approval of Bank Al-Maghrib, to buy back subordinated on the secondary market, provided that the obligations laws and regulations permit that, these repurchases are consequences for a purchaser wishing to keep its securities until maturity and not affect the normal amortization schedule.</p> <p>Subordinated bonds redeemed, may not be canceled after the agreement of Bank Al-Maghrib.</p>
➤ <b>Trading of securities :</b>	<p>Over-the-counter.</p> <p>No restriction is imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
➤ <b>Previous assimilations :</b>	<p>There is no assimilation of the subordinated bonds that are the subject of tranche A to the subordinated bonds subsequently issued by BMCE Bank.</p>
➤ <b>Subsequent assimilations :</b>	<p>In the event where BMCE Bank would issue at a later</p>

	<p>stage new securities enjoying in all regards rights identical to those of this issue, it may, without requiring the bearers' consent, provided that the issue contracts provide for it, conduct the assimilation of all the securities of the successive issues, thus unifying all the operations relating to their management and to their trading.</p>
<p>➤ <b>Rank of the loan :</b></p>	<p>The capital is the subject of a subordination clause.</p> <p>The application of this clause does not violate by no means whatsoever, under the legal rules concerning the accounting principles of allocation of losses, the obligations of the shareholders and the rights of the subscribers to obtain, in accordance with the conditions set in the contract, the payment of its securities in capital and interest.</p> <p>In case of liquidation of BMCE Bank, the subordinated securities of this issue shall be reimbursed in capital at an equal price at par. Their repayment shall take place only after payment of all the secured or unsecured creditors has been made. These subordinated securities shall take place in the repayment in the same rank as all the other subordinated loans that have been and that could have been issued subsequently by BMCE Bank both in Morocco and on the international scene, proportionally to their amount if applicable.</p>
<p>➤ <b>Maintenance of the loan at its rank :</b></p>	<p>BMCE Bank undertakes, until the effective repayment of all the securities of this loan to not institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of this loan.</p>
<p>➤ <b>Guarantee of repayment :</b></p>	<p>This issue is the subject of no particular guarantee.</p>
<p>➤ <b>Rating :</b></p>	<p>This issue has not been the subject of any request for rating.</p>
<p>➤ <b>Representation of the mass of bondholders :</b></p>	<p>Mister Hamad JOUAHRI has been designated manager, as temporary agent of the holders of subordinated bonds of tranches A, and B, according to the legal provisions on the subject.</p> <p>This decision shall take effect from the beginning of the subscription period. Being specified that the interim trustee appointed is the same for tranches A and B of Issue, which are grouped into a single mass.</p> <p>In addition, the Board of Directors of BMCE BANK undertakes, to convene the general meeting of bondholders to appoint the final representative of the bondholders, within a period of one year from the opening of the subscription.</p>
<p>➤ <b>Governing law :</b></p>	<p>Moroccan law.</p>
<p>➤ <b>Court of competent jurisdiction :</b></p>	<p>Casablanca commercial court.</p>

***Characteristics of tranche B (Bonds with a revisable rate not listed at the Casablanca Stock Exchange)***

➤ <b>Nature :</b>	Bonds not listed at the Casablanca Stock Exchange, dematerialized through registration with the Central depository (Maroclear) and registered on an account with the chartered affiliates.
➤ <b>Cap for the tranche :</b>	MAD 1,000,000,000
➤ <b>Maximum number of securities to be issued :</b>	10,000 subordinated bonds.
➤ <b>Legal form :</b>	Subordinated debts to the bearer.
➤ <b>Nominal value :</b>	MAD 100,000
➤ <b>Term :</b>	10 years
➤ <b>Subscription period :</b>	From September 15, 2014 to September 17, 2014 included.
➤ <b>Dated date :</b>	September 24, 2014
➤ <b>Maturity date:</b>	September 24, 2024
➤ <b>Issue price :</b>	100%, i.e. MAD 100,000 at the date of subscription
➤ <b>Allocation method</b>	In proportion to the demand
➤ <b>Nominal interest rate :</b>	<p>Revisable on an annual basis.</p> <p>For the first year, i.e. from September 24, 2014 to September 24, 2015, the nominal rate of the subordinated securities shall be calculated on the basis of the last rate of the monetary 52-week T-bonds observed or calculated by linear interpolation on the rate curve of the secondary market as published by Bank Al-Maghrib on September 10, 2014 (excluding risk premium). The rate thus obtained shall be increased by a risk premium ranging between 110 and 125 base points.</p> <p>The nominal interest rate shall be published at the latest on September 11, 2014 by BMCE BANK in a journal of legal ads.</p> <p>For the following years, the nominal rate of the subordinated securities shall be calculated on the basis of the last rate of the monetary 52-week T-bonds observed or calculated by linear interpolation on the rate curve of the secondary market as published by Bank Al-Maghrib, by at least 5 stock exchange business days preceding each anniversary. The rate thus obtained shall be increased by a risk premium of 110 basis points.</p>
➤ <b>Mode of calculation :</b>	<p>At each anniversary date, the reference rate that be adopted shall be determined according to the following terms:</p> <p>The reference rate of the subordinated securities shall be calculated on the basis of the last rate of the monetary 52-week T-bonds observed or calculated by linear interpolation on the rate curve of the secondary market as published by Bank Al-Maghrib, by at least 05 stock exchange business days preceding each anniversary date.</p>

	The rate thus obtained shall be increased by a risk premium of 110 basis points.
➤ <b>Risk premium :</b>	110 basis points.
➤ <b>Interest :</b>	<p>The interest shall be served annually at the anniversary dates of the dated date of the loan, i.e. September 24 of each year. Their payment shall take place on the very same day or the first business day following September 24 if this day is not a business day.</p> <p>Interest on the subordinated bonds shall cease to accrue from the day when the capital shall be proposed for repayment by the BMCE Bank. No postponement of the interest shall be possible under this operation.</p> <p>Interest shall be calculated as per the following formula : [Nominal x nominal rate x (exact number of days / 360 days)].</p>
➤ <b>Repayment of the capital</b>	<p>Tranche B, not listed at the Casablanca Stock Exchange, shall be the subject of a repayment of the principal amount at the end of the process.</p> <p>In case of merger, demerger or partial contribution of assets from of BMCE Bank taking place during the term of the loan and resulting in the universal transfer of the assets on behalf of a distinct legal entity, the rights and obligations in connection with the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of BMCE Bank. The repayment of the capital is, in case of threatened liquidation of BMCE Bank, subordinated to all other debts.</p>
➤ <b>Early repayment :</b>	<p>BMCE Bank does not undertake, during the period of the loan, the early redemption of the subordinated debt, subject of this issue.</p> <p>However, the bank reserves the right to proceed with the prior approval of Bank Al-Maghrib, to buy back subordinated on the secondary market, provided that the obligations laws and regulations permit that, these repurchases are consequences for a purchaser wishing to keep its securities until maturity and not affect the normal amortization schedule.</p> <p>Subordinated bonds redeemed, may not be canceled after the agreement of Bank Al-Maghrib.</p>
➤ <b>Trading of securities :</b>	<p>Over-the-counter.</p> <p>No restriction is imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
➤ <b>Previous assimilations :</b>	There is no assimilation of the subordinated bonds that are the subject of tranche B to the subordinated

---

bonds subsequently issued by BMCE Bank.

---

➤ **Subsequent assimilations :**

In the event where BMCE Bank would issue at a later stage new securities enjoying in all regards rights identical to those of this issue, it may, without requiring the bearers' consent, provided that the issue contracts provide for it, conduct the assimilation of all the securities of the successive issues, thus unifying all the operations relating to their management and to their trading.

---

➤ **Rank of the loan :**

The capital is the subject of a subordination clause.  
The application of this clause does not violate by no means whatsoever, under the legal rules concerning the accounting principles of allocation of losses, the obligations of the shareholders and the rights of the subscribers to obtain, in accordance with the conditions set in the contract, the payment of its securities in capital and interest.

In case of liquidation of BMCE Bank, the subordinated securities of this issue shall be reimbursed in capital at an equal price at par. Their repayment shall take place only after payment of all the secured or unsecured creditors has been made. These subordinated securities shall take place in the repayment in the same rank as all the other subordinated loans that have been and that could have been issued subsequently by BMCE Bank both in Morocco and on the international scene, proportionally to their amount if applicable.

---

➤ **Maintenance of the loan at its rank :**

BMCE Bank undertakes, until the effective repayment of all the securities of this loan to not institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of this loan.

---

➤ **Guarantee of repayment :**

This issue is the subject of no particular guarantee.

---

➤ **Rating :**

This issue has not been the subject of any request for rating.

---

➤ **Representation of the mass of bondholders :**

Mister Hamad JOUAHRI has been designated manager, as temporary agent of the holders of subordinated bonds of tranches A, and B, according to the legal provisions on the subject.

This decision shall take effect from the beginning of the subscription period. Being specified that the interim trustee appointed is the same for tranches A and B of Issue, which are grouped into a single mass.

In addition, the Board of Directors of BMCE BANK undertakes, to convene the general meeting of bondholders to appoint the final representative of the bondholders, within a period of one year from the opening of the subscription.

---

➤ **Governing law :**

Moroccan law.

---

➤ **Court of competent jurisdiction :**

Casablanca commercial court.

---

## **1. Goals of the Operation**

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

- Promoting the strengthening of BMCE Bank's 2<sup>nd</sup>-tier complementary capital;
- Financing current operations relating to the exercise of BMCE Bank's activity ;
- Financing BMCE Bank's international development ;
- Supporting the development plan in both Morocco and Europe and Africa so as to enable the bank to follow BOA's capital increase plan, and in particular the achievement of a Group net income of \$ 2 billion and nearly a doubling of the ROE.

The funds collected through this issue of subordinated bonds shall be classified among the supplementary equity of the Bank, in accordance with Accounting Plan of Credit Institutions.

## **Timetable for the operation**

<b>Orders</b>	<b>Stages</b>	<b>Maximum deadline</b>
1	Receipt by the Casablanca Stock Exchange of the Prospectus signed off by the CDVM.	25/07/2014
2	Publication of an excerpt of the Prospectus in a journal of legal ads.	08/09/2014
3	Publication of the nominal interest rate by the issuer in a journal of legal ads.	11/09/2014
4	Opening of the subscription period.	15/09/2014
5	Closing of the subscription period.	17/09/2014
6	Bonds' allocation	18/09/2014
7	Settlement/Delivery	24/09/2014
8	Publication of the results of the issue in a journal of legal ads.	25/09/2014

## **I. PRESENTATION OF THE ISSUER**

### **1. General Information**

▪ <b>Name :</b>	Banque Marocaine du Commerce Extérieur, BMCE Bank.
▪ <b>Headquarters :</b>	140, Avenue Hassan II, Casablanca.
▪ <b>Phone :</b>	+ 212 5 22 49 80 04 and 15
▪ <b>Fax :</b>	+ 212 5 22 26 49 65

▪ <b>Website :</b>	<a href="http://www.bmcebank.co.ma">www.bmcebank.co.ma</a>
▪ <b>Legal form :</b>	Public Limited Company with a Board of Directors.
▪ <b>Date of Incorporation :</b>	August 31, 1959.
▪ <b>Life :</b>	99 years.
▪ <b>Registration number in the Trade Registry :</b>	27129 Casablanca
▪ <b>Fiscal year :</b>	From January 01 to December 31.
▪ <b>Purpose :</b> (Article 3 of the Bylaws)	<p>BMCE Bank aims, within the Royal decree (“Dahir”) of February 14, 2006 relating to credit institutions and equivalent institutions :</p> <ul style="list-style-type: none"> <li>• At performing all banking, foreign exchange, treasury, backing, acceptance, discounting, rediscounting, current account overdraft operations and any form of credit in the short, medium and long term ; taking out any loan, any commitments in any currency ; buying, selling or disposing of any movable or immovable property ; conducting all transit operations or fee-based or precious metals trading operations ;</li> <li>• At making all investments, subscriptions, stock exchange purchases and sales or otherwise, in cash or forward, of securities and drafts of all kinds ;</li> <li>• At taking, holding and managing equity interest in all banking, financial, real estate, industrial and commercial undertakings for itself or on behalf of third parties ;</li> <li>• and generally at performing all banking, financial, commercial, industrial, movable and unmovable operations that may be directly or indirectly related to its corporate purpose.</li> </ul>
▪ <b>Share capital :</b> (June 30, 2014)	MAD 1,794,633,900 consisting of 179,463,390 shares with a nominal value of 10 MADs.
▪ <b>Legal documents :</b>	Legal documents of the company, including the Articles of Incorporation, the minutes of general meetings and the reports of external auditors may be consulted at the headquarters of BMCE Bank.
▪ <b>List of relevant legislation:</b>	<p>Due to its legal form, BMCE Bank is governed by Moroccan law and Law No. 17-95 of August 30, 1996 on public limited Companies as amended and supplemented by Law 20-05 ;</p> <p>Due to its activity, BMCE Bank is governed by Royal Decree (“Dahir”) No. 1-05-178 of Muharram 15, 1427 (February 14, 2006) enacting Law No. 34-03 relating to the exercise of the activity of credit institutions and similar organizations (Banking Law) ;</p> <p>Due to the listing of its shares on the Casablanca Stock Exchange, BMCE Bank is subject to all applicable laws and regulations relating to financial markets and in particular :</p> <ul style="list-style-type: none"> <li>• The Royal decree (“Dahir”) No. 1-93-211 of September 21, 1993 on the Stock Exchange as amended and supplemented by laws 34-96, 29-00, 52-01 and 45-06 ;</li> <li>• The General Rules of the Stock Exchange approved by the Ordinance of the Minister of Economy and Finance No. 499-98 of July 27, 1998 and amended by the Ordinance of the Minister of Economy, Finance, Privatization and Tourism No. 1960-01 of October 30, 2001. This latter was modified by the amendment of June 2004 that came into force in November 2004 and by Ordinance No. 1268-1208 dated July 07, 2008;</li> <li>• Royal decree (“Dahir”) No. 1-93-212 of 4 Rabi II 1414 (September 21, 1993) relating to the Moroccan Financial Markets Authority (CDVM) and to the information required from listed entities as amended and supplemented by Laws No. 23-01, 36-05 and 44-06;</li> <li>• The General Rules of CDVM as approved by the Ordinance of the Minister of Economy and Finance No. 822 08 of April 14, 2008 ;</li> </ul>

- The Royal decree (“Dahir”) No. 1-95-3 of Sha’ban 24, 1415 (January 26, 1995) enacting Law No. 35-94 and the Ordinance of the Ministry of Finance and External Investments No. 2560-95 of October 9, 1995 on negotiable debt instruments ;
- The Royal decree (“Dahir”) No. 35-96 relating to the creation of the Central Depository and the establishment of a general system of registration in accounts of some securities, amended and supplemented by Law No. 43-02 ;
- The General rules of the Central Depository approved by the Ordinance of the Minister of Economy and Finance No. 932-98 dated April 16, 1998 and amended by the Ordinance of the Minister of Economy, Finance, Privatization and Tourism No. 1961-01 of October 30, 2001 ;
- The Royal decree (“Dahir”) No. 1-04-21 of April 21, 2004 enacting Law No. 26-03 relating to public offerings on the stock market and amended by Law 46-06.

▪ **Taxation status :** BMCE Bank is subject, as a credit institution, to the corporate tax (37%) and to VAT (10%).

▪ **Competent court in case of dispute :** Casablanca Commercial Court.

## 2. Shareholding structure

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

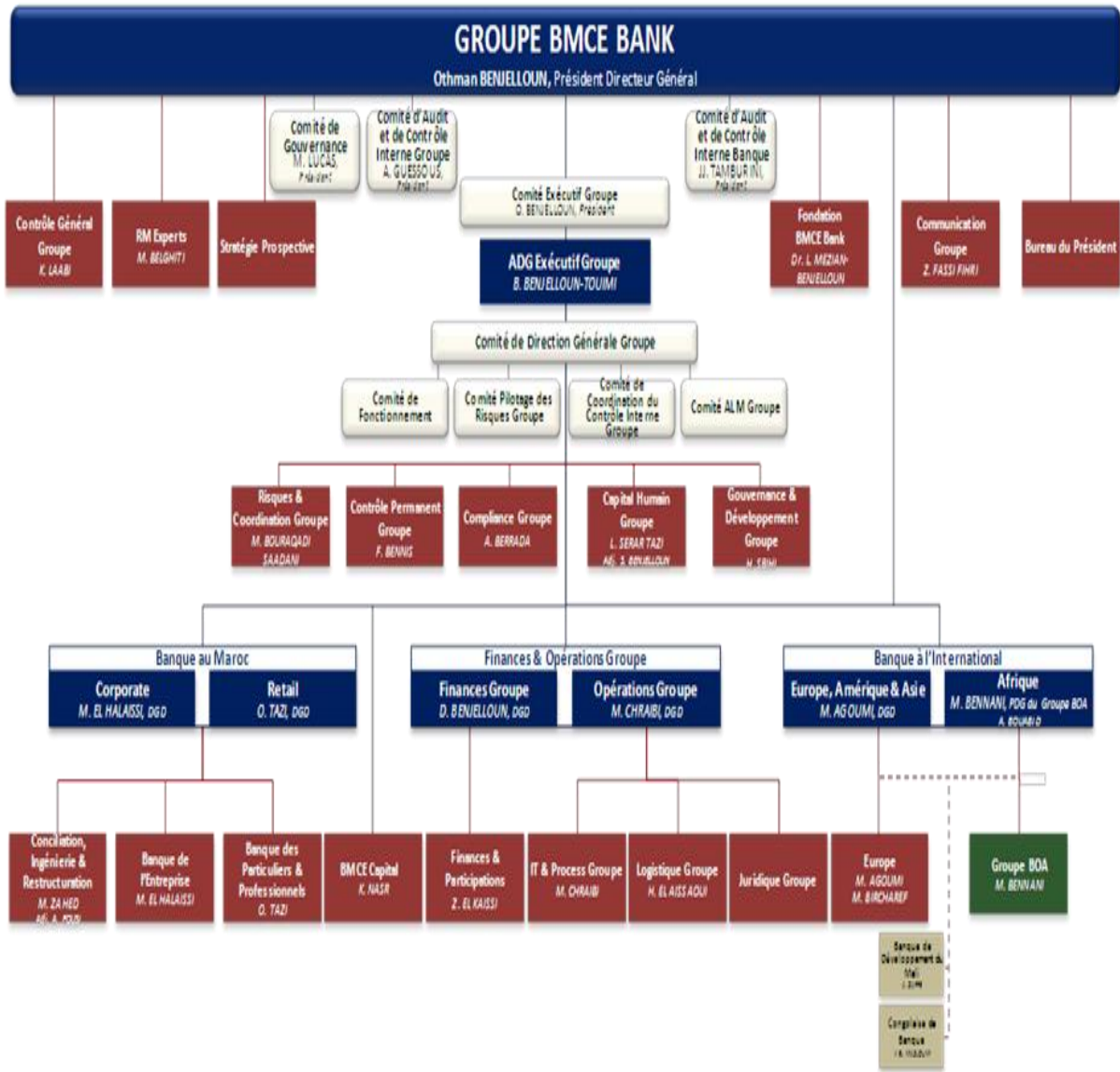
As of 30 april 2014, BMCE Bank shareholding structure is as follows :

Shareholder	Number of shares	% of capital	% of voting rights
<b>Controlling stake</b>	<b>65 426 643</b>	<b>36,48%</b>	<b>36,48%</b>
<i>RMA Watanya*</i>	53 814 091	30%	30%
<i>Financecom</i>	10 705 347	5,97%	5,97%
<i>SFCM</i>	907 205	0,51%	0,51%
<b>Stable shareholdings</b>	<b>83 419 371</b>	<b>46,48%</b>	<b>46,48%</b>
<i>Banque Fédérative du Crédit Mutuel</i>	47 029 054	26,21%	26,21%
<i>Caisse de Dépôt et de Gestion</i>	15 186 872	8,46%	8,46%
<i>MAMDA/MCMA</i>	9 220 533	5,14%	5,14%
<i>CIMR</i>	7 348 804	4,09%	4,09%
<i>BES VIDA</i>	4 634 108	2,58%	2,58%
<b>Other</b>	<b>30 617 376</b>	<b>17,06%</b>	<b>17,06%</b>
<i>BMCE Employees</i>	2 663 179	1,48%	1,48%
<i>Free float</i>	27 954 197	15,58%	15,58%
<b>TOTAL</b>	<b>179 463 390</b>	<b>100,00%</b>	<b>100,00%</b>

(\*) Excluding OPCVM dedicated to RMA Watanya

Source : BMCE Bank

### 3. Organization chart



# FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET 2013

<b>Balance Sheet</b>			
<b>Assets</b>	<b>NOTES</b>	<b>2013</b>	<b>2012</b>
Cash and amounts due from central banks and post office banks	4.1	11 939 091	9 922 200
Financial assets at fair value through profit or loss	4.2	28 223 948	34 244 677
Derivatives used for hedging purposes		-	-
Available-for-sale financial assets	4.3	3 319 804	2 795 923
Loans and receivables due from credit institutions	4.4	18 145 727	21 396 946
Loans and receivables due from customers	4.5	149 374 957	138 808 778
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	4.7	12 536 742	10 518 941
Current tax assets	4.8	92 432	215 856
Deferred tax assets	4.8	257 635	309 870
Accrued income and other assets	4.9	4 317 433	4 938 775
Non current assets held for sale		-	-
Investment associates	4.10	472 624	406 928
Investment property	4.11	947 602	614 160
Property, plant and equipment	4.11	5 465 769	5 131 528
Intangible assets	4.11	770 522	751 455
Goodwill	4.12	832 470	832 470
<b>TOTAL ASSETS</b>		<b>236 696 756</b>	<b>230 888 507</b>

(In thousand MAD)

<b>LIABILITIES &amp; SHAREHOLDERS EQUITY</b>	<b>NOTES</b>	<b>2013</b>	<b>2012</b>
Due to Central Banks and Post Office Banks		68 253	67 382
Financial liabilities at fair value through profit or loss	4.2	2 437 494	1 614
Derivatives used for hedging purposes		-	-
Due to credit institutions	4.4	35 068 715	34 228 166
Due to customers	4.5	148 790 337	144 650 757
Debt securities	4.6	12 451 775	14 014 898
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	4.8	94 368	36 296
Deferred tax liabilities	4.8	989 759	983 149
Accrued expenses and other liabilities	4.9	11 380 363	13 210 125
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	4.13	456 573	520 590
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	4.6	5 815 661	4 760 333
<b>TOTAL DEBTS</b>		<b>217 553 298</b>	<b>212 473 310</b>
<b>Capital and related reserves</b>		<b>12 104 178</b>	<b>11 981 368</b>
<b>Consolidated reserves</b>		<b>-</b>	<b>-</b>
- Attributable to parent		1 456 083	1 276 693
- Non-controlling interests		3 612 458	3 516 000
Unrealized or deferred gains or losses, attributable to parent		107 914	81 912
Unrealized or deferred gains or losses, non-controlling interests		-17 778	-18 970
<b>Net Income</b>		<b>-</b>	<b>-</b>
- Attributable to parent		1 230 796	921 885
- Non-controlling interests		649 807	656 309
<b>TOTAL CONSOLIDATED SHARE HOLDERS'S EQUITY</b>		<b>19 143 458</b>	<b>18 415 197</b>
<b>TOTAL</b>		<b>236 696 756</b>	<b>230 888 507</b>

(In thousand MAD)

## CONSOLIDATED BALANCE SHEET 2012

<b>Assets</b>	<b>NOTES</b>	<b>2012</b>	<b>2011</b>
Cash and amounts due from central banks and post office banks		9 922 200	6 391 958
Financial assets at fair value through profit or loss	5.1	34 244 677	31 732 316
Derivatives used for hedging purposes		-	-
Available-for-sale financial assets	5.2	2 795 923	2 330 377
Loans and receivables due from credit institutions	5.3	21 396 946	23 822 680
Loans and receivables due from customers	5.4	138 808 778	121 342 658
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	5.6	10 518 941	9 590 911
Current tax assets	5.7	215 856	408 979
Deferred tax assets	5.7	310 849	321 084
Accrued income and other assets	5.8	4 938 775	4 559 041
Non current assets held for sale		-	-
Investment in companies consolidated under the equity method	5.9	406 928	399 358
Investment property	5.10	614 160	547 099
Property, plant and equipment	5.10	5 131 528	5 064 126
Intangible assets	5.10	751 455	645 081
Goodwill	5.11	832 470	832 470
<b>TOTAL ASSETS</b>		<b>230 889 486</b>	<b>207 988 138</b>

<b>LIABILITIES &amp; SHAREHOLDERS EQUITY</b>	<b>NOTES</b>	<b>2012</b>	<b>2011</b>
Due to Central Banks and Post Office Banks		67 382	-
Financial liabilities at fair value through profit or loss	5.1	1 614	1 752
Derivatives used for hedging purposes		-	-
Due to credit institutions	5.3	34 228 166	24 848 609
Due to customers	5.4	144 650 757	139 152 010
Debt securities	5.5	14 014 898	12 008 860
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	5.7	36 296	324 592
Deferred tax liabilities	5.7	983 149	934 127
Accrued expenses and other liabilities	5.8	13 210 127	8 971 070
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	5.12	523 235	457 440
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	5.5	4 760 333	4 904 381
<b>TOTAL DEBTS</b>		<b>212 475 957</b>	<b>191 602 841</b>
<b>Capital and related reserves</b>		<b>11 981 368</b>	<b>10 451 134</b>
<i>Consolidated reserves</i>		-	-
<i>- Attributable to parent</i>		1 269 541	1 045 085
<i>- Non-controlling interests</i>		3 516 000	3 318 803
Unrealized or deferred gains or losses, attributable to parent		86 129	82 186
Unrealized or deferred gains or losses, non-controlling interests		-18 970	-19 665
Net Income			
<i>- Attributable to parent</i>		923 152	850 199
<i>- Non-controlling interests</i>		656 309	657 555
<b>TOTAL CONSOLIDATED SHARE HOLDERS'S EQUITY</b>		<b>18 413 529</b>	<b>16 385 297</b>
<b>TOTAL</b>		<b>230 889 486</b>	<b>207 988 138</b>

(In thousand MAD)

## CONSOLIDATED BALANCE SHEET 2011

Assets	NOTES	Dec 11	Dec 10
Cash and amounts due from central banks and post office banks		6 391 958	8 033 096
Financial assets at fair value through profit or loss	5.1	31 732 316	27 750 733
Derivatives used for hedging purposes		-	-
Available-for-sale financial assets	5.2	2 330 377	1 847 394
Loans and receivables due from credit institutions	5.3	23 822 680	22 971 432
Loans and receivables due from customers	5.4	121 342 658	107 367 885
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	5.6	9 590 911	8 321 093
Current tax assets	5.7	408 979	383 596
Deferred tax assets	5.7	321 084	371 417
Accrued income and other assets	5.8	4 559 041	3 260 722
Non current assets held for sale		-	-
Investment in companies consolidated under the equity method	5.9	399 358	382 171
Investment property	5.10	547 099	520 667
Property, plant and equipment	5.10	5 064 126	4 795 142
Intangible assets	5.10	645 081	651 205
Goodwill	5.11	832 470	531 006
<b>TOTAL ASSETS</b>		<b>207 988 138</b>	<b>187 187 559</b>

(In thousand MAD)

LIABILITIES & SHAREHOLDERS EQUITY	NOTES	Dec 11	Dec 10
Due to Central Banks and Post Office Banks		-	-
Financial liabilities at fair value through profit or loss	5.1	1 752	1 275
Derivatives used for hedging purposes		-	-
Due to credit institutions	5.3	24 848 609	13 602 716
Due to customers	5.4	139 152 010	132 019 155
Debt securities	5.5	12 008 860	11 444 054
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	5.7	324 592	316 356
Deferred tax liabilities	5.7	934 127	906 568
Accrued expenses and other liabilities	5.8	8 971 070	8 093 984
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	5.12	457 440	349 989
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	5.5	4 904 381	4 634 497
Shareholders Equity			
Group Share		12 428 604	12 390 435
<i>Share capital and reserves</i>		10 451 134	10 439 225
<i>Consolidated reserves</i>		1 045 085	1 153 220
<i>Unrealised gains and losses</i>		82 186	-20 979
<i>Net Income</i>		850 199	818 969
Minority interests		3 956 693	3 428 530
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>		<b>207 988 138</b>	<b>187 187 559</b>

(In thousand MAD)

## INCOME STATEMENT 2013

	NOTES	2013	2012
+ Interests and similar income		11 446 765	10 822 706
- Interests and similar expense		-4 801 885	-4 579 824
<b>Net Interest income</b>	2.1	<b>6 644 880</b>	<b>6 242 882</b>
+ Fees received and commission income		2 206 721	1 846 607
- Fees paid and commission expense		-459 319	-320 911
<b>Net fee income</b>	2.2	<b>1 747 402</b>	<b>1 525 696</b>
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	798 364	651 021
+/- Net gains or losses on available for sale financial assets	2.4	162 635	150 157
<b>Income from market transactions</b>		<b>960 999</b>	<b>801 178</b>
+ Other banking revenues	2.5	896 079	781 350
- Other banking expenses	2.5	-358 334	-333 330
<b>Net Banking Income</b>		<b>9 891 026</b>	<b>9 017 776</b>
- General Operating Expenses	2.9	-5 300 375	-4 862 579
- Allowances for depreciation and amortization PE and intangible assets	2.9	-654 657	-573 940
<b>Gross Operating Income</b>		<b>3 935 994</b>	<b>3 581 257</b>
- Cost of Risk	2.6	-1 295 268	-1 107 613
<b>Operating Income</b>		<b>2 640 726</b>	<b>2 473 644</b>
+/- Share in net income of companies accounted for by equity method		69 089	65 770
+/- Net gains or losses on other assets	2.7	12 207	-390 484
+/- Change in goodwill		-	-
<b>Pre-tax earnings</b>		<b>2 722 022</b>	<b>2 148 930</b>
+/- Corporate income tax	2.8	-841 419	-570 737
<b>Net income</b>		<b>1 880 603</b>	<b>1 578 193</b>
Non-controlling interests		649 807	656 309
<b>Net income attributable to parent</b>		<b>1 230 796</b>	<b>921 885</b>
Earnings per share		6,9	5,1
Diluted Earnings per share		6,9	5,1

(In thousand MAD)

## INCOME STATEMENT 2012

	NOTES	2012	2011
+ Interests and assimilated revenues		10 822 706	9 667 668
- Interests and assimilated charges		-4 579 824	-4 095 844
<b>Net Interest income</b>	2.1	<b>6 242 882</b>	<b>5 571 824</b>
+ Fees received		1 846 607	1 703 136
- Fees paid		-320 911	-280 201
<b>Net fee income</b>	2.2	<b>1 525 696</b>	<b>1 422 935</b>
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	651 021	702 730
+/- Net gains or losses on available for sale financial assets	2.4	150 157	27 075
<b>Income from market transactions</b>		<b>801 178</b>	<b>729 805</b>
+ Other banking revenues	2.5	781 350	792 174
- Other banking expenses	2.5	-333 330	-376 675
<b>Net Banking Income</b>		<b>9 017 776</b>	<b>8 140 063</b>
- General Operating Expenses		-4 860 566	-4 588 896
- Allowances for depreciation and amortization of 1&E and intangible assets		-573 940	-535 299
<b>Gross Operating Income</b>		<b>3 583 270</b>	<b>3 015 868</b>
- Cost of Risk	2.6	-1 107 613	-872 214
<b>Operating Income</b>		<b>2 475 657</b>	<b>2 143 654</b>
+/- Share in net income of companies accounted for by equity method		65 770	44 590
+/- Net gains or losses on other assets	2.7	-390 484	-6 717
+/- Change in goodwill		-	-
<b>Pre-tax earnings</b>		<b>2 150 943</b>	<b>2 181 527</b>
+/- Corporate income tax	2.8	-571 482	-673 773
<b>Net income</b>		<b>1 579 461</b>	<b>1 507 754</b>
Non-controlling interests		656 309	657 555
<b>Net income attributable to parent</b>		<b>923 152</b>	<b>850 199</b>

(In thousand MAD)

## INCOME STATEMENT 2011

	NOTES	Dec 11	Dec 10
+ Interests and assimilated revenues		9 350 022	10 808 823
- Interests and assimilated charges		-4 095 844	-5 952 292
<b>Net Interest income</b>	2.1	<b>5 254 178</b>	<b>4 856 531</b>
+ Fees received		1 703 136	1 648 926
- Fees paid		-280 201	-295 369
<b>Net fee income</b>	2.2	<b>1 422 935</b>	<b>1 353 557</b>
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	1 020 376	973 334
+/- Net gains or losses on available for sale financial assets	2.4	27 075	143 552
<b>Income from market transactions</b>		<b>1 047 451</b>	<b>1 116 886</b>
+ Other banking revenues	2.5	792 174	638 171
- Other banking expenses	2.5	-376 675	-413 112
<b>Net Banking Income</b>		<b>8 140 063</b>	<b>7 552 033</b>
- General Operating Expenses		-4 588 896	-4 169 863
- Allowances for depreciation and amortization of 1&E and intangible assets		-535 299	-484 499
<b>Gross Operating Income</b>		<b>3 015 868</b>	<b>2 897 671</b>
- Cost of Risk	2.6	-872 214	-819 496
<b>Operating Income</b>		<b>2 143 654</b>	<b>2 078 175</b>
+/- Share in net income of companies accounted for by equity method		44 590	34 337
+/- Net gains or losses on other assets	2.7	-6 717	-75 381
+/- Change in goodwill		-	-
<b>Pre-tax earnings</b>		<b>2 181 527</b>	<b>2 037 131</b>
+/- Corporate income tax	2.8	-673 773	-612 550
Net earnings		1 507 754	1 424 581
Minority interests		657 555	605 612
<b>Net earnings - Group Share</b>		<b>850 199</b>	<b>818 969</b>

(In thousand MAD)

## RISKS RELATED TO THE BANK AND TO ITS SECTOR

### 1. Counterparty Risk Management

Loans granted (to customers and to credit institutions) by the Bank (Consolidated Activity) amounted to MAD 167.5 billion versus 160.2 billion during the previous year.

BMCE Bank will expand its field of intervention to the segment of SME's that represent 90% of the Moroccan economy. In fact, this segment carries higher margins and offers a pool of opportunities not only in terms of bank loans but also finance advisory and restructuring.

The Bank has undertaken a substantial consolidation effort of its receivables portfolio, an effort that the Bank maintains under its risk management policy and in compliance with the prudential rules issued by Bank Al-Maghrib, as well as in compliance with sound practices in terms of risk management.

In organizational terms, the Bank's policy commitments are reviewed by the Management Committee (CCD) and the Credit Committee.

The CCD is responsible for setting aggregated risk limits in the activities of the bank, also approved by the Audit Committee and Internal Control and by the Board of Directors. For its part, the Credit Committee approves all commitments.

To manage its credit risk, BMCE Bank has defined rules based on a particular internal rating system, a system of delegation of powers, and a limits management system aimed at overcoming the concentration risk.

## **2. Interest Rate, Currency and Liquidity Risk**

### **Decision-making process in terms of ALM management**

The Audit and Internal Control (ALCO) Committee is responsible for overseeing the management of interest rate, currency and liquidity risk, and receives on a regular basis reports on compliance with the limits and guidelines established.

The ALCO Committee reviews the management framework and the key policies in terms of rates and liquidity and submits them for approval by the Board of Directors.

The Board of Directors approves the management framework and is informed of BMCE Bank's interest rate and liquidity position.

Within the Finance Division, the ALM Department oversees the development of policies, strategies, and emergency plans. In terms of management of interest rate and liquidity risks, the Department recommends and monitors the limits within this framework.

### **Overall Liquidity risk**

The liquidity ratio stood at 104.18% at the end of Dec. 2013, above the regulatory limit of the Moroccan Central Bank (BAM) set at 100%.

At the end of Dec. 2013, the liquidity gap over 12 months recorded a surplus liquidity of MAD 8.9 billion versus 7.0 billion at the end of December 2012.

### **Global Rate Risk**

The results of the *stress tests* conducted as of December 31, 2013 relating to the impacts of a change in interest of 200 base points on the interest margin and economic value of equity, stand in accordance with the limits set by the ALCO Committee.

Indeed, the impact on the interest margin is estimated at MAD 11 million, i.e. 0.22% of the projected GDP in 2014 (below the ALCO limit set at 5%), and the impact on the economic value of equity is estimated at MAD 326 million, i.e. 2.39% of Regulatory Capital, below the ALCO limit set at 20%.

## **3. Rate and Liquidity Risk (Market Risks)**

### Analysis of liquidity risk

As of December 31, 2013, the analysis revealed a liquidity of 100.02%.

Indeed, the monetary liabilities stood at MAD 16,348 million of a duration equal to 11.82 days, while liquid assets stand at MAD 32,494 million.

Furthermore, it is noted that 77.03% of the value of the bond assets consist of Treasury Bills, which ensures an almost complete liquidity. This asset class totaled MAD 2,477 million.

### Analysis of interest rate risk

The assets are primarily made up of Treasury Bills, Negotiable Debt Instruments, and Bonds.

These assets are mainly financed by short-term liabilities with duration of 11.8 days.

The bond portfolio (as of December 31, 2013) has an average yield of 4.19% for an average duration of 1.07 years and an average sensitivity of 1.03 years. Its outstanding market value is MAD 3,176,660,000. A parallel evolution in interest rates of 100+ Bps would then lead to an average loss of MAD 31.97 million.

The spectrum of sensitivities below shows the choice of breakdown of the total sensitivity of the different types of paper, and displays therefore the choice of projection of the interest rate and currency risk on different maturity ranges.

### Currency Risk

Currencies	Currency position *	Equivalent value in MADs	% EQUITY
EUR *	- 27574	- 309670	2.27%
LYD	4	26	0.00%
QAR	- 158	-	0.00%
BHD		-	0.00%
SEK	548	693	0.01%
CHF	- 871	- 7970	0.06%
TND	- 679	- 3374	0.02%
CAD	- 76	- 583	0.00%
DZD	22085	2304	0.02%
KWD	243	7014	0.05%
SAR	8999	19559	0.14%
AED	7459	16554	0.12%
JPY	- 748	- 58	0.00%
DKK	498	750	0.01%
NOK	769	1031	0.01%
USD *	- 10235	- 83432	0.61%
GBP	- 30	- 405	0.00%

(\*) Assets - liabilities in the same currency + / - Net term liabilities + / - Delta options

- Data as of 31-12-2013

Source: BMCE Bank

The sum of net foreign exchange positions is as follows:

- For long positions: MAD 47,931 thousand, i.e. 0.35% of the net equity.
- For short positions: MAD 405,492 thousand, i.e. 2.97% of the net equity.
- The total net amounted to MAD 357,561 thousand, corresponding to 2.62% of the net equity.

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

#### 4. Regulatory risks

*Solvency ratio as of December 31, 2013 (Basel II) on a consolidated basis*

	Weighted assets (K MAD)
Weighted credit risk	148 611 519
Weighted market risk	11 475 663
Weighted operational risk	16 157 946
<b>Total risk-weighted assets</b>	<b>176 245 128</b>

	Amount (in thousand MADs)
Core capital	15 988 682
Total risk-weighted assets	176 245 128
<b>Minimum solvency ratio</b>	<b>12.74%</b>

Source : BMCE Bank

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

It goes indeed from **12.26%** in 2011 to **13.14%** in 2012. This ratio stood at **12.74%** at the end of fiscal year 2013.

#### 1. Equity Portfolio Risks

At the end of 2013, provisions for impairment (on an aggregate basis and including Partner's current accounts) total an amount of MAD 1.11 Billion versus 1.16 Billion at the end of 2012, a decrease of 4%. The main provisions relate to BMCE International Holdings (MAD 707 million), ESFG (MAD 125.5 million), Hanouty (MAD 107.5 million), ESI (MAD 79.1 million), EMAT (MAD 30.4 million) and Magshore (MAD 19.3 million).

Allowances for the Fiscal Year totaled an amount of MAD 17.6 million. As for the reversals, they amounted to MAD 93 million, i.e. a net reversal of MAD 75 million.

**Warning:** The above information represents only a part of the prospectus approved by Conseil Déontologique des Valeurs Mobilières (CDVM) under the reference n° VI/EM/019/2014 on July 25th, 2014.

The CDVM advises reading the full prospectus available in French.